

Dear Ms Lomax,

I am writing on behalf of the Secretary of State to thank you for your letter of 14 May regarding the reallocation of high-cost subject funding within the Strategic Priorities Grant.

I am sure you will appreciate that due to the Covid-19 pandemic the department has received an unusually high level of correspondence and may I start by apologising for the delay in responding to you.

We have asked the Office for Students (OfS) to reform the Strategic Priorities Grant for the 2021-22 financial year to ensure we are more strategic with our use of taxpayers' money. This includes the reprioritisation of funding, including high-cost subject funding allocations, 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.

One of our proposals is for a 50% reduction in the rate of additional funding via the Strategic Priorities Grant for some creative subjects to enable this reprioritisation. Whilst we understand that this may be a cause of concern for some, it is important to note that the Strategic Priorities Grant accounts for a relatively small proportion of the total income of higher education (HE) providers today. 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.

We 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.

On 26 March, the OfS launched a six-week consultation on these proposals.

This consultation was conducted in accordance with the government's consultation principles and the OfS will take account of the responses from universities, students, and others before making any final decisions on allocations. A summary and analysis of the consultation responses will be available in due course. Further information on this consultation can be found on the OfS website at:

<https://www.officeforstudents.org.uk/publications/consultation-on-recurrent-funding-for-2021-22/>.

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

As part of our commitment to improving the service we provide to our customers, we are interested in hearing your views and would welcome your comments via our website at: <https://form.education.gov.uk/service/TOCMTfeedback> .

Yours sincerely

A handwritten signature in black ink that reads "A. Burch". The signature is written in a cursive style with a long horizontal stroke at the end.

A BURCH

Ministerial and Public Communications Division