

The Rt Hon John Denham MP

Secretary of State for Innovation,
Universities and Skills

Department for
**Innovation,
Universities &
Skills**

Tim Melville-Ross
Chair, Higher Education Funding Council for England
Northavon House
Coldharbour Lane
BRISTOL
BS16 1QD

29 October 2008

Dear Tim,

EDUCATION (STUDENT SUPPORT) REGULATIONS

Today I have made the attached Parliamentary statement about student support. I am writing to you now about action I would like the Funding Council to take following this statement.

As I wrote in the grant letter I sent you in January 2008, we remain committed to expanding the number of students benefiting from higher education. It is important that this growth is managed properly and does not risk the good management and quality of teaching at universities. We are determined not to repeat the mistakes of the early 1990s, when student numbers were allowed to grow unsustainably and without proper financial support for providers.

I will give fuller details of funding for 2009/10 in the annual grant letter, in the usual way, when the picture for 2008/09 recruitment is clearer. I am today asking HEFCE to allocate no more than 10,000 additional student numbers for 2009/10. This means that, in 2009/10, there will be 30,000 more funded students (full time equivalent) compared to 2007/08. These steps do not affect the allocations and planned growth in employer co-funded places, which remain a core strategic priority for us.

You will appreciate government's commitment to maintaining the unit of funding in higher education, and the need to manage expenditure on student financial support in a sustainable way. It is important, therefore that neither is jeopardised by unplanned growth in student numbers. I am therefore also asking HEFCE to work up contingency measures that could be used to reduce the risk of institutions over-recruiting in this way, should that prove necessary.

Yours,



JOHN DENHAM