



Michelle Donelan MP
Minister of State for Universities

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2nd February 2021

Dear Sir Michael,

Guidance to the Office for Students: distribution of £50m of further hardship funding

Thank you for your work in successfully allocating the additional funding of £20 million to providers earlier this month to help to address student hardship, as detailed in my letter of 14 December.

However, the challenges now being presented by the changing COVID-19 situation make it urgent that we increase the quantum of hardship support available to students for the 2020/21 financial year.

This letter provides further guidance from me to the Office for Students under section 2(3) of the Higher Education and Research Act 2017 and I confirm this guidance does not supersede steers in any previous guidance.

Further student premium funding for hardship

While this further funding is being made available by the department to recognise impacts on individual students arising from the Covid-19 pandemic in general, it also recognises the particular challenges faced by students who, as a result of the current exceptional circumstances, have been asked not to occupy their university accommodation and may now be incurring additional costs at their alternative address.

This further funding to providers to help address student hardship during financial year 2020/2021 is therefore being made through two separate funds: £40m to be prioritised for supporting students experiencing hardship in relation to renting student accommodation away from home; £10m in continuing recognition of the particular impacts on individual students arising from the Covid-19 pandemic.

Allocation and distribution of funding

As with the advice in my letter of 14 December, I would like the OfS to use the existing Student Premium funding mechanism to distribute this further funding, taking into account 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 the £40m fund prioritised for rent-related hardship is allocated in a way that ensures those students renting student accommodation away from home have the maximum opportunity to benefit from it. The £10m fund is to boost the £20m of hardship funding detailed in my letter of 14 December and should be allocated on the same basis as that earlier funding.
- 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 by providers by the end of this financial year (31 March 2021).

In order to ensure the £40m fund is allocated in a way that enables students renting student accommodation away from home to have the maximum opportunity to benefit from it, I would like this sum to be allocated to providers on the basis of the full-time and disabled students premiums, reflecting the relative size of the budgets for each in the recurrent grant allocations.

Payment, terms and conditions and monitoring

I would also like you to put in place the following terms and conditions of funding when you allocate this funding to providers:

- a. The funding is distributed within this financial year (by 31 March 2021) to higher education students to address hardship that they face, particularly where it is needed to support continuation of study and successful outcomes. The funding must not be used to meet providers' own costs. You should recover funding that is not used in the time available for the purposes intended, and return any unspent funding to the Department for Education.
- b. While the £40m fund should be prioritised to support students whose financial difficulty relates to renting student accommodation, providers have a high level of flexibility in how they distribute the funding to students in a way that will best prioritise those in greatest need. This includes students experiencing hardship related to the purchase of IT equipment and connectivity services, for example.
- c. Both the £40m and £10m funds can be distributed to a wider population of higher education students than those counted in the Student Premium funding methods including, for example, postgraduates (whether taught or research), international students and others that do not meet the definition of 'OfS fundable'. However, this funding should not be paid to individuals who are not studying at higher education level (level 4 or above) or towards a higher education qualification.
- d. The funding should also be available to help students that have already applied for hardship funding previously but now need additional support.

As in my letter of 14 December, I would like the OfS to monitor providers' use of this hardship funding through existing reporting mechanisms, including providers'

audited financial statements. I would also like you to urge providers to alert students to the availability of the hardship funding and the short timescale for applying, and encourage providers to have sufficiently rigorous application processes to prioritise funding to those in greatest need, while avoiding bureaucracy that might deter applicants.

Finally, I would like to express my thanks to the OfS for continuing to rise to the challenges resulting from the pandemic and I look forward to continuing to work together with you in this most exceptional of academic years.

Yours sincerely,

A handwritten signature in black ink, reading "Michelle Donelan". The signature is written in a cursive style with a long, sweeping underline.

Michelle Donelan MP
Minister of State for Universities