



The Rt Hon Gillian Keegan MP
Secretary of State for Education

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Dear Lord Wharton,

Guidance to the Office for Students on the use of £15m from the Higher Education Strategic Priorities Grant for the 2022-23 Financial Year

I want to thank you for your efforts this financial year for keeping funding of OfS activities aligned with the guidance on the Higher Education Strategic Priorities Grants for FY2022-23 provided to you on 31 March 2022.

The guidance noted that I would write to you once we were clear how to best deploy funding that was set aside for emerging priorities (£5m) and for preparations for the Lifelong Loan Entitlement (£10m). These sums are not needed now for those purposes for the current financial year 22/23.

I recognise that the current cost of living is impacting both students and higher education providers, and that demands on providers' hardship funds have increased this year. Therefore, I wish the OfS to direct the £15m of unallocated funding above towards the Student Premium, for distribution to providers for supporting students in hardship. This funding should be treated as one-off temporary additional support for students during exceptional circumstances.

The allocation approach should be similar to that taken by the OfS when hardship funds were disbursed during financial year 2020-21.

The funding should therefore be allocated through a formula that weights the amounts each fee-cap HEP receives based on the number of students they have with characteristics that make them vulnerable to dropout and lower-attainment. Any terms and conditions attached to the funding should be proportionate to the size of the awards and the level of risk.

Yours sincerely,

The Rt Hon Gillian Keegan MP
Secretary of State for Education