



2021-0037173MDPO

Michelle Donelan MP
Minister of State for Universities

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Ms Liz Macfarlane
President, NSEAD

Email: sophieleach@nsead.org

24 August 2021

Dear Liz,

Thank you for your letter of 26 July, addressed to the Secretary of State, regarding the reallocation of high-cost subject funding within the Strategic Priorities Grant. I am replying as the minister responsible for this policy area.

In January 2021, the Secretary of State for Education asked the Office for Students (OfS) to reform the Strategic Priorities Grant for the 2021-22 academic year to ensure we are more strategic with our use of taxpayers' money. These reforms include the reallocation of high-cost subject funding, which is one element of the Strategic Priorities Grant, towards the provision of high-cost subjects that support the NHS and wider healthcare policy, high-cost STEM subjects, and subjects meeting specific labour market needs.

On 26 March, the OfS launched a six-week consultation on these proposals and has set out its response. This consultation was conducted in accordance with the government's consultation principles. A summary and analysis of the consultation responses can be found on the OfS website at: tinyurl.com/4UPZU3BU.

Whilst I understand that this may be a cause of concern for some, it is important to mention, as you do in your letter, that funding from the Strategic Priorities Grant is a small percentage of the total income of the higher education (HE) sector.

The high-cost subject funding rate for arts and music courses is to be set at £121.50 million in 2021/22, down from £243 million in 2020/21. As you reference in your letter, this fall is equivalent to a reduction of around 1% in combined funding (on a per-student basis) from a £9,250 tuition fee and OfS grant funding. For the providers losing funding due to this reallocation, the income lost would account for approximately 0.05% of their estimated total income, based on the latest data available. Although we recognise that for some providers the impact will be greater than that figure.

I would therefore like to reassure all those concerned that this important reprioritisation of taxpayers' money does not mean the government is devaluing the arts or social sciences. High-quality provision in a range of subjects is critical for our workforce, our public services and is culturally enriching for our society. We continue to celebrate the vital contribution that arts and social sciences make to HE and to our economy.

We similarly recognise and wish to champion and protect the world-class HE provision that we have in the arts. That is why, as part of the same reform programme, we have asked the OfS to invest an additional £10 million in our world-leading specialist providers, many of which specialise in arts provision, such as the Guildhall School of Music and Drama, the Conservatoire for Dance and Drama, and the Royal Northern College of Music. We want to ensure that our specialist providers receive additional support, and that grant funding is used to effectively support students.

I hope this reply helps to ease concerns and clarifies the government's position on this issue. Thank you for writing on this important matter.

Yours sincerely,

A handwritten signature in black ink, reading "Michelle Donelan". The signature is written in a cursive style with a long, sweeping underline.

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