

# **Additional recurrent and capital funding for 2020-21 and monitoring of medical and dental intake targets**

**Outcomes of consultation**

**Reference** OfS 2021.03

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# Summary

1. This document reports the decisions taken by the Office for Students (OfS) on additional recurrent and capital teaching funding for financial year 2020-21 (1 April 2020 to 31 March 2021). This follows the statutory guidance letter in September 2020 from the Minister of State for Universities, which announced up to £10 million in additional recurrent teaching grant and up to £10 million in additional capital funding to support increased student numbers at registered higher education providers.<sup>1</sup>
2. In our consultation 'Additional recurrent and capital funding for 2020-21 and monitoring of medical and dental intake targets: Consultation and invitation to bid for capital funding' (OfS 2020.45)<sup>2</sup>, the OfS sought feedback on:
  - a. Our proposals for the distribution of an additional £10 million in recurrent funding for the financial year 2020-21.
  - b. Our proposals for a bidding exercise to distribute an additional £10 million in capital funding for the financial year 2020-21, specifically on how we should prioritise between bids from providers, and how we should determine the amount of funding we allocate. The consultation also invited providers to bid for the additional capital funding.
  - c. A revised approach to monitoring recruitment against intake targets for pre-registration medical and dental courses, following the decision to lift the cap on home and EU intakes to pre-registration medical and dental courses for 2020-21.
3. The consultation ran from 15 October to 9 November 2020. Initial decisions taken in the light of responses to the consultation, on the approach to distributing additional capital funding for 2020-21 and the monitoring of medical and dental intake targets, were published on 18 November 2020.<sup>3</sup> The bidding exercise for additional capital funding closed on 30 November 2020, with provisional awards announced to successful providers in January 2021.
4. This document summarises the key themes from, and our responses to, the feedback we have received relating to the distribution of the additional recurrent grant. It also announces the recurrent and capital allocations we have made to each provider arising from the decisions we have taken, following consultation, on the approaches to the distribution of the additional recurrent and capital grant.<sup>4</sup> These allocations reflect the significant increases in student

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<sup>1</sup> See [www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/](http://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/). This publication does not report on the distribution of additional funding of £70 million to address student hardship, which was the subject of the statutory guidance letters of 14 December 2020 and 2 February 2021.

<sup>2</sup> See [www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).

<sup>3</sup> See [www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).

<sup>4</sup> See Annex B at [www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets-outcomes-of-consultation/](http://www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets-outcomes-of-consultation/).

numbers that providers have reported in their 2020 Higher Education Students Early Statistics survey (HESES20).

### **Action required**

5. This publication is for information: no action is required.

## Background

6. In September 2020, the Minister of State for Universities issued a guidance letter which announced up to £10 million in additional recurrent teaching grant and up to £10 million in additional capital funding to support increased student numbers at registered higher education providers.
7. In October 2020, we consulted on our approach to the distribution of these funds. In ‘Additional recurrent and capital funding for 2020-21 and monitoring of medical and dental intake targets: Consultation and invitation to bid for capital funding’ (OfS 2020.45), we set out, and invited comment on, our proposals for distribution of additional recurrent and capital funding for the financial year 2020-21 (1 April 2020 to 31 March 2021). In developing our proposals, we have had regard to our statutory duties under the Higher Education and Research Act 2017 (HERA) and the Equality Act 2010, as well as the Minister’s guidance letter, which set out the government’s priorities for the funding.
8. The priorities for the additional funding are to support additional costs for providers that have increased student numbers in high-cost subject areas in 2020-21, in particular where these arose from the effects of the decision to revert to centre-assessed grades for A-levels and other Level 3 qualifications in summer 2020. The extra funds are to help providers increase capacity and ensure positive graduate outcomes.
9. Our consultation also sought views on a change to our monitoring of medical and dental intake targets to reflect the lifting of the cap for 2020-21.

## Responses received

10. We received 39 responses to our consultation, which closed on 9 November 2020.

## Why did the OfS consult on these issues?

11. Under section 41 of HERA, financial support provided by the OfS can be made on such terms and conditions as it considers appropriate, but before determining them, the OfS must consult such persons as it considers appropriate. Our consultation therefore invited comments on the approach to additional recurrent and capital funding for providers for financial year 2020-21, and the terms and conditions for such funding, to inform our decisions.
12. The consultation invited comment on the additional funding for higher education providers registered with the OfS in the Approved (fee cap) category. Being so registered is a prerequisite for a provider to be eligible for OfS funding under Section 39(1) of HERA.
13. The consultation also invited comment on revised arrangements relating to the monitoring of intake targets for pre-registration courses in medicine and dentistry.
14. In developing our proposals, we recognise our public sector equality duty.<sup>5</sup> To this end, the consultation invited comment on the potential impact of these proposals on individuals on the basis of their protected characteristics. It also invited comment about any unintended

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<sup>5</sup> See Part 11 of the Equality Act 2010, available at [www.legislation.gov.uk/ukpga/2010/15/part/11/chapter/1](http://www.legislation.gov.uk/ukpga/2010/15/part/11/chapter/1).

consequences of these proposals, for example, for particular types of provider or for particular types of student.

## Outcomes of consultation

### Additional recurrent funding

15. The consultation (OfS 2020.45) outlined our proposal to distribute the additional recurrent funding amongst eligible approved (fee cap) providers that had an overall increase in OfS-fundable full-time or part-time undergraduates in price groups A, B and C1 for 2020-21, compared with the full-time equivalent student numbers (FTEs) that informed their grant for the year. To do so, we proposed to calculate, for comparison purposes and separately for each mode of study, a notional allocation of 2020-21 recurrent grant for each eligible provider, using the existing formula methods and parameters, but informed by the FTEs reported in the 2020 Higher Education Students Early Statistics survey (HESES20). Providers would then receive a pro rata share of the additional recurrent funding to the extent that this notional allocation for either mode of study was greater than their equivalent 2020-21 recurrent grant.<sup>6</sup>
16. Having regard to the government guidance letter of 14 September 2020, we proposed that these calculations were limited only to:
  - a. The main high-cost subject funding allocation and the nursing, midwifery and allied health supplement, so as to prioritise the additional subject-related costs of courses in price groups A, B and C1, as these courses cost more to deliver.
  - b. OfS-fundable undergraduates, separately for full-time and part-time modes but not including sandwich year out, to reflect that the funding has been provided to support additional student numbers following the regrading of A-levels and other Level 3 qualifications in summer 2020.
17. In light of responses received to our consultation, and consistent with our approach to allocating the additional capital funding, we have amended one of the provider eligibility criteria for the additional recurrent funding. Respondents had commented that our proposals may be unfair to providers that have increases in the highest cost subjects, but without an overall increase across price groups A to C1 collectively. We have therefore changed the eligibility criteria so that a provider registered in the Approved (fee cap) category is now eligible to receive additional recurrent funding if (change shown in bold):
  - a. 'The provider has an overall increase in 2020-21 OfS-fundable full-time or part-time undergraduate FTEs in **at least one of the** price groups A to C1, compared with the equivalent FTEs that have informed our formula recurrent and capital grants for 2020-21.'

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<sup>6</sup> For most providers the main allocation of recurrent grant for 2020-21 has already been allocated and is largely informed by student numbers in the 2019-20 academic year. Those allocations are summarised in 'Recurrent funding for 2020-21' (OfS 2020.24). See [www.officeforstudents.org.uk/publications/recurrent-funding-for-2020-21/](http://www.officeforstudents.org.uk/publications/recurrent-funding-for-2020-21/).

18. Annex A provides an analysis of consultation responses with specific reference to those questions focused on how the additional recurrent funding should be allocated.
19. Annex B summarises the allocations of additional recurrent grant that we are making for each provider. The method of calculation for eligible providers remains as originally proposed in our consultation. However, because of substantial increases in undergraduate student numbers reported in HESES20 across the sector, the additional £10 million covers only a minority of the additional subject-related costs for students in price groups A to C1. In summary:
- a. We have distributed the £10 million pro rata to a notional additional total cost of approximately £39 million for high-cost subject funding and the nursing, midwifery and allied health supplement, relating to increases in undergraduate FTEs at eligible providers. Of the total, approximately seven per cent is distributed based on increases in part-time FTEs.
  - b. A number of respondents had argued that as well as high-cost subject funding and the nursing, midwifery and allied health supplement, we should also take account of increases relating to other elements of recurrent grant. In particular, they asked us to recognise the additional costs of operating in London, student premiums and allocations relating to NHS pay and pension costs. We considered these arguments carefully. To have included London weighting would have redistributed a little under £400,000 of the total towards providers in London; to have included student premiums would have redistributed about £500,000 towards providers that do most to improve access and support successful student outcomes; to have included both would have redistributed a little under £700,000. However, given that the £10 million meets only a small proportion of the additional subject-related costs that we were looking to support, our decision has been that we should avoid diluting this further by also taking account of other drivers of increased costs for providers.

## **Summary of the initial decisions published in November 2020: additional capital funding**

20. We have previously provided a summary of the responses to our consultation on capital funding, monitoring of medical and dental intake targets, and other questions in 'Letter to accountable officers: Additional recurrent and capital funding for 2020-21 and monitoring of medical and dental intake targets – initial decisions' published on 18 November 2020.<sup>7</sup> Annex B to this letter provided full details on the decisions we had taken in response to the consultation at that time. We updated our guidance on the bidding process for capital funding to provide greater clarity in some areas where this was requested in consultation responses, including in particular on the approach to the assessment and scoring of bids.
21. The bidding exercise for additional capital funding closed on 30 November 2020, with providers notified of provisional awards in January 2021. Annex B summarises the final allocations of capital funding arising from the bidding process. In summary, we received bids from 67 providers seeking capital funding of over £30 million. We have supported bids from 41 providers, totalling £10 million, but in doing so have capped the total that any individual

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<sup>7</sup> See [www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).

provider can receive at £260,000. As notified in the bidding guidance, in reaching final decisions, we sought to ensure we were able to offer an overall package of support across a broad group of providers that we considered best met the priorities for funding.

## **Terms and conditions of funding**

22. Respondents to the consultation were in broad agreement with the proposed terms and conditions and monitoring arrangements for the additional funding. The additional recurrent and capital funding will be subject to the terms and conditions that apply to OfS funding for 2020-21.<sup>8</sup>
23. In addition, the additional capital grant must be used towards the expenditure identified in a provider's submission. Providers receiving capital funding have confirmed that they will be able to use the sums allocated by 31 March 2021. However, it remains the case that any capital funding for 2020-21 that remains unspent by 31 March 2021 will be recovered. We expect to monitor use of the capital funding after the end of the financial year, alongside any monitoring of the formula capital funding allocated for the year. This will minimise the reporting burden on providers.

## **Other issues raised through consultation**

24. We are committed to, and have a legal obligation to show due regard to, the public sector equality duty. The consultation invited comment on the potential impact of the proposals on individuals on the basis of their protected characteristics. It also invited comment about any unintended consequences of these proposals, for example for particular types of provider or for particular types of student. We summarised the responses to this in our letter to accountable officers of 18 November 2020.<sup>9</sup>
25. There was broad acceptance of the proposals as they related to our public sector equality duty. Approximately half of respondents provided further comment on the 'general questions', or commented on similar topics in responses to questions on additional funding, notably on the impact of the proposals for additional recurrent and capital funding on equality and the diversity of the student population in the 2020-21 intake. Responses noted recognition of the needs of students from a widening participation background, with particular mention given to the needs of supporting disabled students.
26. We recognise that the majority of pupils who have been awarded A-levels or other Level 3 qualifications this summer will go on to full-time study. However, we believe there are good policy reasons for including growth in part-time undergraduates in the additional funding criteria, given the importance of this mode of study to many students with protected characteristics (such as those with disabilities). Recognising the decline in part-time student numbers in recent years, we have assessed growth in full-time and part-time undergraduate FTEs separately. This ensures that, where part-time numbers have declined, this does not

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<sup>8</sup> Our terms and conditions of funding are available at [www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2020-21/](http://www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2020-21/).

<sup>9</sup> See [www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).



serve to reduce the growth that we recognise in full-time undergraduate FTEs at a provider, and vice versa for those providers growing capacity in part-time provision.

27. We proposed that the three student premiums for full-time undergraduates, part-time undergraduates and disabled students should not be counted towards the distribution of additional funding. We considered this afresh in light of responses to our consultation, but as paragraph b explains, we have decided that this should remain the case. OfS funding provides only a contribution towards the costs of providers' activities, and in view of the increased student numbers reported by providers in 2020-21 and the limited additional funding available, we believe it right that the additional funding is prioritised to those areas that have the highest subject-related costs.

# Annex A: Analysis of consultation responses on additional recurrent funding for 2020-21 and summary of OfS decisions

1. 'Additional recurrent and capital funding for 2020-21 and monitoring of medical and dental intake targets: Consultation and invitation to bid for capital funding' (OfS 2020.45)<sup>10</sup> set out our proposed method to distribute additional recurrent and capital funding provided by the government to support increased student numbers in 2020-21. It also sought views on proposed changes to monitoring arrangements for medical and dental intake targets. These developments were in response to the implications for recruitment arising from the re-grading of A-levels and other Level 3 qualifications in summer 2020. We requested responses to the consultation by 9 November 2020.
2. This annex provides an overview of the responses that we received, specifically in relation to the approaches to allocating additional recurrent funding, and the decisions we have taken as a result. We have previously provided information and further analysis regarding the responses to the additional capital funding, and to the monitoring of medical and dental targets. This was published as a letter to accountable officers on 18 November 2020.<sup>11</sup>

## Summary of consultation responses and OfS decisions

### Additional recurrent funding for 2020-21

3. We received 39 responses to the consultation. Of these:
  - 29 were from providers registered with the OfS in the Approved (fee cap) category
  - seven were from sector representative bodies and mission groups
  - three were from anonymous individuals.
4. **Comments:** Some respondents argued that we should recognise and support growth within individual subject areas, even if overall growth across price groups A, B and C1 as a whole was not evident. There were also arguments for prioritising medical, nursing and other healthcare courses above others. This was also raised as a concern with regards to the criteria and bidding process for the additional capital funding.
5. **OfS response:** In line with the decision taken regarding the criteria for the additional capital funding, we have accepted this argument in part. We recognise the action that providers took to accept additional students in particular disciplines following the decision to use centre-assessed grades for Level 3 qualifications in summer 2020 and that this may give rise to additional costs, even if a provider does not have an increase across price groups A to C1 as a whole. We have therefore amended the relevant eligibility criterion for the additional recurrent

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<sup>10</sup> The consultation is available at [www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).

<sup>11</sup> The letter is available at [www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).

funding, as for the capital funding: providers must have an increase in OfS-fundable full-time or part-time undergraduates in **at least one of the** price groups A to C1, instead of across all three combined. We believe it remains appropriate to require growth within a price group, as these combine subjects that attract the same rate of grant within our high-cost subject funding method. We recognise medicine, nursing and allied health professions as particular priority areas and have already allocated additional funding for 2020-21 to recognise increases that arise from government health education reforms.<sup>12</sup> However, we do not accept that other high-cost disciplines should be excluded in distributing the additional funding.

6. **Comments:** Whilst the majority of respondents agreed with the proposed approach to distributing recurrent funding, many providers noted they require additional funding to support students through the pandemic and to allow them to adapt to changing needs and the delivery of learning as a consequence of the ongoing situation. Some also emphasised the costs they face relating to the additional costs associated with the delivery of teaching in London, and also for postgraduate teaching.
7. **OfS response:** Whilst we acknowledge that there are additional demands on providers arising from the pandemic and increases in student numbers in many areas (including postgraduate), the funding that has been made available by government is a fixed sum, intended primarily to support increases arising from the decision to revert to centre-assessed grades for A-levels and other Level 3 qualifications in summer 2020. We are not including increases in postgraduate numbers, because they will not arise from the approach to the grading of Level 3 qualifications in summer 2020. The fixed sum of £10 million is being distributed pro rata to additional subject-related costs for undergraduates of approximately £39 million. Given this position, we wish to avoid diluting further how much we can recognise subject-related costs by also taking account of other drivers of increased costs for providers, such as those relating to provision in London.
8. **Comments:** Some respondents expressed concern that students from disadvantaged backgrounds were not accounted for in the methodology. They suggested that the funding should take account of the widening participation agenda in the calculation, to allow providers to support such students appropriately.
9. **OfS response:** The additional funding that has been made available is provided to institutions to allow them to accommodate the additional number of students that were accepted following the re-grading of A-levels and other Level 3 qualifications in summer 2020 and with a particular focus on subject-related costs. The fixed sum of £10 million is being distributed pro rata to additional subject-related costs for undergraduates of approximately £39 million. Given this position, we wish to avoid diluting further how much we can recognise subject-related costs by also taking account of other drivers of increased costs for providers.
10. **Comments:** Some respondents expressed concern that further education colleges might be disadvantaged by the methodology for the additional recurrent funding if we assessed student number growth only in absolute terms.

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<sup>12</sup> These are increases to medical intake targets from 2018-19 and the transfer of funding responsibility with successive entry cohorts from 2017-18 for nursing, midwifery and allied health professions.

11. **OfS response:** We do not accept this argument. We are distributing the recurrent funding in proportion to the additional subject-related costs for each eligible provider arising from their increased undergraduate student numbers in high-cost subjects. As such, this approach treats all providers equitably.
12. **Comments:** Some respondents argued that the additional student numbers accommodated by providers for the 2020-21 academic year should be acknowledged beyond this single academic year, and that they should be funded against them for the duration of their programme. This was particularly highlighted as an issue for medical, veterinary and dental students given the length of such courses and the higher cost to deliver.
13. **OfS response:** The additional OfS-fundable student numbers accommodated by providers in academic year 2020-21 will continue to be counted for funding purposes for the duration of their study. This will include us recognising when students in medicine and dentistry are commonly expected to move in subsequent years into the clinical (price group A) years of their courses (entrants to veterinary science will typically already be reported in price group A from their first year).
14. Details of the recurrent funding allocations are contained in Annex B, published alongside this document.

## Further details on responses to our proposed approach to distributing additional recurrent grant

15. Respondents were asked for their views on ten specific questions, of which the first two sought views specifically on the approach to distributing the additional recurrent grant. We provided analysis of the responses to other questions in the letter to accountable officers of 18 November 2020.<sup>13</sup> Responses were invited through an online form. Respondents may have commented on similar topics in different questions. Where this has happened, we have summarised all such concerns in one place. The summary of responses below is specifically in relation to consultation questions 1 and 2 on the approach to allocating additional recurrent funding.

### Question 1: To what extent do you agree with the proposed eligibility criteria for the additional recurrent grant?

16. Respondents were required to provide a Likert-type response to this question. Of the 39 respondents providing such a response:
  - 30 (77 per cent) agreed (strongly agreed or agreed) with our proposed approach
  - six (15 per cent) disagreed (strongly disagreed or disagreed) with our proposed approach
  - three (8 per cent) were neutral (did not know or preferred not to say).

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<sup>13</sup> See [www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/](http://www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/).

17. Of the 39 respondents to the question, 32 provided further comments, which were generally supportive of our proposed approach and the eligibility criteria for allocating this additional recurrent funding. Many agreed with the proposed approach to prioritise funding to support additional student numbers across high-cost subject areas, with a significant number arguing that medical and dental students, as well as those undertaking nursing, midwifery and allied health courses, should be the primary focus. Comments included:
- a. “The eligibility criteria offer a simple and pragmatic approach to allocating the recurrent grant while recognising that the limitations of data collection mean that HESES20 can only ever provide a proxy for assessing the impact of using centre-assessed grades for A-levels and other Level 3 qualifications.”
  - b. “Strongly support the prioritisation of high-cost subjects and the inclusion of the nursing, midwifery and allied health supplement. It is essential that we fully fund these high-cost programmes.”
  - c. “We welcome the proposal to provide additional funding to reflect the difficulties of the 2020 recruitment round. We broadly support the proposed criteria, particularly to restrict access to funding for fee capped providers and for OfS fundable full-time and part-time undergraduates and where there are increases in relevant student FTE numbers.”
  - d. “Only those with increased numbers of specific high-cost student numbers should be eligible.”
  - e. “Basing the proposed provider eligibility criteria on the overall growth in OfS-fundable undergraduate students in high-cost subjects in 2020-21 compared to 2019-20 based on the 2020 HESES survey provides a fair and proportionate methodology to allocate this additional recurrent funding to HEIs.”
  - f. “The eligibility criteria supports the additional recurrent grant funding being used to meet the additional costs for providers who have accepted additional students onto higher cost subjects as a consequence of centre assessed grades.”
18. While remaining in overall agreement with the proposed approach, some respondents expressed concerns about a number of factors relating to growth within the sector and ensuring that the funding is directed towards, and prioritises, areas where future national demand is likely to grow as a result of the pandemic, in particular subjects related to health, social care and teaching. Comments included:
- a. Concern that these additional student numbers should be acknowledged beyond this single academic year, and that they should be funded against them for the duration of their programme.
  - b. Concern that the full impact of accepting additional numbers to medicine courses could not be accurately captured through a comparison between HESES19 and HESES20 data. It was suggested that the Medical and Dental Students survey (MDS20) should be used to obtain accurate intake figures following the removal of the cap as it was not possible to assess the increase in price group A for this cohort.
  - c. That only providers who had accepted additional students studying high-cost subjects such

as medicine, dentistry and veterinary science should be eligible for the funding. Some comments included that the prioritisation of these subjects should be given over and above other high-cost subjects because of the increasingly high cost of delivering teaching and training, and the cost of clinical placements.

- d. Concern that the methodology would likely benefit universities over further education colleges, on the basis that colleges tend to offer technical courses such as allied health subjects, and the number of students involved being smaller.

19. Of those who disagreed with the proposed approach, a number of concerns were raised around the eligibility criteria, and how the proposed method excluded or disadvantaged some areas. Comments included:

- a. That we should instead be adopting a subject-based approach to the thresholds for growth in student numbers – that is, we should recognise growth in particular subject areas, even if overall growth across high-cost subjects as a whole is not evident. This was particularly highlighted as an issue for health-related courses such as nursing and allied health.
- b. Concern that postgraduate study was not included as eligible for this additional funding when there were significant pressures caused in part by the pandemic. This included suggesting specifically that study towards the postgraduate teaching certificate should be included, given increased demand.

**Question 2: To what extent do you agree with the proposed method to calculate the distribution of funding to eligible providers?**

20. Respondents were required to provide a Likert-type response to this question. Of the 39 respondents providing such a response:

- 26 (67 per cent) agreed (strongly agreed or agreed) with our proposed approach
- eight (20 per cent) disagreed (strongly disagreed or disagreed) with our proposed approach
- five (13 per cent) were neutral (did not know or preferred not to say).

21. Of the 39 respondents, 31 provided further comments, which were generally supportive of our proposed approach to how we should determine levels of funding for the additional recurrent funding. Comments included:

- a. “We agree with the proposed method to calculate the distribution of funding to eligible providers because it creates no additional burden beyond the HESSES return. We agree that funding should be distributed according to the high-cost funding methodology, recognising the additional pressure on HEIs who have over recruited in high-cost subjects.”
- b. “This is a pragmatic, and low burden approach to testing whether there is an additional funding requirement.”
- c. “The proposed method to calculate the distribution of funding prioritises the funding into high-cost and vital subjects.”

- d. "Using the same formula methods and parameters as already used to calculate recurrent grants for 2020-21 as well as the exclusion of other elements that are not calculated formulaically is appropriate."
- e. That the methodology should include the London allowance in the calculation for relevant London-based providers given the higher cost of delivering provision in London. This would help to ensure that the true cost of teaching additional students in London was more adequately reflected.
- f. That a proportion of the funding be allocated towards widening participation rather than solely by subject, to acknowledge that the additional load placed on institutions also takes account of and recognises the students' background as a factor.
- g. That London weighting and clinical consultants' pay should be factored into the calculation to better reflect the costs created by additional medical places.

22. Some respondents expressed concerns about the adequacy of the additional recurrent funding available, given the need across the sector, and in particular for the delivery of high-cost subjects and widening participation. Comments included:

- a. "It is rather disappointing that OfS will not provide any allocation for the student access and success targeted allocation.... This income could simply be allocated on a percentage basis, based on increase in numbers between 2019-20 and 2020-21."
- b. "We believe that priority funding should be given to Medicine (and Dentistry) as those honouring offers following the change in A-level grade policy were assured by the Universities Minister that they would receive appropriate funding."
- c. "The consultation states that, if following initial calculations, the total funding requirements for all providers exceed the £10m available from government, the OfS proposes reducing allocations on a pro-rata basis to ensure the total allocations remain within budget. The costs of higher education should be fully met and that it would be more appropriate to increase the total sum available to support the delivery of these programmes."
- d. "Dividing the £10m by the additional number of high-cost students appears both fair and transparent. However, if the number of additional students means the allocation is significantly less than the standard rate for band B then medicine and dentistry would argue that they should be prioritised given both the societal benefit and the high cost to universities."
- e. "The formula-based allocation based upon higher cost students should be the basis for any additional funding allocation. However, we would want to ensure that this calculation takes into account all 2020-21 courses with a later start date (Jan-March 2021), as this has been the only practical way in which providers can manage the additional placement needs with the NHS, given the challenges of the current external situation."

23. A number of respondents noted their significant recurrent expenditure on capacity for postgraduate students in areas that are generally considered government priorities (for example, medical or teacher training courses). Comments included:

- a. That the approach should be focused on supporting those experiencing the impact of the pandemic rather than solely on the increased student numbers following the move to adopt centre-assessed grades.
- b. Proposing that FTEs in price groups A, B and C1 for postgraduate study should also be included within the model of funding following increased demand for such courses as a consequence of the pandemic.



## Annex B: Additional recurrent and capital funding allocations

1. This annex is available to download as an Excel file alongside this document at [www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets-outcomes-of-consultation/](http://www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets-outcomes-of-consultation/).
2. The table lists the additional recurrent and capital grants for the financial year 2020-21 by provider. Provider lists both legal name and trading names. A hidden column in the Excel file identifies the government region for each provider.



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