

Sir Martin Harris  
Director of Fair Access to Higher Education  
Northavon House  
Coldharbour Lane  
BRISTOL  
BS16 1QD

16 July 2009

Dear Martin,

### **ACCESS AGREEMENTS IN 2010/11**

My statement of 1 July announcing the 2010-11 Higher Education student support arrangements will have implications for the minimum bursary requirements you set for institutions. I am therefore sending you this formal letter of guidance which supersedes the previous guidance on requirements for the minimum bursary.

In doing so, I recognise the significant progress that has been made in the past five years. You have approved a set of access agreements that have generated a considerable level of financial support. Last year – the second year of the new student support arrangements – universities and colleges spent almost £192 million on bursaries and scholarships for students from lower income families and other under-represented groups. In steady state this will mean that, each year, well over £300 million of bursaries and scholarships will support more than 300,000 students. Around two thirds of these students are from the lowest income groups - that is to say, those with an assessed family income of up to £25,000 and therefore receiving a full state maintenance grant.

Since 2006, institutions have been required to provide a minimum bursary for students in the lowest income groups that makes up the difference between the maximum state grant and the tuition fee charged. The fee, grant and minimum bursary have all risen by an inflationary amount announced by the Government each year. This formula in part reflected an initial concern that although tuition fees were deferred, potential students might still be deterred by the cost of higher education.

The Government remains committed to ensuring that finance is not a barrier to higher education and the evidence so far shows that, since the introduction of the new student support arrangements, more people from lower socio-economic groups are going into higher education.

The vast majority of institutions have chosen to award bursaries to their lowest income students that exceed the minimum bursary requirement.

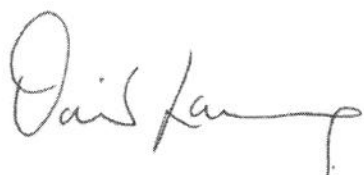
In 2008-09 the average bursary for such students was around £900, against a minimum bursary of £310. You have approved access agreements for only a small number of institutions where they pay no more than the minimum bursary requirement. These institutions tend to have a strong focus on widening access and diverse student bodies.

The new economic climate, coupled with the current low inflationary environment, has meant that we have decided to maintain the state maintenance grant for 2010-11 at 2009-10 levels. Therefore, in 2010-11 a requirement to meet the difference between the maximum maintenance grant and the upper fee limit would mean some of these already diverse institutions increasing their current bursary commitments by around 20 per cent over one year and this would go beyond the intended commitments of their current, approved access agreements. It may be that some institutions will judge increasing their bursaries to be the best way of supporting their students. However, others may judge that a better use of this portion of their fee income will be in investment in other areas, perhaps enhancing the quality of the student experience they provide, or increasing investment in widening participation more generally, such as deeper links with schools within areas of high disadvantage.

Therefore, whilst I continue to expect you to prescribe a minimum bursary requirement for the lowest income students (those whose residual family income entitles them to the maximum state maintenance grant), I no longer expect that this should make up the difference between the maximum grant and the fee charged. I now ask you, as Director of Fair Access, to determine an appropriate and reasonable formula for a minimum bursary which continues to provide institutions with a clear understanding of their minimum obligation to their lowest income students, whilst allowing them to continue to develop their wider bursary policies and access plans in such ways that will most effectively promote widened participation and fair access. The detail of this is for you to decide, but the minimum bursary you set should not be less than the minimum bursary entitlement for 2009-10 (i.e. £319).

I hope that this letter of guidance is helpful to you in allowing you to continue to carry out your important work in ensuring fair access to higher education.

Yours,

A handwritten signature in black ink, appearing to read 'David Lammy', written in a cursive style.

**DAVID LAMMY**