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Michelle Donelan MP
Minister of State for Universities

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Ruth Levin, UNISON

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Dear Ms Levin,

Thank you for your further letter of 3 April, on behalf of the five higher education (HE) trade unions, setting out some concerns about the impact of COVID-19 on HE and university support staff.

Universities are at the front line in the immediate challenge of COVID-19, and our entire HE sector has a key role to play during these unprecedented times. I am immensely grateful to those of you undertaking the huge amount of work being done to mitigate the impacts of COVID-19 on our students, universities and wider communities. They will have a significant part to play in the recovery from the impacts of the epidemic both nationally and for their regions and localities.

I agree with you entirely that universities play a vital role in contributing to the UK economy and I recognise the huge value of international students to UK HE, culturally, socially and economically. We have made clear to universities that they should be well supported, including with accommodation, during this health emergency. We look forward to continuing to welcome international students in the future. They are one of the reasons why our HE remains world-class. I am also immensely grateful for our universities' offers of support through our world-leading medical research expertise and facilities to support the development of a vaccine, or through collaborating with industry partners on producing ventilators and testing equipment.

As I explained in my previous response, I recognise the potential impacts of this pandemic on the financial sustainability of university research. I can assure you that I am working closely with the Minister for Science, Research and Innovation, officials in this department and BEIS, and stakeholders, to consider how best to help manage these impacts. We need to ensure that the university research base is fully able to contribute to our economy and society through the recovery post-COVID-19.

We have put into place a range of interventions to address the financial pressures the sector is facing. These include a new process for assessing A-level grades, a moratorium on changes to offers made via UCAS, ensuring the Student Loans Company processes all normal payments of tuition fees and maintenance loans in the April payment, and working with the Home Office to ensure the visa system is as flexible as possible for international students.

On 4 May, we announced further measures to protect students and universities, answer sector calls on the COVID-19 response.

I fully understand your concerns regarding the safeguarding of jobs. The department is working closely with the HE sector and the Office for Students (OfS), the regulator in England, to ensure that we understand the potential financial implications and risks that COVID-19 is bringing to bear on the sector, and to keep abreast of developments. The OfS has stated that one of its key priorities during the pandemic is to support the financial sustainability of the sector.

Providers with concerns about their financial viability or sustainability have been encouraged to contact the OfS at the earliest opportunity. As you note, the OfS has already adapted its reporting requirements to focus on threats to liquidity and short-term viability, enhancing its ability to identify risks to individual providers as well as patterns across the sector. Universities, as independent institutions, are ultimately responsible for their own decisions on employment contracts and pay and pension provision. We expect universities, like all employers, to comply with their obligations under the Equality Act 2010 and give due consideration to the way their employment practices affect different sections of their communities and staff at different stages of their careers.

In my letter of 26 March to the heads of providers, I asked that they pay particular attention to the additional financial hardships that are being faced by hourly paid and student staff who have been reliant on income from campus-based jobs at this time. The department has provided guidance on the application of COVID-19 support for businesses and government funding for the education, early years and children's social care sectors. This will help all providers understand how they can access the range of measures on offer to support financial sustainability and safeguard jobs. The support includes more detailed business support packages, including the Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS) and COVID Corporate Financing Facility (CCFF).

HE providers that meet the published criteria for the CBILS or the CLBILS should consider approaching their bank to apply for the appropriate scheme, if they judge that is needed. The CLBILS, which may be relevant to many providers, opened for applications on 20 April. Larger providers may also wish to explore the CCFF and should liaise with their bank to discuss eligibility. If their bank does not issue commercial paper, UK Finance has published a list of those banks that are able to assist at: [tinyurl.com/Y7PKYSNL](https://www.gov.uk/guidance/coronavirus-corporate-financing-facility-ccff).

Details of the schemes are available on GOV.UK at: [tinyurl.com/Y97DXGA9](https://www.gov.uk/guidance/coronavirus-corporate-financing-facility-ccff) and the British Business Bank website: [tinyurl.com/YBW4EKA2](https://www.gov.uk/guidance/coronavirus-corporate-financing-facility-ccff).

As I mentioned in my previous reply, we expect that in most circumstances HE providers will be able to continue paying their staff as delivery of teaching moves largely online, and staff maintain key services, including those for students still on campus. Where this is not the case, we have confirmed that HE providers can access the Coronavirus Job Retention Scheme (CJRS) to safeguard staff jobs. This includes support for those staff with short term or hourly paid contracts.

We have published further guidance about the CJRS and how providers should access the scheme. We will continue to engage with the sector and update the guidance and provide further clarification as necessary. Full guidance on the CJRS is available on GOV.UK at: [tinyurl.com/Y88XVJQ](https://www.gov.uk/guidance/cjrs).

Additionally, to support institutions, we will pull forward tuition fee payments, expected to be worth £2.6bn, for providers so that they receive more cash in the first term of academic year 20/21. This will have no impact on students but will allow providers to better manage financial risks over the autumn. This will be available to all providers across the UK. In reprofiling these payments, we are clear in our expectation that providers should use the cashflow benefits appropriately, taking significant steps to improve efficiencies and manage their finances in order to avoid cashflow problems further down the track. Reprofiling in this way is a one-off intervention for the autumn term only, to help providers take all necessary steps now to prepare for the future.

In England, we will also be bringing forward £100m Quality-related Research funding for providers to the current academic year to help to address some of the immediate pressures being faced for university research activities.

We are reminding providers, as part of existing programmes and using established procedures, that DfE will consider purchasing land and buildings where they can be used for new or expanding schools and colleges in England. This financial year – across purchases from all suitable vendors, including but not limited to HE providers – we have budgeted up to £100m to acquire sites for planned projects in England.

We will continue to work with the sector and the Office for Students to understand the financial impacts on providers and their access to measures to support financial sustainability.

Once again, I would be grateful if you could share this reply with you co-signatories and that, in turn, unions can please ensure that this letter is shared with all staff through their branch and staff networks.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Donelan', written in a cursive style.

Michelle Donelan MP
Minister of State for Universities