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Dear <accountable officer>

Further additional funding of £50 million for student hardship for financial year 2020-21

Individual students have faced hardship as a result of the COVID-19 pandemic, and the government has made available additional one-off funding totalling £50 million to help address this. The Office for Students (OfS) is distributing the funds, which are in addition to the £20 million previously announced, and which are also intended to recognise the challenges faced by students who, as a result of the exceptional circumstances, have not been able to occupy their term-time, rented accommodation and may be incurring additional costs.

This letter is to notify you of that funding and how we have decided to allocate it.

Distribution of funding

The statutory guidance letter from government of 2 February 2021¹ asks that we 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 £40 million 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 £10 million fund is to boost the £20 million of hardship funding detailed in the letter of 14 December 2020 and should be allocated on the same basis as that earlier funding.²

¹ Available at: www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

² See: www.officeforstudents.org.uk/publications/additional-funding-for-student-hardship-for-2020-21/.

- 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 the end of this financial year (31 March 2021).

To ensure that students renting accommodation away from home have the maximum opportunity to benefit, we are splitting the £40 million between the full-time and disabled student premiums to reflect the relative size of the budgets for each in our recurrent grant allocations for 2020-21.

We are splitting the remaining £10 million of the funding between the full-time, part-time and disabled student premiums using the same proportions as we used to allocate the £20 million hardship funds announced in December 2020.

Having regard for the guidance from government and our legal duties, we have therefore decided to allocate the £50 million as follows:

- £39.1 million pro rata to our allocations through the 2020-21 full-time student premium
- £1.0 million pro rata to our allocations through the 2020-21 part-time student premium
- £9.9 million pro rata to our allocations through the 2020-21 disabled students premium.

Payment, terms and conditions and monitoring

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

This funding is subject to the general terms and conditions of grant for 2020-21.³ In addition, the funding must be distributed to students facing hardship from 2 February 2021 (the date of the Minister's letter to the OfS) and within this financial year (by 31 March 2021). The purpose of this funding is to support higher education students who are facing hardship, and 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 set out in the general terms and conditions, we will recover any funding that is not used in the time available for the purposes intended.

While the majority of the funding should be prioritised to support students whose financial hardship relates to renting student accommodation, providers have flexibility in how they distribute the funding to students in a way that will prioritise those in greatest need of support. This includes students experiencing hardship related to the purchase of IT equipment and connectivity services. Support for students facing rent-related hardship must not:

- give greater priority to students on the basis that they are renting the provider's own property rather than renting any other property
- be used to subsidise retrospectively rent rebates that have already been provided to students.

³ 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/.

Providers should also ensure that hardship funds are available on an equal basis to students who are on courses that they subcontract out for teaching by other providers.

Although we have calculated an allocation for each provider based on our existing student premium method, providers also have flexibility in how they distribute the funding to students. 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 who do not meet the definition of 'OfS-fundable'.⁴ 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 (Level 4 or above) or towards a higher education qualification. It can be paid to students studying on a foundation year that is an integrated part of a higher education course and this also applies to the £20 million hardship funding distributed in December 2020.⁵

Hardship funding distributed by the OfS is intended to support students who are actively studying. However, by exception, providers may also support students who have been forced to temporarily suspend their studies. Examples of such exceptions might include students who:

- are recovering from COVID-19
- have been forced to self-isolate
- have caring responsibilities
- have been forced to suspend their studies due to a decision by the provider.

In all cases, any funding distributed must be informed by a student-specific assessment of hardship, and there should be a clear expectation of the provider that the student will continue with their course.

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. Providers should 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. The funding should also be available to help students that have previously applied for hardship funding but now need additional support.

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 by 31 March 2021. Further guidance on the exact reporting requirements will be issued later in February. 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

⁴ 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/.

⁵ As defined in Annex B of OfS 2020.42.

and that the money has been fully committed 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 19 February 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