

Office for
Students



Recurrent funding for 2022-23

Reference OfS 2022.37

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Publication date 15 July 2022

Contents

| | |
|------------------------------------------------------------|-----------|
| Summary | 2 |
| The OfS recurrent grant | 4 |
| Introduction | 4 |
| OfS budget for the 2022-23 academic year | 4 |
| Recurrent grant for providers | 5 |
| Changes to funding for 2022-23 | 7 |
| Recurrent funding outcomes for providers | 9 |
| Funding for national facilities and regulatory initiatives | 10 |
| Terms and conditions of OfS funding for 2022-23 | 11 |
| Further information | 11 |
| Annex A: Recurrent grants for academic year 2021-22 | 12 |
| Annex B: Description of columns used in Annex A | 13 |

Summary

1. This publication summarises the Office for Students' (OfS's) allocations of recurrent funding to higher education providers for the academic year 2022-23. Annex A to this document summarises the funding allocations for each provider and is available to download alongside this document as a separate file.¹
2. At the time of publishing, Annex A shows initial allocations for providers registered in the Approved (fee cap) category of the OfS Register on 1 July 2022. Updated versions of Annex A will be published periodically throughout the 2022-23 academic year (1 August 2022 to 31 July 2023), including to reflect any further providers that become registered in this category between that date and 31 July 2023.
3. We have separately published details of our capital funding for the financial years 2022-23 to 2024-25.² We are distributing £11 million through a formula allocation for 2022-23 and will distribute £400 million through a single bidding exercise run in 2022.
4. For the 2022-23 academic year, the overall non-capital grant we are distributing is £1,373 million. This consists of:
 - a. £1,347 million in recurrent grant for providers.
 - b. £26 million for national facilities and regulatory initiatives.

Non-capital grants have increased by £72 million (5.5 per cent) compared with 2021-22.

5. These recurrent grant allocations reflect our grant settlement from government for the 2022-23 financial year (1 April 2022 to 31 March 2023).³
6. The total recurrent funding for providers announced initially in this publication is £1,234 million. The remaining £113 million comprises:
 - £58 million of funding set aside for allocation to world-leading specialist providers following review
 - £16 million of funding set aside to support the growth of Level 6 degree apprenticeships and Level 4 and 5 qualifications
 - £5 million of funding set aside for emerging priorities.

¹ Available at www.officeforstudents.org.uk/publications/recurrent-funding-for-2022-23/.

² Available at www.officeforstudents.org.uk/publications/capital-funding-for-2022-23-to-2024-25-formula-allocations-and-invitation-to-bid/.

³ Guidance letters from the Secretary of State to the OfS are available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/. The grant settlement for financial year 2022-23 was set out in the letter of 31 January 2022.

- £30 million in funding for Uni Connect (formerly the National Collaborative Outreach Programme), which is not part of the formula grants to providers
- £4 million of funding for financial year 2022-23 to support Ukrainian nationals and Ukrainian-domiciled students financially affected by the recent events in Ukraine, already announced.

The annex to this document will be updated later in the academic year to reflect the distribution between providers of the first three of these funding streams.

7. Changes to grant for individual providers compared with 2021-22 arise for two reasons:
 - changes to OfS funding methods and budgets for 2022-23
 - changes in student numbers at each provider relative to all others.
8. This publication is part of a suite of documents released as part of the July 2022 grant announcement, including:
 - a covering letter and recurrent grant tables for each provider
 - technical guidance that explains in detail how the figures in the recurrent grant tables are derived
 - 'Terms and conditions of funding for 2022-23' (OfS 2022.38).
9. All documents are available on the OfS website.⁴ This publication is of interest to anybody who wants to know about the recurrent teaching funding distributed by the OfS, but it does not go into the detail of our funding methods. For further details, we recommend that you consult the documents listed above.

⁴ See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/.

The OfS recurrent grant

Introduction

10. This publication announces recurrent grant allocations for the 2022-23 academic year (1 August to 31 July). Unless otherwise stated, all years in this document relate to academic years.
11. Figures in this document are normally rounded to the nearest £1 million, except where necessary to avoid showing a figure that would otherwise be rounded down to zero, but allocations to providers and their totals (as shown in Annex A) are rounded to the nearest £1. Rounding may therefore cause differences between individual figures and totals in this document.
12. Providers received details of their grant allocations on 14 July 2022.

OfS budget for the 2022-23 academic year

13. The 31 March 2022 statutory guidance letter from the Secretary of State did not show indicative recurrent funding levels for the 2023-24 financial year.
14. To set budgets for the 2022-23 academic year, we have had to make assumptions about the funding that might be available for the 2023-24 financial year, because of the overlap between the two from April to July 2023. However, any future changes to the grant made available to us by government for the 2022-23 financial year, or that we have assumed will be available for the 2023-24 financial year, are likely to affect the funding we are able to distribute to providers in 2022-23 academic year. This may necessitate revising allocations after they have already been announced.
15. The total non-capital grant we are distributing in 2022-23 is £1,373 million. This is broken down in Table 1.

Table 1: OfS non-capital grant to be distributed in academic year 2022-23

| Main elements of grant | Total (£M) |
|------------------------------------------------------------|--------------|
| Recurrent funding for providers | 1,347 |
| Funding for national facilities and regulatory initiatives | 26 |
| Total | 1,373 |

16. In addition to the £1,373 million that we allocate directly, we also contribute £48 million to the knowledge exchange funding distributed to providers by UK Research and Innovation (through Research England) in the form of Higher Education Innovation Funding.⁵ This funding is allocated according to a method agreed with us. Its distribution is not shown in this publication.

⁵ See www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/.

17. Our approach to capital funding for 2022-23 is set out in 'Capital funding for financial year 2022-23: Allocations and invitation to bid' (OfS 2022.19).⁶ We are distributing £11 million in capital funding through a formula allocation to eligible providers. We are also distributing £400 million for the financial years 2022-23 to 2024-25 through a single bidding exercise run in 2022. The distribution of capital funding is also not shown in this publication.

Recurrent grant for providers

18. Table 2 shows our recurrent funding for 2022-23, split by different elements of grant and compared against the totals for 2021-22.

Table 2: Recurrent grant budgets for 2022-23 academic year (£ millions)

| Elements of recurrent grant | 2021-22 budget | 2022-23 budget | Percentage change to budget |
|------------------------------------------------------------------------|----------------|----------------|-----------------------------|
| Funding for high-cost courses | 900 | 974 | 8.2% |
| Of which: | | | |
| High-cost subject funding: price groups A to C1.1 | 737 | 799 | 8.4% |
| High-cost subject funding: price group C1.2 | 18 | 18 | -2.8% |
| Nursing, midwifery and allied health (NMAH) supplement | 27 | 31 | 14.0% |
| Very high-cost STEM subjects | 24 | 25 | 3.5% |
| Overseas study programmes | 28 | 23 | -19.3% |
| Degree apprenticeships | - | 8 | New |
| Level 4 and 5 skills | - | 8 | New |
| Postgraduate taught supplement | 8 | 9 | 20.3% |
| Intensive postgraduate provision | 33 | 28 | -13.3% |
| Accelerated full-time undergraduate provision | 3 | 3 | -10.7% |
| Clinical consultants' pay | 16 | 16 | 0.0% |
| Senior academic general practitioners' pay | 1 | 1 | 0.0% |
| NHS pensions scheme compensation | 5 | 5 | 0.0% |
| Funding for student access and success | 313 | 310 | -1.0% |
| Of which: | | | |
| Premium to support successful student outcomes: Full time ⁷ | 154 | 154 | 0.0% |
| Premium to support successful student outcomes: Part time | 67 | 67 | 0.0% |
| Disabled students' premium | 41 | 41 | 0.0% |

⁶ See www.officeforstudents.org.uk/publications/capital-funding-for-2022-23-to-2024-25-formula-allocations-and-invitation-to-bid/.

⁷ The funding for the three student premiums for 2021-22 incorporates the sums attributable to the £5 million allocated in that year to address student hardship.

| Elements of recurrent grant | 2021-22 budget | 2022-23 budget | Percentage change to budget |
|--------------------------------------------------------------|----------------|----------------|-----------------------------|
| Premium for student transitions and mental health | 12 | 15 | 23% ⁸ |
| Additional funding for Ukrainian student hardship | - | 4 | New |
| Uni Connect | 40 | 30 | -25% |
| Funding for specialist providers | 53 | 58 | 9.4% |
| Specialist institutions | 53 | 58 | 9.4% |
| Funding set aside for emerging priorities⁹ | - | 5 | New |
| Total recurrent grant | 1,267 | 1,347 | 6.4% |
| One-off recurrent funding for high-cost subjects for 2021-22 | 10 | 0 | -100% |
| Total recurrent grant including one-off sums | 1,277 | 1,347 | 5.5% |

Note: Sums may not add up because of rounding differences.

19. This publication is concerned with the distribution between providers of recurrent grants. Annex A summarises the funding allocations for each provider and is available to download alongside this document as a separate file. The headings for this table are defined in Annex B.

20. The initial (July 2022) distribution of recurrent funding to providers announced in Annex A of this publication totals £1,234 million. The difference from the total of £1,347 million in Table 2 comprises:

- a. £30 million in funding for Uni Connect, which is not part of the formula grants to providers.
- b. £8 million of funding to support the growth of Level 6 degree apprenticeship training programmes in 2022-23 and £8 million to encourage greater provision of Level 4 and 5 qualifications. Both of these allocations will be allocated in February 2023, following signoff of the Higher Education Students Early Statistics (HESES) student data for the 2022-23 academic year.
- c. £4 million of funding for the financial year 2022-23 to support Ukrainian nationals and Ukrainian-domiciled students financially affected by the recent events in Ukraine, already announced.¹⁰
- d. £58 million of funding to support world-leading specialist providers. This will be distributed later this year, following decisions by the Specialist Provider Panel on submissions received

⁸ Overall funding for student transitions and mental health is maintained at £15 million. For 2021-22, this comprised £12 million allocated by formula and £3 million allocated as part of the funding for national facilities and regulatory initiatives.

⁹ We will distribute this funding by 31 March 2023, having regard to any government guidance on priorities. See 'Emerging priorities' in the government guidance letter of 31 March 2022 on the strategic priorities grant, available from www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

¹⁰ See www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/.

in response to 'World-leading specialist provider funding: outcomes of consultation and invitation to submit'.¹¹

e. £5 million of funding set aside for emerging priorities. This funding will be distributed by 31 March 2023, having regard to any government guidance on priorities.

21. Recurrent grant allocations are made to providers that are registered with the OfS in the Approved (fee cap) category. The initial release of Annex A summarises the allocations of recurrent grant for all such providers on the Register on 1 July 2022.

22. Subject to providers meeting all eligibility criteria for funding and our having sufficient funds available, we will provide formula-based recurrent grants to eligible providers that become registered between 1 July 2022 and 31 July 2023. Such grants will be reduced pro rata to reflect the number of days in the 2022-23 academic year before a provider becomes registered in this category. We will not reduce allocations already announced to providers in order to extend funding to other providers.

23. We will periodically publish updates to Annex A through the 2022-23 academic year, to reflect updated allocations or the inclusion of any further providers that become registered through the year.

Changes to funding for 2022-23

24. 'Funding for academic year 2022-23' (OfS 2022.28)¹² set out our decisions on the approach to recurrent funding for 2022-23, including information on budgets and rates of grant for different elements of our formula allocations. We will publish later in the year an updated version of our guide to funding for 2022-23.

25. Our total recurrent budget for providers for 2022-23 of £1,347 million is an increase of £70 million (5.5 per cent) compared with the equivalent budget for 2021-22. Table 3 summarises the changes to the average unit of recurrent funding per full-time equivalent (FTE) student in the period 2018-19 to 2021-22. The unit of funding is calculated by dividing the recurrent funding for providers and Uni Connect by the total fundable FTEs counted in the formula allocations for the relevant year.¹³ This information shows a modest improvement of 2.3 per cent to the unit of funding compared with 2021-22, but that it remains below the level of previous years.

¹¹ See www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/.

¹² See www.officeforstudents.org.uk/publications/funding-for-academic-year-2022-23/.

¹³ The recurrent budget totals include one-off sums of £83.3 million for 2020-21 relating to student hardship and £10 million for each of 2020-21 and 2021-22 for additional student numbers. The one-off allocations for 2020-21 are shown in Annex A (updated October 2021) of 'Recurrent funding for 2020-21' (www.officeforstudents.org.uk/publications/recurrent-funding-for-2020-21/). For details of the one-off allocation for 2021-22, see www.officeforstudents.org.uk/publications/additional-one-off-funding-for-2021-22/.

26. The 'real terms' comparisons between 2022-23 and previous years take into account the effects of inflation between those years, using the GDP deflators published by the government on 31 March 2022.¹⁴

Table 3: Changes to the average unit of OfS funding for providers for academic years 2018-19 to 2021-22

| | Total recurrent budget (£ millions) | Total fundable FTEs | Unit of funding: Cash terms | Unit of funding: Real terms (2021-22 prices) | How the 2022-23 unit of funding compares in real terms with earlier years |
|---------|--------------------------------------------|----------------------------|------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------|
| 2018-19 | 1,290 | 1,147,863 | £1,124 | £1,210 | -17.4% |
| 2019-20 | 1,303 | 1,200,151 | £1,086 | £1,130 | -11.6% |
| 2020-21 | 1,351 | 1,222,683 | £1,105 | £1,112 | -10.1% |
| 2021-22 | 1,277 | 1,305,606 | £978 | £978 | 2.2% |
| 2022-23 | 1,347 | 1,302,351 | £1034 | £999 | |

27. Within the overall budget:

- a. The various elements of funding that support high-cost courses increase overall by £73 million (8.1 per cent), from £900 million to £973 million:
 - i. The largest element of this, high-cost subject funding for price groups A to C1.1, has increased by £62 million (8.4 per cent) to £799 million.
 - ii. The budget for high-cost subject funding for price group C1.2 has reduced by £0.5 million (-2.8 per cent). This reflects a reduction in student numbers in these subjects and we are maintaining the rate of funding in real terms.
 - iii. We are maintaining in real terms the rate of funding for the nursing, midwifery and allied health supplement, with an uplift of 3.51 per cent compared with 2021-22. Due to increased student FTEs on these courses recorded in 2021-22, the overall budget has increased by 14 per cent.
 - iv. We are also providing an uplift of 3.51 per cent to the budget for the very high-cost science, technology, engineering and maths (STEM) subjects targeted allocation. The allocations for providers for this element of grant will receive the same uplift compared with 2021-22.

¹⁴ See www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp. We have estimated the GDP deflators by academic year (August to July) using two-thirds of the deflator for the financial year (relating to the eight months from August to March) and one-third of the deflator for the following financial year (relating to the four months from April to July).

v. The rates of funding for other targeted allocations have been maintained in cash terms. Changes to the budgets for these allocations reflect similar changes to the student FTEs counted towards them.

vi. We are introducing two new targeted allocations:

- 1) £8 million to accelerate the growth of Level 6 degree apprenticeship training programmes in 2022-23.
- 2) £8 million to encourage greater provision of Level 4 and 5 qualifications.

We will collect data on 2022-23 student numbers to distribute these funding streams, and cannot determine rates of funding at this time. The necessary data will be collected as part of the HESES data return in winter 2022, with provider allocations announced following sign-off of the HESES data in February 2023.

b. Funding for student access and success has reduced overall by £3 million (1 per cent) from £313 million to £310 million. Within the total, we have:

i. Allocated £30 million for Uni Connect, a reduction of £10 million compared with 2021-22.

ii. Maintained in cash terms the overall budgets for the premium to support successful student outcomes (full-time), the premium to support successful student outcomes (part-time) and the disabled students' premium. We are also no longer specifying that a portion of these three allocations should be designated to address student hardship.

iii. We are allocating £15 million for the premium for student transitions and mental health. We are maintaining overall funding for this priority area in cash terms compared with 2021-22, albeit in that year we provided £12 million through the premium and £3 million as part of the funding for national facilities and regulatory initiatives.

iv. We have made available £4 million of funding to providers to support hardship faced by Ukrainian nationals and Ukrainian-domiciled students. This funding has already been distributed to providers in June 2022¹⁵. Providers must distribute the funding to their students during the 2022-23 financial year.

c. We are increasing the overall budget for the targeted allocation for world-leading specialist providers by £5 million (9.4 per cent) to £58 million. We will confirm which providers have met the eligibility criteria to receive this funding stream, and the distribution of the funding between them, later in the year.

Recurrent funding outcomes for providers

28. Changes to grant for individual providers compared with 2021-22 arise for two reasons:

a. Changes to OfS funding methods and budgets for 2022-23.

¹⁵ See www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/.

- b. Changes in student numbers at each provider relative to all others. In broad terms, providers whose student numbers have not increased as much as the sector average are likely to receive a reduced share of the total funding. This will, however, depend on their mix of students between different types of courses and student characteristics.

29. At time of initial publication in July 2022, Annex A does not contain columns for the elements of grant that have not yet been distributed:

- degree apprenticeships
- Level 4 & 5 skills
- specialist providers.

30. As we cannot yet include these elements of funding, we have not shown in Annex A a comparison of 2022-23 funding with providers' equivalent recurrent funding allocations for 2021-22. We will update Annex A later in the academic year, as these elements of grant are announced.

Funding for national facilities and regulatory initiatives

31. We aim to provide as much as possible of our recurrent funding through allocations to providers. Further funding of £26 million supports national facilities and regulatory initiatives, representing an increase of £1.5 million (6 per cent) compared with 2021-22. This funding is provided for specific purposes and to promote change that cannot easily be achieved through other routes. Table 5 shows the budgets for 2022-23.

32. This funding supports activity such as the National Student Survey and facilities such as Jisc (which funds development and champions the use of digital technologies in UK education and research). It also supports our Challenge Competitions, which facilitate projects in specific areas where the higher education sector is not serving students as effectively as it could.

Table 5: Funding for national facilities and regulatory initiatives 2022-23

| Funding stream | 2021-22 budget (£M) | 2022-23 budget (£M) |
|----------------------------------------------------------|------------------------|------------------------|
| Provision of student information | 3 | 3 |
| Challenge Competitions | 11 | 3 |
| Supporting preparation for the Lifelong Loan Entitlement | 0 | 10 |
| Jisc | 9 | 10 |
| Professional and operational services | 2 | 0 |
| Total | 25 | 26 |

Terms and conditions of OfS funding for 2022-23

33. Our 'Terms and conditions of funding for 2022-23' (OfS 2022.38) are also being published in July 2022.¹⁶ Providers should consult that document for full information on the terms and conditions attached to recurrent funding.

Further information

34. Providers requiring further information should contact recurrentgrant@officeforstudents.org.uk.

¹⁶ See www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2022-23/.

Annex A: Recurrent grants for academic year 2022-23

1. This annex is available to download as an Excel file alongside this document at www.officeforstudents.org.uk/publications/recurrent-funding-for-2022-23. The table lists the recurrent grants for the academic year 2022-23 by provider.

Annex B: Description of columns used in Annex A

1. Providers are listed by legal name, with trading names also listed. A hidden column in the Excel file identifies the government region for each provider.
2. **'Funding for high-cost courses'** shows the total of our allocations that support the extra costs associated with teaching particular types of courses. Hidden columns show the breakdown between the allocations that make up this total. As at July 2022, the total is £957 million, comprising:
 - a. £817 million for the main high-cost subject funding allocation
 - b. £31 million for the nursing, midwifery and allied health supplement
 - c. £25 million for very high-cost science STEM subjects
 - d. £23 million for overseas study programmes
 - e. £9 million for the postgraduate taught supplement
 - f. £28 million for intensive postgraduate provision
 - g. £3 million for accelerated full-time undergraduate provision
 - h. £16 million for clinical consultants' pay
 - i. £1 million for senior academic general practitioners' pay
 - j. £5 million for NHS pensions scheme compensation.
3. **'Funding for student access and success'** shows the total of our allocations to providers that support student access and success for particular student groups (this does not include the separate funding allocated to Uni Connect partnerships or the additional funding already distributed to support Ukrainian student hardship). Hidden columns show the breakdown between different allocations. As at July 2022, the total is £276 million.
4. **'Total funding'** is the sum of the columns described above.



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