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Dear <accountable officer>

Additional funding for student hardship for 2020-21

This letter is to notify you of additional, one-off funding totalling £20 million that the OfS is distributing to higher education providers in the financial year 2020-21 to address student hardship. This funding has been made available by the government to recognise the particular impact this year on individual students arising from the COVID-19 pandemic.

Distribution of funding

The guidance from government¹ asks that we ‘use the existing student premium funding mechanism to distribute the funding, taking account of the following priorities:

- a. ‘That funding is targeted towards those providers who recruit and support high numbers of disadvantaged students, reflecting where this funding is needed most to enable students to continue with their courses and achieve successful outcomes.
- b. ‘That full-time and part-time students will both be at risk of experiencing hardship resulting from the pandemic, but full-time students may be particularly affected, e.g., due to changes in their location of study.
- c. ‘That the funding is available to students as quickly as possible, so that it can meet the immediate needs of students and be allocated in full by the end of this financial year (31 March 2021).’

Having regard for the guidance from government and our legal duties we have decided to allocate the £20 million as follows:

¹ See ‘Guidance to the OfS: Additional hardship funding’ at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

- £14.9 million (74.5 per cent) pro rata to our allocations through the 2020-21 full-time student premium
- £2.0 million (10 per cent) pro rata to our allocations through the 2020-21 part-time student premium
- £3.1 million (15.5 per cent) pro rata to our allocations through the 2020-21 disabled students premium.

Our view is that all students, irrespective of their mode of study, may have been impacted by the pandemic. We are therefore splitting funding between the full-time and part-time student premiums to reflect the proportion of headcount student numbers that each mode represents of the students counted towards those premiums for 2020-21. The 15.5 per cent allocated pro rata to the disabled students premium is the same proportion that this premium represents of the total funding distributed through the existing student premiums for 2020-21.

Payment, terms and conditions and monitoring

We will pay the allocations in full in January 2021. The allocation to each provider is shown in **Annex A**.

This funding is subject to the general terms and conditions of grant for 2020-21.² In addition, the funding must be distributed in full within this financial year (by 31 March 2021) as that is the time frame which government is providing the funding. The purpose of this funding is to support higher education students that are facing hardship, particularly where it is needed to support their continuation of study and successful outcomes. As this funding is being provided to support students it should not be used to meet providers' own costs. As with our normal terms and conditions we reserve the right to recover any funding that is not used in the time available for the purposes intended.

Although we have calculated an allocation for each provider based on our existing student premium method, providers have flexibility in how they distribute the funding to students in a way that will best prioritise those in greatest need. This can be to a wider population of higher education students than those counted in our student premium funding methods including, for example, postgraduates (whether taught or research), overseas students and others that do not meet the definition of 'OfS-fundable'.³ However, as this funding is being provided to support higher education students it should not be paid to individuals who are not studying at higher education level (i.e. those studying Level 3 or below).

We believe providers are best placed to assess student hardship locally. However, given the purposes for which the government has provided this funding, we expect providers, in distributing this funding to students, to have regard to the exceptional circumstances this year arising from the pandemic. This might include, for example, the needs of students facing additional costs arising from having to maintain accommodation in more than one location, or to be able to access teaching and related services remotely. Providers should

² As set out in 'Terms and conditions of funding for 2020-21' (OfS 2020.22), available at www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2020-21/.

³ As defined in Annex F of the Higher Education Students Early Statistics survey 2020-21 (HESES20) (OfS 2020.42), available at www.officeforstudents.org.uk/publications/heses20/.

alert students to the availability of hardship funding and ensure that their application processes have sufficient rigour to prioritise funding to those in greatest need, while avoiding bureaucracy that might deter applicants.

We will monitor providers' use of this hardship funding through existing reporting mechanisms, including through providers' audited financial statements. This approach will minimise the regulatory burden associated with monitoring the use of these funds, while ensuring that there are assurances that the funding was used for the purposes intended. Further guidance on the exact reporting requirements will be issued in January. In the meantime, providers are asked to maintain all records of payments made to students with this additional funding, so that they are able to satisfy us that the terms and conditions of funding have been met and that the money has been distributed in full by 31 March 2021 to higher education students facing hardship.

Responses and further information

You need not reply to this letter. However, if you believe that your provider will not be able to use the full sum shown in Annex A for the purposes intended by 31 March 2021, please notify us as quickly as possible and no later than 31 January 2021. In these circumstances we will recover funding from the provider and look to reallocate it to others, so that it can still be used to address student hardship within the financial year. If this applies, or if you have any other questions about this letter, please email recurrentgrant@officeforstudents.org.uk.

Yours sincerely,

Nolan Smith
Director of Resources and Finance