September 2007/27 **Core funding/ operations** Consultation Responses should be made online by Friday 7 December 2007

This is a consultation on our plans for implementing the Government's decision to withdraw funding for equivalent or lower qualifications, in line with its new funding priorities.

# Withdrawal of funding for equivalent or lower qualifications (ELQs)

### **Consultation on implementation**



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## Withdrawal of funding for equivalent or lower qualifications (ELQs): consultation on implementation

То:	Heads of HEFCE-funded higher education institutions
	Heads of HEFCE-funded further education colleges
	Senior Management, Finance, Governance
Of interest to those responsible for:	2007/ <b>27</b>
Reference:	September 2007
Publication date:	ELQ@hefce.ac.uk
Enquiries to:	Institutions are also invited to discuss the issues raised in this consultation with their HEFCE regional team.

### **Executive summary**

#### Purpose

1. The Department for Innovation, Universities and Skills (DIUS) has requested that we withdraw funding for students who are studying for a qualification that is equivalent to, or lower than, a qualification that they have already been awarded. The Government has taken this decision because it believes that teaching such students 'is not... usually as high a priority for public funding as support for students who are either entering higher education for the first time, or progressing to higher qualifications'.<sup>1</sup>

2. The Government has requested that we make a number of exemptions to the new equivalent or lower qualification (ELQ) policy, in accordance with Student Fees Regulations and Student Support Regulations. It has also requested that students presently studying for an ELQ should not be affected by the change in policy.

3. This document consults on our proposals for implementing the ELQ policy.

#### Key points

4. We propose to:

a. Exempt foundation degrees from the withdrawal of funding for equivalent or lower qualifications. This will support our policy to engage employers in higher education, and ensure that a route remains open for students who have already achieved a higher qualification, but who wish to acquire new skills for use in the workplace.

<sup>&</sup>lt;sup>1</sup> Letter from John Denham, Secretary of State for Innovation, Universities and Skills, dated 7 September 2007. A copy of this letter is provided in Annex A.

b. Continue to allocate co-funded additional student numbers for students studying for ELQs, thereby ensuring that the development of funding partnerships between employers and institutions is not impeded by the withdrawal of funding for ELQs.

c. Provide a targeted allocation to support students studying for ELQs in strategically important and vulnerable subjects (SIVS). This allocation recognises that it is in the public interest to support students who are studying SIVS, even if they are aiming for an equivalent or lower qualification.

d. Provide a £20 million supplement to the part-time targeted allocation. This is to help preserve part-time opportunities for those entering higher education for the first time by supporting institutions in maintaining part-time courses that are particularly affected by the withdrawal of funding for ELQs.

e. Where necessary, provide 'safety net' funding to maintain each institution's grant at a comparable 2007-08 level in cash terms. This will ensure that the change in funding is introduced in a controlled manner that gives institutions the chance to adapt to changing student numbers.

### **Action required**

5. Responses to this consultation should be made by **Friday 7 December 2007** using the online form available on the web with this document at www.hefce.ac.uk under Publications. We will be holding consultation events in November 2007; invitations will be sent to all directly-funded institutions and relevant stakeholders. Places will be limited, so early booking is advisable.

### Introduction

6. On 7 September 2007, the Secretary of State for Innovation, Universities and Skills wrote to us regarding higher education funding incentives for 2008-11. A copy of this letter is at Annex A. In this letter, he asks us to phase out the funding that we currently provide to higher education institutions and further education colleges to teach students who are studying for a qualification that is equivalent to, or lower than, a qualification that they have already achieved. He writes: 'While there may be much benefit to an individual, or their employer, in retraining them for a second qualification at the same level, this is not, in my view, usually as high a priority for public funding as support for students who are either entering higher education for the first time, or progressing to higher qualifications.' (paragraph 4 of the letter).

7. This document describes our plans for **implementing** the withdrawal of funding for ELQs. The policy itself has been determined by the Secretary of State. We will, where appropriate, report comments on the ELQ policy to the Secretary of State – but we are not ourselves in a position to consider them.

8. This consultation is accompanied by an Excel spreadsheet, which will provide a model of the likely impact of our proposals on institutions, subjects and modes of study. This will be published on the web with this document at www.hefce.ac.uk under Publications, together with a set of questions and answers which will be built on as the consultation progresses. We recommend that these proposals are viewed in the context of recent changes to the HEFCE teaching funding method, agreed through consultation with the sector. Information about these changes can be found on the HEFCE web-site under Learning & teaching/Funding/Teaching funding method review.

### Background to the proposals

- 9. In his letter to HEFCE, the Secretary of State makes the following requests:
  - a. That funding for ELQs be reduced by £100 million by 2010-11.
  - b. That the process of phasing out funding for ELQs should begin in 2008-09.

c. That students who are already studying for an ELQ should not be affected by the change in policy.

d. That we make certain exemptions to this policy, in light of Student Fees Regulations and Student Support Regulations, and consider further exceptions or modifications for some categories of student.

e. That we consider transitional protection for those institutions that are most affected in the short-term.

10. The DIUS has subsequently advised us that implementation of the policy will be a condition of grant in our forthcoming grant letter for 2008-09. The letter from the Secretary of State (at Annex A) also recognises that institutions are entitled to charge

non-regulated fees to most students who are studying for an ELQ. This means that institutions may have the opportunity to offset the reduction in funding by charging higher fees to students studying for an equivalent or lower qualification.<sup>2</sup>

11. In developing the proposals set out below, we have been guided by the instructions of the Secretary of State. In addition, our policies have been informed by three general principles:

- a. We believe that there are occasions on which supporting students embarking on an ELQ is clearly in the public interest. For instance, it may be appropriate to use public money to support students who are studying for an ELQ in subjects that are particularly important to the economy and wider society. Where possible, we will ensure that funding for such provision is not affected by the ELQ policy.
- b. In implementing the policy, we wish to maintain as far as possible consistency with other HEFCE policies.
- c. We intend to ensure that the changes in funding are fully transparent to institutions, and that they are implemented in a controlled way, thereby giving institutions time to adapt to the new funding environment.

12. It should be noted that all our proposals are contingent on affordability in the light of the outcome of the Comprehensive Spending Review and the Secretary of State's grant letter.

### Calculating the withdrawal of funding for ELQs

13. An ELQ is a qualification that is equivalent to, or lower than, a qualification that the student has already achieved. For instance, someone who already has an honours degree and who is studying for a second honours degree would count as studying for an ELQ.<sup>3</sup> In contrast, a student who has a foundation degree and who is now studying for an honours degree would **not** count as studying for an ELQ, as this student is aiming for a higher level qualification. In sum, the Government's new policy implies that progression into, or through, higher education should continue to attract public funding. However, repeating a qualification, or undertaking a qualification at a lower level than a qualification already achieved, should not usually be publicly funded.

<sup>&</sup>lt;sup>2</sup> The Student Fees Regulations state that current limits on fees do not apply to students that have an honours degree from a UK institution. This implies that a student who is studying fulltime for an HND as an ELQ, for instance, would be subject to regulated fees. We are working with the Department for Innovation, Universities and Skills to investigate how best to achieve consistency between the Student Fees and Student Support Regulations and the ELQ policy. <sup>3</sup> It is equivalence of level, not subject, that is important when calculating whether a student is studying for an ELQ. For instance, a student who has an honours degree in history and who decides to study for a second honours degree in sociology would count as studying for an ELQ.

14. From 2008-09, the majority of new entrants studying for an ELQ will not attract public funding. We are aware, however, that many institutions currently teach a number of students studying for ELQs. We plan to continue to support institutions in teaching these students to allow them to reach the end of their course. To do this, we will first estimate the number of such students and adjust each institution's core numbers and mainstream teaching grant accordingly. We will then allot funding to each institution, through a separate allocation outside the tolerance band, that corresponds to the number of students undertaking ELQs that we expect to be still studying at the institution. This allocation will be gradually phased out over a period of up to six years as we expect the students aiming for ELQs to finish their courses and leave the institution.

15. The phasing out of support for ELQ students already in the system will be based on a profile derived from historical data, rather than the actual numbers reported in future years. This method of implementing the policy will provide a stable and predictable transition, and enable institutions to assess the long-term impact of the withdrawal of funding for ELQs. It will also remove the need for ongoing adjustments to the mainstream grant, and minimise the requirement for burdensome audit procedures.

16. In order to estimate the ELQ students currently present at each institution and to determine their estimated completion dates, we will use Higher Education Statistics Agency (HESA) and Individualised Learner Record (ILR) data from 2005-06 (a detailed explanation of our method is available on the web with this document at www.hefce.ac.uk under Publications, in the document 'Technical notes on the modelling'). These data have been used to produce the indicative modelling that will accompany this consultation; they will also be used to inform the institutional grant tables issued in March 2008. We are aware, however, that while HESA and ILR data are largely reliable, there may be occasional inaccuracies. For instance, HESA and ILR data do not always include an accurate record of a student's previous qualifications. This may lead to some distortion in our estimate of the profile of students studying for an ELQ present at each institution.

17. We therefore plan to allow for a process of refining the modelling. This process will begin immediately, and is likely to continue beyond the publication of the March 2008 grant tables. Where this process leads to significant changes in grant, we will engage in a dialogue with the institutions concerned, to ensure that our estimates are reasonable.

18. From 2008-09, most students studying for an ELQ must be reported as 'nonfundable' on institutions' data returns to HEFCE. This change in policy will mean that most institutions will see a reduction in their HEFCE-fundable student population. If an institution wishes to compensate for the reduction in HEFCE-fundable student numbers, they may choose to approach us with a request for additional student numbers (ASNs). We are currently unsure what growth might be available over the spending review period, but in allocating any such growth we will, if possible, look to prioritise institutions that have been particularly adversely affected by the withdrawal of funding for ELQs and that meet other priorities for the distribution of ASNs.

### **Exemptions requested by the Government**

19. In implementing the ELQ policy, we propose to make a number of exemptions. It is helpful to divide these into two categories:

a. Broad categories of exemptions requested by the Secretary of State in his letter to HEFCE.

b. Additional exceptions that we have chosen to make for our own policy reasons.

Paragraphs 20-24 discuss the exemptions requested by the Government. Paragraphs 25-40 describe our own discretionary exemptions (and other proposed interventions).

20. The Secretary of State has asked us to consider exemptions to the ELQ policy in the light of the Education (Students Support) Regulations and the Student Fees (Qualifying Courses and Persons) (England) Regulations. The Student Support Regulations exist for the purpose of specifying eligibility for fee loans, and grants and loans for living expenses and other costs. The Student Fees Regulations limit the fees that institutions are allowed to charge certain students on certain courses. The general import of these regulations is that most students who are studying for an ELQ are not subject to regulated fees, nor do they receive student support.

21. However, the regulations also identify a number of exceptions to this general rule. These typically apply to students that are studying courses that for a variety of reasons are treated as special cases by the Government – for instance, medicine, teacher training, social work and nursing. Our understanding of the Government's request is that the majority of such students should be exempt from the withdrawal of funding from ELQs. This will maintain consistency with existing regulations, and ensure that these courses will not generally be adversely affected by the ELQ policy. We therefore propose to exempt from the ELQ policy students who are studying on a course that is identified as an exception in the Student Fees Regulations or the Student Support Regulations. Annex B describes the categories of students that would fall under this exemption.

22. A further question concerns our treatment of prior qualifications achieved from a non-UK institution. The Student Fees Regulations state that current limits on fees do not generally apply to students who already have an honours degree from a publicly-funded UK institution. This implies that a student who has a degree from an EU or overseas institution will still be subject to regulated fees, even if they are studying for an ELQ. It might therefore be argued that since such students are treated exceptionally in the fee regulations, they should also be exempt from the ELQ policy – that is, we should not take into account prior qualifications achieved at non-UK institutions when calculating the withdrawal of funding for ELQs.

23. We think, however, that this course of action would not be justified. In asking us to withdraw funding for ELQs, the Government's intention is to prioritise students who are entering HE for the first time, or progressing to a higher qualification. From this point of view, it should not be relevant whether a student's prior qualification has been achieved at a UK institution, or elsewhere. We are also concerned that it would not be equitable to

treat students whose prior qualifications have been achieved from a UK institution differently from those whose prior qualifications have been achieved elsewhere. For these reasons, we propose that the ELQ policy should **not** be restricted solely to students whose prior qualifications were achieved at a UK institution.

24. We are aware that the Student Fees Regulations and the Student Support Regulations are regularly reviewed by the Government. If changes to the regulations occur in the future, we may revise the exemptions to the ELQ policy discussed above in order to ensure that sufficient consistency with the regulations is maintained.

**Consultation question 1**: Have we responded appropriately to the Government's instruction that certain categories of student should be exempt in the light of the Student Fees (Qualifying Courses and Persons) (England) Regulations and Education (Student Support) Regulations?

### Students studying for ELQs and the employer engagement agenda

25. Higher education plays a vital role in providing the skills and knowledge needed by employers. By developing a skilled workforce, higher education contributes towards the productiveness and international competitiveness of the economy. Since 2005, we have worked to promote the potential of partnerships between higher education providers and employers. Further details of our strategy are on our web-site under Learning & teaching/Employer engagement.

26. We acknowledge that it is often appropriate for employers to meet at least some of the costs of training their employees. Over the past two years, our expectation has increasingly been that such training should be co-funded by employers. A number of institutions are now piloting courses that are supported jointly by public money, student fees and employer contribution. We believe, however, that public funding should continue to make a contribution towards training delivered for employers. This reflects the economic benefits of a skilled workforce, and supports institutions in engaging in a comparatively high-cost and untested form of activity.

27. With the withdrawal of funding for ELQ students, there is a possibility that institutions will be discouraged from investing in some programmes which meet employers' needs, perceiving that some of the students that they teach will not attract public funding. To militate against this risk, we propose that foundation degrees should be exempt from this new policy. We have chosen to focus on foundation degrees as they have been designed to give students the technical and professional skills in demand from employers. This exemption will therefore support institutions that work closely with employers to provide training and workforce development. It will also mean that a route will remain open for potential students who have already achieved a qualification, but who wish to acquire new skills for use in the workplace.

**Consultation question 2:** Do you agree with our proposal to continue providing public funding for students studying for a foundation degree as an equivalent or lower qualification (ELQ)?

28. We recognise that there are other courses which have a vocational aspect and which meet the needs of employers. For instance, some employers may find that a single, well-designed higher education module meets the training needs of their workforce. Increasingly, employers are demonstrating their recognition of the value of such courses by contributing more towards their costs. In our preferred model of co-funding, the employer and the public purse share the costs of educating the employee.

29. We would not wish the development of these funding partnerships to be disrupted by the withdrawal of funding for ELQs. We therefore propose to allow students studying for an ELQ to count towards the delivery of those co-funded ASNs that will be monitored outside our mainstream funding. Institutions that expand their co-funded provision may wish to apply to us for co-funded additional student numbers. In their proposals, institutions will need to demonstrate that the provision that they plan to develop will attract a significant financial contribution from one or more employer.

**Consultation question 3**: Do you agree with our proposal to allow students studying for an ELQ to count towards the delivery of separately monitored co-funded additional student numbers (ASNs)?

### Support for strategically important and vulnerable subjects

30. HEFCE has recently worked with the Government to understand the challenges faced by strategically important and vulnerable subjects (SIVS). A subject is strategically important if it provides a student with recognisable specialist skills or competencies that are particularly required by the economy or society. A strategically important subject is vulnerable if student demand falls short of provision in the subject, or if level of provision falls short of demand from employers, the Government or wider society. Examples of SIVS include modern foreign languages, and science, technology and engineering (STEM) subjects. SIVS subjects are listed at Annex C. Further information on our strategy for addressing issues surrounding individual SIVS is on our web-site under About us/Strategically important subjects.

31. It is in the public interest to ensure that we have a good supply of graduates in SIVS. For instance, we feel that it is reasonable to support someone who has an honours degree in history and who wishes to undertake an honours degree in Japanese or Arabic, given society's needs for qualified linguists. We therefore wish to ensure that provision for SIVS is not unduly affected by the withdrawal of funding for ELQs.

32. To protect the provision of SIVS, we propose to introduce a SIVS targeted allocation, calculated on the basis of the number of students studying a SIVS as an ELQ at each institution, as reported in HESA or ILR 2005-06. For these purposes, a student will count as studying for a SIVS providing that at least half of their qualification aim is in

one of the SIVS. This targeted allocation would sit outside the tolerance band, alongside the other targeted allocations that will replace the premiums in 2008-09. This proposal relies on historical data, as our aim in this allocation is to protect existing SIVS provision, rather than incentivise future growth. This approach also reduces our need for burdensome audit processes.

33. We expect this funding will assist institutions in maintaining the number of graduates in SIVS. Institutions might do this either through supporting students studying for an ELQ in a SIVS, or through recruiting new higher education entrants in SIVS areas. This allocation will remain fixed in real terms up to and including the 2010-11 academic year. At this point, we will review the effectiveness of the allocation. We will also reconsider the list of SIVS, and the population of students studying for ELQs in SIVS at each institution.

**Consultation question 4:** Do you agree with the proposal to introduce an allocation for strategically important and vulnerable subjects (SIVS), calculated on the basis of ELQ numbers studying SIVS?

### Support for part-time provision

34. We are aware of the potential impact of the withdrawal of funding for ELQs on parttime provision. Our modelling shows that part-time students are disproportionately affected by this change in policy. We are concerned that this may threaten the short-term viability of some part-time provision. This would have a detrimental effect on students who wish to study part-time for their first qualification, or to progress to achieve a higher qualification – and this, in turn, could impact upon our aims to widen participation in higher education, and to provide flexible study opportunities.

35. To address this, we propose to introduce a £20 million supplement to the part-time targeted allocation. This funding will be introduced in 2009-10, which is the first year in which the ELQ policy will have a significant sector-wide impact. Institutions will be able to use this money to support courses that are particularly affected by the withdrawal of funding for ELQs. In the longer term, institutions may wish to ensure the sustainability of their part-time courses by applying for non-ELQ additional student numbers, securing other sources of income (including fees), or through a process of rationalisation. This supplement will be subject to review in 2011-12.

**Consultation question 5:** Do you agree that we should provide a supplement to the part-time targeted allocation?

### Mitigation for institutions affected

36. We are required to make a reduction in funding of £100 million a year by 2010-11 through withdrawing funding for ELQs. It is important to us that this change in funding is

introduced in a controlled way, which gives the institutions most affected a good chance to adapt to changing student numbers and funding over time.

37. In order to achieve this, our aim is to ensure that no institution's recurrent teaching grant from us reduces in cash terms as a direct result of this policy. When such a reduction would otherwise be expected, we will provide 'safety net' funding to maintain the institution's grant at a comparable 2007-08 level in cash terms. We will aim to supply this funding until the end of the current Comprehensive Spending Review period in 2010-11. At that point, we will review whether this safety net is still required. We also hope that institutions which have been affected by the withdrawal of funding for ELQs will have the opportunity to make up lost income by applying to us for ASNs to teach students that remain eligible for HEFCE funding.

38. We expect institutions will use the safety-net funding to enable them to adjust their activities, as needed, in a planned manner which minimises adverse consequences. Institutions in receipt of significant safety-net funding in a given year will be required to agree with HEFCE and implement an action plan which describes how they propose to use the funding.

**Consultation question 6:** Do you agree with our proposal to provide 'safety net' funding to maintain each institution's grant at a comparable 2007-08 level in cash terms?

### Impact on the sector

39. In drawing up our plans for implementing the withdrawal of funding for ELQs, we have aimed to minimise unintended consequences of the policy. For instance, our proposed supplement to the part-time targeted allocation (see paragraph 34) aims to ensure that new HE entrants do not find their opportunities for part-time study suddenly reduced. And our SIVS ELQ targeted allocation is intended to help institutions maintain the supply of graduates in SIVS.

40. We are also concerned to ensure that our plans for implementing the ELQ policy do not impact negatively on any particular sub-set of the student population. This is particularly important given our statutory duty to have regard to eliminating unlawful discrimination and promoting equality (particularly in relation to gender, disability and race). Respondents to the consultation are invited to comment on any such unintended consequences. We will use this information to inform our assessment of the ELQ policy on the sector and, where possible, to take mitigating action.

**Consultation question 7:** Do you consider that the ELQ policy outlined in this document is likely to have a differential impact on students, depending on their gender, race, whether they have a disability, or any other extraneous factors? If so, how might this be mitigated?

Consultation question 8: Do you have any further comments?

### Annex A

Letter from John Denham, Secretary of State for Innovation, Education and Skills, to HEFCE dated 7 September 2007

This can be viewed on the HEFCE web-site at www.hefce.ac.uk/news/hefce/2007/HEFCE\_letterELQ.pdf

### Annex B

### Exceptions to the general policy on ELQs to be made in connection with the Student Fees Regulations and the Student Support Regulations

1. From 2008-09, home and EC students who are aiming for a qualification that is equivalent to, or lower than, one they have already achieved should no longer be recorded as HEFCE-fundable, unless a specific exception applies. In his letter to us (provided in Annex A), the Secretary of State has invited us to consider exceptions in relation to:

a. Students eligible to pay regulated fees as defined in the Student Fees (Qualifying Courses and Persons) (England) Regulations<sup>4</sup> [the 'Student Fees Regulations']. These define which categories of students and courses are governed by regulations that limit the level of fees that may be charged.

b. Students studying for a second undergraduate degree who, exceptionally, receive some student support under the Education (Student Support) Regulations<sup>5</sup>
[the 'Student Support Regulations']. These define which categories of students and courses may be eligible for student support.

2. In relation to these regulations, we propose that the following categories of students should be exempt from the general policy on ELQs:

a. Those in receipt of a non-means-tested healthcare bursary, or an allowance under the Nursing and Midwifery Student Allowances (Scotland) Regulations 1992. We would exempt these students by virtue of regulation of 5(1)(a) of the Student Fees Regulations and regulation 5(3)(c) of the Student Support Regulations. In general this applies to students on courses leading to qualification to practise as a nurse, midwife, social worker or in other related healthcare professions. We would wish to exempt all home and EC students on such courses regardless of whether individual students were personally in receipt of a bursary.

b. Home and EC students on initial teacher training (ITT) courses. In general, students who already have an honours degree from a UK institution are still treated as qualifying under the Student Fees Regulations, at least when studying for a Postgraduate Certificate of Education (PGCE), by virtue of regulation 5(3). However, this regulation does not apply to, for example, those on a three-year undergraduate ITT course.

<sup>&</sup>lt;sup>4</sup> The 2007 regulations are Statutory Instrument 2007 No. 778, available from the Office of Public Sector Information (OPSI) web-site at www.opsi.gov.uk under Legislation/UK/Statutory Instruments.

<sup>&</sup>lt;sup>5</sup> The 2007 regulations are Statutory Instrument 2007 No. 176, also available from the OPSI web-site.

c. Students on a single course which leads to an honours degree being conferred before the final award. This will apply, for example, to students on courses leading successively to Parts 1 and 2 of the Royal Institute of British Architects examination; and undergraduate medical, dental or veterinary science students who take an intercalated year to study for an honours degree part way through their medical, dental or veterinary science course. These students are generally still treated as qualifying under the Student Fees Regulations after they have received their honours degree, where that is awarded as part of their single course, by virtue of regulation 5(4). Similarly, they would generally still be eligible for student support after the award of that honours degree, by virtue of regulations 6(5) and 6(6) of the Student Support Regulations.

3. The precise definition of fundability status will be revised for the 2008 Higher Education Students Early Statistics (HESES) and Higher Education in Further Education: Students (HEIFES) Surveys, to reflect the general policy on funding ELQs and any exemptions that may apply.

4. In order to calculate the adjustments to grant for 2008-09 – in particular the removal of funding from institutions' mainstream (tolerance-banded) teaching grant – we have identified categories of students that should be exempt using individualised student data for 2005-06. In order to ensure that we capture all students who might be exempt, we have included what may be a slightly larger population than may ultimately be covered by those exemptions. This has been done to allow for possible data error, for example in the recording of fee status. This larger population includes:

- a. All students on courses for which NHS bursaries or regulated fees may be payable, who are on courses in nursing, midwifery, social work and related health care professions; and any other full-time undergraduate students in those subject areas.
- b. All students on initial teacher training courses.
- c. All students on undergraduate courses leading to a first registerable qualification as a medical doctor, dentist or veterinary surgeon; or on full-time undergraduate courses in architecture, landscape architecture or design, town planning and related disciplines.

5. Because we have used a potentially larger population of exemptions in adjusting funding, this may result in a lower amount of funding being removed from institutions' mainstream teaching grant than might otherwise be the case. It should not, however, be assumed that all students that we have exempted for the purposes of this initial adjustment to grant will in future be recordable as HEFCE-fundable. The effect may therefore be that some institutions move further up in, or above, the ±5 per cent tolerance band. We do not propose to adjust institutions' contract ranges because of this, nor do we expect to accept appeals for mitigation of holdback where this is attributable to an

insufficient adjustment being made initially to institutions' mainstream teaching grant as a result of the implementation of the ELQ policy.

### Annex C

### Strategically important and vulnerable subjects

1. The final report of the HEFCE's Chief Executive's Strategically Important Subjects Advisory Group, chaired by Gareth Roberts, identified the following subjects as strategically important and vulnerable. We will use this list as a basis for calculating the SIVS ELQ allocation.

- a. Science, technology, engineering and mathematics.
- b. Area studies and related minority languages, including:
  - Arabic and Turkish language studies and other Middle Eastern area studies, former Soviet Union Caucasus and central Asian area studies
  - Japanese, Chinese, Mandarin and other far eastern languages and area studies
  - courses relating to recent EU accession countries, especially those in Eastern Europe and the Baltic states.
- c. Modern foreign languages.
- d. Land-based studies.
- e. Quantitative social science.
- f. Islamic studies (added by the Government in 2007).