

# Government scheme to help universities in financial difficulties

Universities facing severe financial difficulties as a result of the coronavirus will now be able to apply for further Government support, the Education Secretary announced today (Thursday 16 July).

Gavin Williamson has announced details of a new restructuring regime, specifically for higher education providers, such as universities and colleges in England, that could be at risk of insolvency. The scheme aims to support the important role universities play in their local economies, and preserve the country's science base.

Eligible providers will be able to seek this additional support to develop cost effective restructuring plans with conditions designed to focus the sector towards the future needs of the country, such delivering high quality courses with good graduate outcomes.

Education Secretary Gavin Williamson said:

"We understand the challenges universities are facing, which is why we have already provided a range of support to ease financial pressures. This new scheme will help those who are still facing financial difficulty as a result of COVID-19.

"As the country recovers from the pandemic we must look to the future, and our world-leading higher education has an important role to play in our success.

"We need our universities to achieve great value for money – delivering the skills and a workforce that will drive our economy and nation to thrive in the years ahead. My priority is student welfare, not vice-chancellor salaries."

The plan builds on the higher education support packages announced in May and June, by the Department for Education and Department for Business, Energy and Industrial Strategy, as well as the range of business support measures the Government has put in place to support our whole economy.

This included confirming higher education providers are eligible to access the Coronavirus Job Retention scheme and business loan schemes, as well as bringing forward tuition fee and research funding. The Restructuring Regime will only provide support after all other finance options have been exhausted and when there is a case to do so.

As a condition for taking part in the scheme, universities will be required to make changes that meet wider Government objectives, depending on the individual provider's circumstances. This could include ensuring they deliver high quality courses with strong graduate outcomes, improving their offer of qualifications available, and focusing resources on the front line by

reducing administrative costs, including vice-chancellor pay.

An independently-chaired Higher Education Restructuring Regime Board will be established, which will include input from members with specialist knowledge external to Government. The Education Secretary will draw on the expertise of the Board on individual cases before making a decision on whether to intervene.

Financial support in the form of repayable loans will only be provided if there is a case to do so, and this is not a guarantee that no organisation will go into insolvency. It will only be offered as a last resort measure and with specific conditions that align with wider Government objectives. It would also require assurance that providers are fully complying with their legal duties to secure freedom of speech.

Further details on the regime, including support and conditions can be found [here](#).