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6 July 2023

Dear Accountable Officer

## Recurrent grants for 2023-24

I am writing with details of your initial recurrent funding allocations for the academic year 2023-24.

**All information in this letter and associated documents is confidential and subject to embargo until 0001 on Friday 7 July 2023.** This means that neither the letter and associated documents, nor their substance, are to be disclosed to any other person outside the higher education provider or used in the public domain while subject to the embargo.

This letter summarises the main changes to funding from the Office for Students (OfS) for 2023-24, compared with 2022-23. Full details are set out in the documents listed in Annex A.

We do not require a reply to this letter.

## Allocations to be announced later

The allocations announced with this letter do not include the following elements of grant:

- a. Funding to encourage greater provision of Level 4 and 5 qualifications. We expect to confirm the distribution of £16 million for this in March 2024, following sign-off of the Higher Education Students Early Statistics survey data for the 2023-24 academic year (HESES23).
- b. Funding to support the growth of Level 6 degree apprenticeship training programmes. In 'Funding for academic year 2023-24: OfS decisions' (OfS 2023.26),<sup>1</sup> we announced that we will establish a competitive degree apprenticeship development fund, worth up to £40 million, to be allocated across the 2023-24 and 2024-25 financial years. We will announce details of

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<sup>1</sup> See [www.officeforstudents.org.uk/publications/funding-for-academic-year-2023-24/](http://www.officeforstudents.org.uk/publications/funding-for-academic-year-2023-24/).

the new fund later this year, and invite submissions from providers for an allocation of this funding stream. Of the total, we expect to distribute £16 million for 2023-24.

- c. Transitional funding for specialist providers. We have set aside £1 million of funding for providers that were previously in receipt of specialist provider funding in 2021-22 (either directly or indirectly as part of a larger provider) but which were not eligible to receive this funding from 2022-23 onwards. These providers have been invited to set out their need for such transitional funding and any allocations made under these arrangements will be included in future updates to grant tables.
- d. Funding set aside for emerging priorities. This funding of £5 million will be distributed by 31 March 2024, having regard to any government guidance on priorities.

To set budgets for the 2023-24 academic year, we have had to make assumptions about the funding that might be available for the 2024-25 financial year, because of the overlap from April to July 2024 between the two years. Changes to government grant or our assumptions may mean that we have to revise allocations later in the year.

Only providers that have successfully joined the OfS Register in the Approved (fee cap) category by 1 June 2023 will receive allocations in this grant announcement. We will make further recurrent funding allocations to providers that are registered in this category after this date and before the end of the academic year (31 July 2024). We will not reduce the announced allocations to extend funding to providers that join the OfS Register later in the year.

### **Recurrent grant budgets for 2023-24**

'Funding for academic year 2023-24' set out the decisions we have taken on the approach to funding for 2023-24. These decisions follow the 2023-24 financial year guidance letter of 30 March 2023 from the Secretary of State for Education,<sup>2</sup> which announced the strategic priorities grant funding available to us. It provides information on budgets and rates of grant for different elements of our formula allocations.

Our total recurrent budget for providers for 2023-24 of £1,407 million is an increase of £51 million (3.7 per cent) compared with the total announced for 2022-23. Within the overall budget:

- a. The various elements of funding that support high-cost courses increase overall by £65 million (6.1 per cent), from £973 million to £1,038 million:
  - i. The largest element of this, high-cost subject funding for price groups A to C1.1, has increased by £50 million (6.3 per cent) to £849 million.

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<sup>2</sup> Government guidance letters can be found at [www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/](http://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

- ii. The budget for high-cost subject funding for price group C1.2 has reduced by £1 million to £17 million (-6 per cent). This reflects a reduction in student numbers in these subjects and we are maintaining the rate of funding in cash terms.
  - iii. We are maintaining in cash terms the rates of funding for the nursing, midwifery and allied health supplement, the targeted allocation for overseas study programmes, the postgraduate taught supplement, the targeted allocation for intensive postgraduate provision and the targeted allocation for accelerated full-time undergraduate provision.
  - iv. The budget for Level 4 and 5 skills provision has doubled to £16 million. The funding for degree apprenticeships, that will be allocated later in the 2023-24 academic year, has also doubled to £16 million.
  - v. We are maintaining in cash terms the budgets for other targeted allocations.
- b. Funding for student access and success has reduced overall by £19 million (-5.8 per cent) from £325 million to £306 million. Within the total, we are:
- i. Maintaining 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), the disabled students' premium and the premium to support student transitions and mental health.
  - ii. Maintaining in cash terms the budget for Uni Connect.
  - iii. Not continuing into 2023-24 two one-off allocations that were provided for 2022-23 to support students facing hardship as a result of the increased cost of living (-£15 million) and to support Ukrainian student hardship (-£4 million).
- c. Allocations of funding for specialist providers remain the same as for 2022-23.

### **2023-24 recurrent grant changes for higher education providers**

Changes to the grants announced in this letter for individual providers compared with 2022-23 arise for two reasons:

- a. Changes to OfS budgets for 2023-24. The most significant contributory factor for individual providers is the increase in the proportion of funding provided through the main high-cost subject funding allocation.
- b. Changes in student numbers at each provider relative to all others. In broad terms, providers whose share of the total student numbers for the sector as a whole has reduced are likely to receive a similarly reduced share of the total funding. This will, however, depend on their mix of students between different types of courses and student characteristics.

## **Further information and requests for changes**

While we do not require a reply to this letter, providers may wish to request changes to allocations. The technical guidance (see annex A) provides further details and deadlines that apply. The main reasons for possible changes are:

- a. Appeals relating to the targeted allocation for very high-cost science, technology, engineering and mathematics (STEM) subjects.
- b. Amendments to data submitted by providers. We expect to accept data amendments only to correct errors that are widespread, significant and have a material impact on our use of the data.<sup>3</sup> We may also accept amendments to data without recalculating funding. In the exceptional circumstance that we are prepared to accept data amendments for funding purposes, we will update the provider's grant tables to reflect changes to funding.
- c. Other reasons such as transfers of provision between providers, mergers or other changes to a provider's status in the Approved (fee cap) part of the OfS Register.

We can provide informal advice about the effects of any data changes, transfers or mergers to aid planning. If you wish to discuss this, or have any questions about your allocations, please contact [recurrentgrant@officeforstudents.org.uk](mailto:recurrentgrant@officeforstudents.org.uk).

Yours sincerely

**John Blake**  
**Director for Fair Access and Participation**

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<sup>3</sup> Providers should consult the OfS website for guidance on amendments to data. See [www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/](http://www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/).

## Annex A: Documents and tables accompanying this grant announcement

1. Detailed information related to allocations for 2023-24 are released alongside this letter on the OfS portal ([extranet.officeforstudents.org.uk/data](https://extranet.officeforstudents.org.uk/data)) under embargo until 0001 on 7 July 2023.
2. The section '2023-24 Grant tables (Office for Students)' can be accessed via the OfS portal user administrator system. Your provider has at least one nominated user administrator who will be able to give colleagues at your provider access to this section of the portal. Guidance for user administrators can be found on the log-in page of the portal. If you have queries about portal access, please email [portal@officeforstudents.org.uk](mailto:portal@officeforstudents.org.uk). The section contains:
  - a. Your 2023-24 recurrent grant tables. This shows the funding allocated for 2023-24 under different funding streams and a breakdown of the data used to calculate it.
  - b. '2023-24 Recurrent grant: Technical guidance for higher education providers', which explains in detail how the figures in the grant tables have been derived. The technical guidance document is aimed primarily at finance and planning officers.
  - c. 'Recurrent funding for 2023-24' (OfS 2023.31). This provides a summary report on our recurrent grant allocations. When this is published on the OfS website, it will also be accompanied by a separate Excel file (Annex A) which will show the total initial recurrent allocations for each provider. Annex A is not available on the portal.
  - d. 'Terms and conditions of funding for 2023-24' (OfS 2023.30). These apply to the recurrent and capital funding the OfS will distribute to providers that are registered in the Approved (fee cap) part of the OfS Register and supplement the conditions of registration that apply to them.
3. The documents described in 2b to 2d will also be made available on the OfS website from 7 July 2023. In addition, we will publish tables showing the 2023-24 recurrent grant for providers collectively. HESES23 data submitted by providers is also available on the OfS website.<sup>4</sup>

### Other documents

4. For providers that submitted 2021-22 individualised student data, we will be making available funding data summaries, which will show them how that data has been used to inform funding. Providers will be able to access their outputs from **Thursday 6 July 2023** on the OfS portal. The funding data summary outputs contain data that has been used to calculate the 2023-24 student premium allocations, which are shown on Table F of the grant tables. Further information about the funding data summaries is available in '2023-24 Recurrent grant: Technical guidance for higher education providers'.

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<sup>4</sup> See [www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/](https://www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/).