



Department
for Education



Department for
Business, Energy
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Dear Tim,

Higher Education Funding for 2017-18

Introduction

Higher Education remains a priority for this government and I welcome your continued support for this world leading sector. I am writing with the Council's funding allocations for the 2017-18 financial year and to set out the Government's policy priorities for higher education for the year ahead.

With the completion of the Lords Committee stage of our Higher Education and Research Bill, we are now well advanced with our programme of reform to the higher education system. Subject to the will of Parliament, we will establish the Office for Students (OfS) and UK Research and Innovation (UKRI) in April 2018. The creation of these two bodies will establish a funding and regulatory architecture for HE which places student choice, competition and quality at the heart of our system and provides the basis to build on the excellence of our world class research base. The bill also makes provision for the transfer of HEFCE staff into the new arrangements.

We are grateful for the Council's positive and proactive engagement with the reform agenda, including your support in implementing the Teaching Excellence Framework, and look to you to continue working with both DfE and BEIS in the year ahead to ensure the smooth transition on the priorities set out in this letter and effective implementation of the reforms within the Bill.

Funding Priorities

Your funding priorities remain those we set in our letter of 4 March 2016. You should implement from 2017-18 the changes agreed by your Board following the teaching funding consultation to ensure more targeted support for access and successful student outcomes.

We want to build on the current successful collaboration between the Department, the Department of Health and the Council on the healthcare reforms undertaken in the last year. This includes using the outcomes of the evidence of the costs of teaching from your current study to inform the allocation of teaching funding to support high cost subjects and students from disadvantaged backgrounds. It also includes the identification, and where necessary, implementation of measures to support small and specialist programmes. Continuing this collaboration is essential if we are to deliver the announcement by the Secretary of State for Health in October 2016, that from September 2018, the Government will

fund up to 1,500 additional student places through medical school each year. In order to commence this process, we ask you to make an initial allocation of 500 places in academic year 2018-19. This allocation should be based on the capacity for growth and viability of provision in different institutions and be informed by advice from the Department of Health and Health Education England on the distribution of medical placements.

We recognise that HEFCE's funding needs to be carefully prioritised to include funding of postgraduate courses through the teaching grant. We would like HEFCE to ensure the approach taken to such funding is consistent with, and complementary to, developments in loan support for postgraduate students, and supports, in particular, higher cost master's provision.

Student Choice and Quality

Teaching Excellence Framework

Raising the quality of teaching and learning, through implementation of the Teaching Excellence Framework (TEF), is our top priority area. We are grateful for HEFCE's significant support to date and wish you to continue resourcing this project at the level required to meet the timetable set out in our White Paper. We look to you to successfully complete your work on TEF Year Two, with results published on time.

We also welcome HEFCE's contribution to the DfE-led Year Two Lessons Learned exercise and the development of new metrics for future years of TEF. For Year Three, we expect HEFCE to continue to deliver TEF, adapting processes and your provider guidance where appropriate to reflect outcomes from the Lessons Learned Exercise alongside changes to the TEF metrics and specification.

We also wish HEFCE to deliver the subject level pilots for TEF, which will take place on a similar timescale to the delivery of Year Three and in preparation for transition to the OfS. We will confirm the budget and approach for this work later this year, once we have finalised our designs for the pilots.

Learning Gain

We also thank you for your work so far on the Learning Gain pilots, which have now completed their first year, and on the launch of the National Mixed Methodology Learning Gain Project. We would like you to provide a report on the initial findings from the programme during this year. You should continue to ensure that the project is funded to maintain progress on this high priority work.

Quality

We welcome HEFCE's work to date to develop risk based baseline quality assessment arrangements, and will be grateful for your continued management of this in line with HEFCE's statutory duties. It will be particularly important to sight DfE on developments and evaluation of the new processes, including outcomes from the initial cycle of APR to support our policy thinking on the quality arrangements under the new regulatory framework.

During the transition to the OfS, we want HEFCE to work with us to lay the groundwork for the quality system that will support OfS regulatory needs. It will be important for HEFCE to continue to work with the Department and QAA to plan and manage the transition of existing quality arrangements alongside those in place for alternative providers, into a single system approach that meets the principles outlined in the technical note on Market Entry and Quality that was published alongside the second reading of the Bill in the Commons.

Plagiarism

Cheating of any kind is totally unacceptable and plagiarism is a scourge on our higher education system. QAA's recent report 'Plagiarism in Higher Education' has highlighted the urgency of tackling custom essay writing services (or 'essay mills'). We would ask that you work with us, QAA and sector bodies to take action on this important issue. Whilst this is an issue that must be addressed in partnership, it is

vital that our forthcoming initiatives have your full and active support. In particular, we believe that HEFCE can play a critical role, alongside the QAA, in exploring ways to limit the visibility and presence of such companies, both digitally and on campuses, and ensuring that providers have rigorous, robust and consistently applied sanctions for those who cheat in this way.

Credit Transfer

As part of the Government's higher education reforms, we are seeking to promote the transfer of students between courses and institutions. Student transfer offers students more flexibility to choose the type of study most suitable for them and contributes to ensuring that all those who could benefit from higher education are able to do so. The Council will need to keep in mind the importance of student transfer and ways in which it might support its promotion and take-up.

Degree Apprenticeships

We are grateful for the Council's management of the first phase of the Degree Apprenticeship Development Fund, which has already helped create many more opportunities in degree apprenticeships and we welcome the continuing support of HEFCE to HE providers as they become apprenticeship providers. The Department will continue to work closely with HEFCE officials on the second round of the fund once Ministerial approval for the second round has been secured.

Institute for Coding Competition

1.2m technical and digitally skilled people are needed by 2022 to satisfy future skills needs of the UK – we need to improve the skills pipeline for digital and technology, particularly at L6 and L7. The need to improve the quality of digital skills provision in the UK has been raised in recent reports such as The Shadbolt Review. We are grateful for the Council's design and management of a competitive fund to release funding of £20m to launch an institute which will increase the quality of digital skill provision through innovative teaching models. The institute will have a tangible, lasting and measurable impact and be able to have national reach. A separate letter will follow from the Government, which will include the objectives of the competition.

Social Mobility

Ensuring HE plays its part in driving social mobility is central to the Government's policy agenda. The creation of the new DfE, bringing together HE, FE and pre-16 education, provides a real opportunity to further develop our technical, further and higher education system and join this up with our school system. Furthermore, through combining HEFCE's and OFFA's resources and expertise on tackling widening participation, the OfS will increase the impact of work in this area. You are already working closely with OFFA and this should continue. You should align activity such as the new National Collaborative Outreach Programme (NCOP), funding for disabled students and the support offered through the Student Premium with Access Agreements and the latest evaluation and impact research wherever it is practicable.

We welcome the work you have done to help develop an understanding of the contribution higher education institutions have made to supporting schools and raising attainment, including where institutions sponsor schools. Going forward, we'd like you to build on your analysis, in particular on the specific impact institutions are having on schools and attainment and the impact on higher education institutions. We would also welcome continued work to identify which institutions are considering sponsoring or establishing a school and what support they may need to achieve this. Finally, in line with the policy intentions set out in the *Schools That Work For Everyone Consultation* we would like HEFCE to consider how it could further encourage and support innovative forms of engagement - such as sponsorship - between higher education institutions and schools.

We look to you to continue your work supporting the sector in addressing the differential outcomes for some groups of students, as part of the whole lifecycle approach to access and success for students from disadvantaged backgrounds.

As we develop our approach to Opportunity Areas, we are keen that you play a role in supporting our understanding of the nature of higher education provision and participation in those areas. We will say more about this as local areas develop their plans.

We also welcome the Council's on-going research into provision for students with disabilities. The outcomes of these reviews, and consideration of any new models of provision which they suggest, will assist higher education institutions and the Government to make optimal use of disability funding.

The QAA-regulated "Access to Higher Education" Diploma makes a valuable contribution to widening participation in higher education. While the arrangements for quality assurance are changing within the sector, we would like you to support this valuable scheme to ensure the Diploma is regulated for 2017/18. Given the changes in the higher education regulatory framework that will result from the Higher Education and Research Bill, subject to the will of Parliament, and the potential importance of the Diploma in taking forward our widening participation objectives, we wish to consider how best the QAA could optimise the take-up of the Diploma, including future activity and funding levels, to most effectively assist in the achievement of our social mobility goals.

Science and Research

The excellence of the UK's research base is internationally recognised and is crucial in supporting sustainable economic growth and enhanced productivity. The Government has reaffirmed its commitment to the Dual Support system, which has delivered an increasing share of the world's best research, and Quality Related (QR) research funding remains important to our research success within this system. We value QR's un-hypothecated nature which allows universities to deploy it strategically to build capacity and support the underpinning infrastructure to enable multi and interdisciplinary approaches, to build new and fruitful international collaborations and to respond to global challenges.

The Spending Review settlement, which includes ring-fenced resource for Science and Research, means that we can continue to support research and related training through to 2019-20 and maintain the balance of funding across dual support. We wish you to continue competitive allocations through the selective funding of world-leading and internationally excellent research with impact wherever it is found; to provide selective support for the next generation of researchers; and to recognise research funding leveraged from external sources such as the charitable and business sectors.

You should work with Research Councils and the National Academies to address collectively issues such as health of disciplines, public engagement and research careers. Funding allocations for HEFCE for research, knowledge exchange and research capital for 2017-2018 to 2019-20 are set out in the annex and will enable you to deliver our agenda for research and economic growth.

We welcome the progress that you have made in developing the next Research Excellence Framework, with the launch in December of a consultation with the sector on the practical arrangements for the next exercise. This included proposals to implement the recommendations and principles from Lord Stern's Review of the REF. Working with the sector and other HE Funding bodies, you should implement proposals for the next REF exercise, which should be completed by the end of 2021. You should take steps to ensure that the boundaries between scoring categories remain consistent with previous research assessments.

The UK Research Partnership Investment Fund (UKRPIF) has proved highly effective in developing collaborative research programmes at scale between universities and the private sector. We wish you to ensure that maximum benefit is derived from successful projects awarded funding in earlier rounds and yet to be awarded from the total £900m to be allocated via UKRPIF through to 2021. You should ensure leverage of committed private co-investment amounting to at least £2 for every £1 from the Fund. It is important that we evaluate UKRPIF investments and we would like you to take forward your proposals to initial review activities during 2017-18.

We are providing allocations from the Newton Fund and from the Global Challenges Research Fund for the purposes of investing in cutting edge research that addresses the challenges of economic development and wellbeing faced by developing countries as listed on the OECD DAC list of eligible

countries. You should make allocations to universities in such a way that they are encouraged to develop research directions which support those purposes.

We continue to push forward the implementation of open access to research publications and the underlying data. You should work with Jisc to determine how our objectives on increasing open access to research outputs can be delivered without significantly increasing costs to the sector.

You should continue to allocate research capital to institutions based on excellence-based formulae. You should continue to implement proposals to provide greater transparency on how it is used, and to ensure effective utilisation through collaboration, and to monitor the sustainability of HE research infrastructure.

Business collaboration

Effective University collaboration with industry provides a notable competitive advantage for the UK and will help to rebalance economic growth and to tackle the productivity challenge. The Government intends to make Britain the global go-to nation for scientists, innovators and technology investors. We will work together as the government's Industrial Strategy takes shape. The Autumn Statement announced an extra £4.7 billion of additional investment in Research and Development by the end of this Parliament. We expect UK Research & Innovation to have a critical role in delivering this. We will set out more detail on funding breakdown and proposals, including for wider consultation with the research and business community, in due course. Detailed allocations will reflect our commitment to the "balanced" funding principle. Allocations for 2017-18 will be finalised in early March, and this is expected to lead to an additional research and knowledge exchange funding allocation for HEFCE to implement in 2017-18. We will write separately to confirm details of this additional funding.

The Government is committed to a strategic approach to knowledge exchange. The Government recognises the important role that Higher Education Innovation Funding (HEIF) plays in supporting effective university-business engagement and welcomes the Council's commitment to continue to support Knowledge Exchange funding through HEIF for which HEFCE will maintain allocations from the teaching and research grant at current levels. The teaching component of HEIF, funded through the teaching grant, will continue over this Spending Review period. In future, UKRI will engage with the OfS to ensure joint discussion of strategic objectives and the criteria for HEIF funding that reflect the teaching elements of knowledge exchange. We would like you to continue to pursue a robust outcome-based funding approach demonstrating value for money, balancing predictability in funding with more regular rewards for dynamism, and build on this in order to encourage and reward greater collaboration.

The Autumn Statement also confirmed that additional funding for science and research of £100 million will be provided over the period 2020-21 to incentivise university collaboration in technology transfer and in working with business. This is intended to support universities working together across England on the commercialisation of research and working with business. We would like you to work with BEIS officials to develop suitable arrangements for this funding to be allocated through competitive processes and mechanisms, which will complement and build on established HEIF mechanisms.

You should continue to implement an evidence-based framework which will demonstrate university knowledge exchange performance against a suite of key KE activities and identify and share examples of good practice.

In the design and management of the Institute of Coding Competition, we ask the Council to emphasise collaboration between universities and industry, for example as a requirement to bid. This is because the Government would like to address in this competition the current gap between the digital skills required in the workplace, and those being provided through universities, as evidenced in recent reports such as The Shadbolt Review and The 'Forging Futures' report by Universities UK.

We welcome your continued support for the work of National Centre for Universities and Business (NCUB), which we see as a key driver of enhanced university/business activity, including the delivery by NCUB of an "Intelligent Brokerage Tool", which is intended to facilitate greater business access to UK HE expertise and capabilities.

Exiting the European Union

We are grateful for the analysis and advice the Council continues to provide following the outcome of the EU Referendum and for the work you are doing with providers to support their planning for the UK's withdrawal from the EU. Overseas students and staff (including those from the EU) make a crucial contribution to our universities and we want that to continue. In negotiating the UK's exit from the EU, we will of course seek to secure the best possible deal for HE providers and students so that we can continue to collaborate productively across Europe and beyond particularly on major science, research and technology initiatives. We look to the Council to work with the sector and the Departments on these objectives in the coming weeks and months.

Safeguarding students

We welcome HEFCE's commitment to protecting students, recognising that a world class higher education system is one where all students and staff are safe and free from any form of violence, sexual harassment or hate. And one where students receive the appropriate advice and services to support their mental health and general wellbeing in order that they are able to access relevant services and successfully participate in higher education. It is also important to note that these issues should be a priority across the whole sector, including alternative/private providers and not just the HEFCE-funded sector.

We want to build on the work the sector is already doing in this regard and make sure that discrimination is a thing of the past. It is important that the work continues to be sector led through Universities UK on violence, sexual harassment and hate crimes; as well as on Mental Health. However, there is more to do, particularly in light of growing concerns for student and staff wellbeing and safety; and on how students, staff, institutions and authorities can tackle these important issues effectively. As above this should be a priority across the whole sector, including alternative/private providers.

With this in mind, and with regards to violence, sexual harassment and hate crimes, we would like the Council to draw up plans to support the HE sector to implement the Universities UK Harassment Task Force's report 'Changing the Culture' recommendations, and ensure these recommendations are being followed and implemented in the HE Sector. We support the UUK Harassment Taskforce's recommendation, in its report 'Changing the Culture', that higher education institutions should embed a culture of zero-tolerance to all forms of violence, sexual harassment and hate crime, including anti-Semitism. We are concerned by the number of recent reports of incidents of anti-Semitism on campus. In December 2016, the Government agreed to adopt the International Holocaust Remembrance Alliance (IHRA) working definition on anti-Semitism. I have written to the sector directly on this issue and that letter is attached at Annex 3 for information. The Council should work alongside Universities UK and other relevant partners to drive improvements within and across institutions in the way these issues are tackled.

Government expects higher education institutions to provide appropriate support services for students and staff with a range of mental health needs; we would like the Council to draw up plans to support the higher education sector implement the Universities UK 'Wellbeing in Education' programme, launched in December 2016. The Council should work alongside Universities UK and other relevant partners to build the evidence-base, raise awareness of mental health needs and services, establish guidelines and share good practice in order to drive improvements within institutions in the way mental health services are procured, signposted, accessed and delivered to students and staff.

Prevent

Ensuring successful implementation of the Prevent duty in the higher education sector continues to be a high priority for the Government. We expect you to continue assessing how HE bodies are responding to the duty to ensure that policies are implemented actively and Prevent responsibilities are managed appropriately. We welcome your report on your first year of monitoring work, published in January 2017, which showed that providers are making strong progress in implementing the duty pragmatically and proportionately. In this second year of work we would expect HEFCE to enable the sharing of experience

and good practice across the sector, and to monitor how the sector is balancing the requirements of the Prevent duty with the need to protect and promote freedom of speech.

Efficiency

With students and taxpayers making a significant investment in higher education, we must ensure that the sector uses these resources efficiently and effectively. We would like HEFCE to continue work with sector bodies to implement the recommendations of Sir Ian Diamond's reviews of efficiency and effectiveness. In this regard, we note that HEFCE is now receiving annual reports from all institutions on how they are achieving value for money. These reports are useful tools for the governing bodies of individual institutions to monitor and drive forward efficiency performance. We would like you to further improve the quality and consistency of the information contained in these reports by developing a common framework of key information on efficiency for institutions to use. HEFCE should also use the submissions to produce an annual report on efficiency and value for money at the sector level.

The Government is clear that efficiency includes demonstrating restraint in senior pay and remains concerned about the substantial upwards drift of salaries of some top management. We would like to see senior leaders in the sector exercise much greater restraint.

Condition of grant on regulated fees

In accordance with the Secretary of State's duty under Section 23 of the Higher Education Act 2004, the Secretary of State is hereby imposing a condition on this grant to HEFCE for the Academic Year 2017/18, requiring it in turn to impose a condition, in accordance with section 24, on financial support given to the governing body of a relevant institution. The details of this condition of grant for 2017/18 are set out in Annex 2.

Transition

We are grateful for the work the Council has contributed to date on planning the transition to OfS and UKRI. Subject to the will of Parliament, we will establish the OfS and UKRI in April 2018. As we get closer to this date, your continued engagement will be vital, particularly once the senior leadership team for the shadow OfS and UKRI have been appointed and are making key decisions on the set-up, organisation design and ensuring a smooth transition for higher education institutions through this period.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Jo', written in a cursive style.

JO JOHNSON MP

Annex 1

Finance

Overall allocation

All figures in £m		2016-17 Grant letter	2017-18 Budget	2018-19 Indicative allocation
a	Recurrent grant for Teaching	1,539	1,457	1,386
b	Recurrent grant for Research	1,695	1,732	1,755
c	Total recurrent grant for distribution by HEFCE	3,234	3,189	3,141
d	Capital Grant for Teaching	140	150	150
e	Capital Grant for Research	338	203	303
f	Total Capital Grant for distribution by HEFCE	478	353	453
g	Institute of Coding Competition (RDEL)	0	10	10
h	Total funding via HEFCE	3,712	3,552	3,604

i) The amounts set out above are the Council's resource and capital budgets. They represent the maximum amount of resource and capital that the Council may consume in pursuance of the priorities agreed with the Department for the Spending Review period. Figures may not sum due to rounding. Where Departmental or HM Treasury controls are in place, funding must not be moved between resource lines without explicit agreement from DfE. If the department's level of overall funding is decreased due to wider events or in order to cover other unavoidable financial pressures, the Department may, within the framework set by Parliament and the courts, need to make in year adjustments to allocations to our Partner Bodies in order to meet budget reductions.

ii) HEFCE will receive a separate letter detailing their administrative budget for 2017-18, but they should expect to make further contributions as required over the spending review period to the Department's overall real terms reductions in administrative budgets. As in previous years, HEFCE will receive a separate letter confirming their finalised 2017-18 unrounded resource and capital budget totals, and also admin and AME allocations. Please also expect a separate letter on the Institute of Coding Competition.

iii) The funding that is set out in this letter is, as ever, subject to Parliamentary approval through the Estimates process twice a year. Parliament votes the funding for teaching and for research separately, as distinct objectives. We recognise that the Council may wish to allocate funding that supports both teaching and research objectives, and in these circumstances will need to judge the appropriate balance from each budget line. In making this judgement the Council should be minded to ensure that funding may not be moved between teaching and research allocations without BEIS and DfE oversight to ensure appropriate reflection in Treasury reporting.

Teaching allocation:

iv) From within the recurrent teaching grant, £26m in 2016-17 and £25m in 2017-18 relates to the cash utilisation of HEFCE's inherited staff liability provision. This does not include the unwinding, release or revaluation of provision, all of which are charged against AME with budget amounts confirmed outside of this grant letter.

v) From 17-18, the teaching priorities figure includes an allowance for the transfer of midwives, nurses and other allied health professionals to the DfE funding system.

Research allocation:

vi) The table below shows allocations for Science and Research for the Spending Review period. This includes indicative funding for 2018-19 onwards, except allocations for UKRPIF which is confirmed funding.

The table includes a resource allocation from Global Challenges Research Fund (GCRF) and funding will also be allocated from the Newton Fund and the National Productivity Investment Fund (NPIF). We will write separately to confirm additional funding allocations. BEIS officials will need to discuss with you how you allocate these funding elements. This funding may be adjusted (increased or decreased) during the course of the year subject to Ministerial decisions.

£m	2016-17 Per grant letter	2017-18	2018-19 Indicative	2019-20 Indicative
Science and Research Funding	2,033	1,935	2,058	2,118
o/ w Recurrent grant for Research and Research contribution to HEIF	1,675	1,680	1,693	1,708
o/w Contribution from GCRF	20	37	37	37
o/w Contribution from Newton		0	0	0
o/w Collaboration Fund		15**	25**	30**
o/w National Productivity Investment Fund (NPIF)		tba	tba	tba
o/w Research Capital England	117	117	117	117
o/w Higher Education Research Capital (HERC) England	87	87	87	87
o/w UK-RPIF*	135	0	100	140

*UKRPIF funding confirmed through to fy 2020/21

** Collaboration Fund funding profile through to fy 2020/21 subject to Business Case, and will be confirmed separately.

Annex 2: Condition of grant on regulated tuition fees

1. It is a condition of grant that:
 - a. Where an institution has an approved plan (“the plan”) by the Director for Fair Access (“the Director”) applying to students studying in the academic year 2017-18, its governing body must secure that in respect of that academic year the fees payable by a qualifying person in connection with his undertaking a qualifying course do not exceed the limit provided for that course in the plan for that academic year, and
 - b. The governing body must comply with the general provisions of the plan.
 - c. Where an institution does not have an approved plan for a student cohort in the academic year 2017-18, its governing body must secure that in respect of that academic year the fees payable by a qualifying person in connection with his undertaking a qualifying course do not exceed the basic fee cap.
2. Fees has the meaning set out in Section 41 of the Higher Education Act 2004 and in the Education (Student Fees) (Exceptions) (England) Regulations 1999¹, which continue to apply. Qualifying courses and persons have the meaning prescribed in the Student Fees (Qualifying Courses and Persons) (England) Regulations 2007, as amended². For students starting pre-registration courses in nursing, midwifery and allied health professions on or after 1 August 2017, institutions should meet, and not charge students for, the costs of Disclosure and Barring Service (DBS) checks, occupational health checks and the provision of uniforms, where these are required for their participation on a course or course placement.
3. ‘Eligible institution’ means an institution listed in the Schedule to the Higher Education (Basic Amount) (England) Regulations 2016³ and the Schedule to the Higher Education (Higher Amount) (England) Regulations 2016⁴.
4. The prescribed amounts for 2017-18 for students starting their full-time courses before 1 September 2012 reflect provisions in the Higher Education Act 2004 and are subject to overall limits set out in the Student Fees (Amounts) (England) Regulations 2004⁵ as amended by Regulation 3 of the Student Fees (Basic and Higher Amounts) (Approved Plans) (England) (Amendment) Regulations 2012⁶. For these courses:
 - a. The basic amount is £1,380 (£680 where Regulation 5 of the Student Fees (Amounts) (England) Regulations 2004 applies).
 - b. The higher amount is £3,465 (£1,725 where Regulation 5 of the Student Fees (Amounts) (England) Regulations 2004 applies).
5. For students starting full-time courses on or after 1 September 2012⁷, the prescribed amounts are subject to overall limits that are set out in the Higher Education (Basic Amount) (England) Regulations 2016 and the Higher Education (Higher Amount) (England) Regulations 2016. For these courses, the basic amount is £6,165 for an eligible institution and £6,000 for any other institution and the higher amount is £9,250 for an eligible institution and £9,000 for any other institution, except where any of the following exceptions apply:

¹ Statutory Instrument 1999/2265.

² Statutory Instrument 2007/778, as amended, at the time of writing, by Statutory Instruments 2007/2263, 2008/1640, 2011/87, 2012/1653 and 2016/584.

³ Statutory Instrument 2016/1205.

⁴ Statutory Instrument 2016/1206.

⁵ Statutory Instrument 2004/1932.

⁶ Statutory Instrument 2012/433.

⁷ Certain students, such as those transferring or on ‘end-on’ courses, are treated differently and the details are set out in regulation 5 of the Higher Education (Higher Amount) (England) Regulations 2016 and regulation 5 of the Higher Education (Basic Amount) (England) Regulations 2016.

a. The basic amount is £3,080 for an eligible institution and £3,000 for any other institution and the higher amount is £4,625 for an eligible institution and £4,500 for any other institution for the final academic year of a course where that academic year is normally required to be completed after less than 15 weeks' attendance.

b. The basic amount is £920 for an eligible institution and £900 for any other institution and the higher amount is £1,385 for an eligible institution and £1,350 for any other institution for:

i. An Erasmus year⁸.

ii. An academic year of a course provided in conjunction with an overseas institution which is not an Erasmus year:

1) During which any periods of full-time study at the institution in the United Kingdom are in aggregate less than 10 weeks.

Or

2) If in respect of that academic year and any previous academic years of the course the aggregate of any one or more periods of attendance which are not periods of full-time study at the institution in the United Kingdom (disregarding intervening vacations) exceeds 30 weeks.

c. The basic amount is £1,230 for an eligible institution and £1,200 for any other institution and the higher amount is £1,850 for an eligible institution and £1,800 for any other institution for an academic year of a sandwich course (which is not an Erasmus year):

i. During which any periods of full-time study are in aggregate less than 10 weeks.

Or

ii. If in respect of that academic year and any previous academic years of the course the aggregate of any one or more periods of attendance which are not periods of full-time study at the institution (disregarding intervening vacations) exceeds 30 weeks.

6. For students starting part-time courses on or after 1 September 2012⁹ the prescribed amounts are subject to overall limits that are set out in the Higher Education (Basic Amount) (England) Regulations 2016 and the Higher Education (Higher Amount) (England) Regulations 2016. For these courses, the basic amount is £4,625 for an eligible institution and £4,500 for any other institution and the higher amount is £6,935 for an eligible institution and £6,750 for any other institution.

Financial requirements/penalties

7. In the event of a failure to comply with the condition, the financial requirements set out in paragraphs 9 to 12 will apply.

Financial requirements/penalties to be imposed by the Director

8. Where there is a failure to comply with the condition under paragraph 1.a, the financial requirement in relation to fees charged which exceed those provided for in the plan but do not exceed the higher fee cap, will be that imposed by the Director in a direction made in accordance with the Student Fees (Approved Plans) (England) Regulations 2004¹⁰ ("the Approved Plans Regulations").

⁸ 'Erasmus year' is defined in Regulation 4 of Statutory Instrument 2013/1728, which amends the definition given in the Education (Student Support) Regulations 2011 (Statutory Instrument 2011/1986).

⁹ Certain students, such as those transferring or on 'end-on' courses, are treated differently and the details are set out in Regulation 5 of the Higher Education (Higher Amount) (England) Regulations 2016 and Regulation 5 of the Higher Education (Basic Amount) (England) Regulations 2016.

¹⁰ Statutory Instrument 2004/2473, as amended, at the time of writing, by Statutory Instruments 2012/433 and 2012/765.

9. Where there is a failure to comply with the condition under paragraph 1.b, the financial requirement will be that imposed by the Director in a direction made in accordance with the Approved Plans Regulations.

Financial requirements/penalties to be imposed by HEFCE

10. Where there is a failure to comply with the condition under paragraph 1.a, and the fee payable exceeds the higher fee cap, the financial requirement will be that imposed under paragraph 9 and, in addition, the amount determined by HEFCE in accordance with the following principles:

a. An amount of the teaching and research grant which in the opinion of HEFCE equals 110 per cent of the amount each student on a course has been charged in excess of the relevant higher fee cap, multiplied by the number of students HEFCE believes to have been overcharged.

b. That the amount determined under sub-paragraph a will be repaid by the institution to HEFCE, or withheld from grant, and retained until the institution has satisfied HEFCE that reasonable efforts have been made to repay the amount charged in excess of the higher fee cap, either to every qualifying person overcharged, or to the Student Loans Company, as the case may be. Once HEFCE is so satisfied by a date it determines, the amount retained, or a proportion of that amount, will be repaid or given in grant to the institution.

c. The following further principles also apply:

i. Where it appears to HEFCE that an institution does not intend to comply with the higher fee cap, an amount up to the maximum of the total teaching and research grant for the current or any future grant period may be withheld from grant.

ii. Where it appears to HEFCE that a breach of the higher fee cap is minor or accidental there will be no financial penalty additional to that set out in sub-paragraphs a and b, and

iii. In any other circumstances, an amount in the current grant period HEFCE considers appropriate in view of the severity of the failure to comply with the higher fee cap, up to a maximum of £500,000 less any amount already imposed by the Director under paragraph 9, to be repaid by the institution to HEFCE or withheld from grant.

d. An amount determined under sub-paragraph c will not exceed in any grant period the total amount received from HEFCE in that grant period, less any amount withheld under sub-paragraphs a and b and the amount of any financial requirement imposed by the Director in a direction. An amount determined under sub-paragraph c will not be paid or repaid to the institution.

11. Where there is a failure to comply with the condition under paragraph 1.c, the financial requirement will be the amount determined by HEFCE in accordance with the following principles:

a. An amount of the teaching and research grant which in the opinion of HEFCE equals 110 per cent of the amount each student on a course has been charged in excess of the basic fee cap, multiplied by the number of students HEFCE believes to have been overcharged.

b. That the amount determined under sub-paragraph a will be repaid by the institution to HEFCE, or withheld from grant, and retained until the institution has satisfied HEFCE that reasonable efforts have been made to repay the amount charged in excess of the basic fee cap, either to every qualifying person overcharged, or to the Student Loans Company, as the case may be. Once HEFCE is so satisfied by a date it determines, the amount retained, or a proportion of that amount, will be returned or given in grant to the institution.

- c. The following further principles also apply:
- i. Where it appears to HEFCE that an institution does not intend to comply with the basic fee cap, an amount up to the maximum of the total teaching and research grant for the current or any future grant period may be withheld from grant.
 - ii. Where it appears to HEFCE that a breach of the basic fee cap is minor or accidental there will be no financial penalty additional to that set out in sub-paragraphs a and b, and
 - iii. In any other circumstances, an amount in the current grant period HEFCE considers appropriate in view of the severity of the failure to comply with the basic fee cap, up to a maximum of £500,000, to be repaid by the institution to HEFCE or withheld from grant.
- d. An amount determined under sub-paragraph c will not exceed in any grant period the total amount received from HEFCE in that grant period, less any amount withheld under sub-paragraphs a and b. An amount determined under sub-paragraph c will not be paid or repaid to the institution.

Medical and Dentistry intake

12. We wish to retain intake targets for undergraduate courses in medicine and dentistry, reflecting the high costs to the public purse of the training they provide. HEFCE provides teaching grant funding of over £30,000 per medical student over the length of their course. It remains important that institutions do not exceed their intake targets to these courses and we therefore ask the Council to continue to impose sanctions on institutions that repeatedly over-recruit; including reductions to grant that reflect the cost to Government of providing student support for the excess numbers recruited.

Annex 3: Tackling Anti-Semitism on Campus



Department
for Education



Department for
Business, Energy
& Industrial Strategy

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UUK

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13 February 2017

Dear Nicola,

TACKLING ANTI-SEMITISM ON CAMPUS

I am writing to inform you that the Government recently adopted the International Holocaust Remembrance Alliance's (IHRA), definition of anti-Semitism, to help clarify how anti-Semitism can manifest itself in the 21st century:

“Anti-Semitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of anti-Semitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

The definition is intended to help front-line services better understand and recognise instances of anti-Semitism, and gives examples of the kind of behaviours, which, depending on the circumstances, could constitute anti-Semitism.

The full text of the definition can be found at:

https://www.holocaustremembrance.com/sites/default/files/press_release_document_antisemitism.pdf.

I would be grateful if you would disseminate this in your institution so that this position is widely known and clearly understood.

There is no place in our society - including within higher education – for hatred or any form of harassment, discrimination or racism such as anti-Semitism. Higher education institutions have a responsibility to ensure that they provide a safe and inclusive environment for all students, and that students do not face discrimination, harassment or victimisation.

I expect all higher education institutions to discharge their responsibilities fully and to have robust policies and procedures in place to comply with the law, to investigate and swiftly address hate crime, including any anti-Semitic incidents that are reported.

Free speech and academic freedom are fundamental to our higher education system. Many institutions have a legal duty to take reasonably practicable steps to secure freedom of speech for their members, students, employees and visiting speakers. We expect higher education institutions to have clearly set out procedures and policies for events and the hosting of external speakers which allow for open transparent events, challenge and debate and ensure that lawful speech can occur on campuses. Open and robust debate is how students should challenge those with whom they disagree. There is no place for students that use intimidation or violence to attempt to shut down the free and open exchange of ideas.

I am sure you share my concerns about the rising reports of anti-Semitic incidents in this country and will want to make sure that your own institution is a welcoming environment for all students and that the legal position and guidelines are universally understood and acted upon at all times. This will include events such as those that might take place under the banner of "Israel Apartheid" events for instance. Such events need to be properly handled by higher education institutions to ensure that our values, expectations and laws are not violated.

In September 2015 the Government asked Universities UK (UUK) to set up a Harassment Taskforce to consider what more can be done to address harassment on campus, including on the basis of religion and belief. The taskforce published its report: '*Changing the Culture*', on 21 October 2016. UUK plan to establish more baseline evidence, and to assess institutions' progress in implementing the recommendations, so that the work of the taskforce makes a real difference. UUK will report their progress to me later this year.

This Government will diligently pursue our commitment to tackle intolerance and bigotry in every form; and continue to work in partnership with public bodies and communities to support institutions in the pursuit of eliminating anti-Semitism and all forms of harassment, discrimination or racism.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Jo', written in a cursive style.

JO JOHNSON MP