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Michelle Donelan MP
Minister of State for Universities

Sanctuary Buildings 20 Great Smith Street Westminster London SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

Rt Hon George Howarth MP

Email: george.howarth.mp@parliament.uk

Dear George,

Thank you for your email of 20 May, addressed to the Department of Business, Energy & Industrial Strategy, about achieving stability in the higher education (HE) sector following COVID-19. I am replying as the minister responsible for this policy area and I apologise for the delay in responding to you.

The Secretary of State, has announced a package of measures, drawing on proposals from the universities sector, to stabilise university admissions this autumn and ensure sustainability in HE at a time of unprecedented uncertainty.

In order to ensure a fair, structured distribution of students across providers, temporary student number controls have been put in place for full-time, undergraduate domestic and EU students for academic year 2020/21 (with certain specific exemptions). Providers will be able to recruit students up to a temporary set level, based on provider forecasts, which allows additional growth of up to 5% in the next academic year.

The Education Secretary will also have the discretion to allocate an additional 10,000 places on top of the controls, of which 5,000 will be allocated to students studying nursing or allied health courses to ensure growing numbers that will support our vital public services. This measure will only apply to full-time, undergraduate, UK/EU domiciled students, with certain specified exemptions. These controls will not apply to international (non-EU) students.

Universities and colleges that are registered with the OfS are regulated by them and must meet certain conditions. The OfS has the powers to introduce new conditions of registration, provided they have regard to OfS' general duties set out in legislation. The OfS consulted on this and the consultation closed on 26 May. The OfS considered the responses before introducing the condition and in these instances the OfS believe the introduction of a temporary registration condition (designed to address specific circumstances relating to the impact of the coronavirus pandemic) is necessary and proportionate. The OfS has published its response which can be accessed at: <https://tinyurl.com/Ya5sQ3k4>.

On 4 May, the government announced a major package of support for HE providers. As a part of this, we announced a reprofiling of Quality-related Research (QR) funding in England, bringing £100m forward as a short-term measure to help safeguard university research and act as a reassuring signal to the research sector.

The government has also: pulled forward tuition fee payments, expected to be worth £2.6 billion, for providers so that they receive more cash in the first term of academic year 2020/21; confirmed providers are eligible to apply for the government financial support schemes estimated by the OfS to be worth at least £700 million to the sector; and announced a joint BEIS/DFE Ministerial Task Force on the sustainability of university research to identify and assess impacts facing universities and consider approaches to help address these. Additionally, on 27 June, the government announced two new support packages to protect research jobs and ground-breaking research projects impacted by coronavirus.

From this autumn, UK universities will be able to access a series of government grants and long-term, low interest loans covering up to 80% of their income losses caused by an expected decline in international students, ensuring that their crucial research can continue. Further, around £280 million government funding will be made available to universities impacted by coronavirus. This will fund extensions to grants, allowing them to continue developing ambitious and innovative research projects, funded through UKRI and the National Academies, including supporting researchers' salaries and other research costs like laboratory equipment and fieldwork. More details can be accessed at: tinyurl.com/YAMVULLP.

We expect access to the business support schemes, reprofiling of public funding and student number controls should help stabilise most providers' finances, and that should certainly be the first port of call for providers. This department is working closely with the Treasury and other government departments to develop a restructuring regime for HE providers in England. We will only intervene where we find there is a case to do so, and only where we believe intervention is possible and appropriate, and as a last resort.

A restructuring regime will review providers' circumstances and assess the need for restructuring, financial support and any attached conditions. We are also discussing our approach with the Devolved Administrations. Additionally, the OfS are continuing to monitor the financial health of institutions.

Universities have an integral part to play in our economy, society and culture, which is highlighted now more than ever through their leading role in the fight against the coronavirus outbreak. That is why we have introduced this package of measures to boost support for students, stabilise the admissions system and ease the pressures on universities' finances. I have written to all Honourable Members, with full details of the package, which is also available on GOV.UK at: tinyurl.com/Y7V2LXZH.

Thank you for again for your support on this important matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Donelan', with a long horizontal flourish extending to the right.

Michelle Donelan MP
Minister of State for Universities