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Dear Accountable Officer

Recurrent grants for 2024-25

I'm writing to let you know that we have today announced the distribution of £1,426 million of OfS funding allocations for the 2024-25 academic year.

This includes recurrent funding allocations for providers registered with the OfS in the Approved (fee cap) category. Funding allocations for your institution are now available from the OfS portal.¹

How to access your funding allocations

Grant tables which set out your funding allocations, along with how they are calculated, can be downloaded from the OfS portal. You will also be able to access copies of documents that provide further detail on our funding methods for 2024-25. A list of these documents, and how to access them through the portal, is available in Annex B to this letter.

Please note that the information in this letter and associated documents is confidential and subject to embargo until 0001 on Monday 29 July 2024. Information may be shared internally with your colleagues who need it for operational purposes, but it remains confidential and subject to embargo. From 29 July, this information will be released publicly on the OfS webpages and can be shared freely.

An executive summary of our recurrent funding budget for 2024-25, and how this compares to the equivalent budget for 2023-24 is included in Annex A to this letter.

¹ See <https://extranet.officeforstudents.org.uk/>.

Additional funding to be announced later in the year

This letter announces the distribution to providers of £1,341 million. However, there are two elements of funding that we will be announcing later in the year:

- 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 2025, following sign-off of the Higher Education Students Early Statistics survey data for the 2024-25 academic year (HESES24).
- b. Wave 3 of our degree apprenticeships funding competition. We have already allocated £26 million through waves 1 and 2 of this fund² and the successful bids for the remaining £14 million will be announced later this year.

Further information and requests for changes

If you wish to discuss your allocations, or request changes, for example to reflect mergers or transfers of provision, please contact recurrentgrant@officeforstudents.org.uk and a member of the team will be able to help. We can also provide informal advice about the effects of any data changes, transfers or mergers to aid your forward planning.

Yours sincerely

John Blake
Director for Fair Access and Participation

² See www.officeforstudents.org.uk/for-providers/student-choice-and-flexible-learning/degree-apprenticeships/degree-apprenticeships-for-providers/funding-for-degree-apprenticeships/.

Annex A: Executive summary of changes to OfS funding for 2024-25

Recurrent grant budgets for 2024-25

To set budgets for the 2024-25 academic year, we have made assumptions about the funding that might be available for the 2025-26 financial year because of the overlap from April to July 2025 between the two years. Changes to government grant or our assumptions may mean that we revise allocations later in the year.

'Funding for academic year 2024-25', which accompanies this letter, sets out the decisions we have taken on the approach to funding for 2024-25 and information on budgets and rates of grant for different elements of our formula allocations. These decisions follow the guidance letter of 4 April 2024 from the Secretary of State for Education.³ The guidance letter announced the strategic priorities grant funding available to us for the 2024-25 financial year and also placed terms and conditions on our use of the funding in setting budgets for the academic year 2024-25.

Our total recurrent budget for providers for 2024-25 of £1,402 million is a decrease of £10 million (-0.7 per cent) compared with the total distributed for 2023-24. Within the overall budget:

- a. The various elements of funding that support high-cost courses increase overall by £5 million (0.5 per cent), from £1,038 million to £1,043 million:
 - i. The largest element of this, high-cost subject funding for price groups A to C1.1, has increased by £18 million (2.1 per cent) to £867 million.
 - ii. The budget for high-cost subject funding for price group C1.2 has reduced by £0.1 million to £17 million (-0.3 per cent). Due to a reduction in student numbers in these subjects, the rate of funding has increased in cash terms by 3.8 per cent.
 - iii. We are maintaining in cash terms the rates of funding for the targeted allocation for overseas study programmes and the targeted allocation for accelerated full-time undergraduate provision.
 - iv. We are increasing the rates of funding for the nursing, midwifery and allied health supplement by 2.8 per cent.
 - v. We are reducing the budget for the postgraduate taught supplement by £5 million to £4 million (-54.7 per cent) and restricting the subjects that inform calculation of the supplement to exclude those in price groups C1.2 and C2. As a result of this, the rate of funding per student full-time equivalent (FTE) is increasing by 18.6 per cent.
 - vi. We are reducing the budget for the targeted allocation for intensive postgraduate provision by £10 million to £14 million (-41.1 per cent) and restricting the subjects that inform calculation of the allocation to exclude those in price groups C1.2 and C2. As a result of this, the rate of funding per student full-time equivalent (FTE) is increasing by 24.8 per cent.

³ Government guidance letters can be found at www.officeforstudents.org.uk/for-providers/regulatory-resources/guidance-from-government/.

- vii. We are maintaining in cash terms the budgets for other targeted allocations.
- b. Funding for student access and success has reduced overall by £15 million (-4.7 per cent) from £316 million to £301 million. Within the total, we are:
 - i. Increasing 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 by £5 million to a total of £266 million. Within this total, we are increasing the rates of funding for each of the three student premiums by approximately 3.3 per cent.
 - ii. Maintaining the budget for the premium for student transitions and mental health equivalent to the budget for the academic year 2023-24, as announced in July 2023.⁴
 - iii. Reducing in cash terms the budget for Uni Connect by £10 million, from £30 million to £20 million.
- c. Allocations of funding for the 20 world-leading specialist providers remain the same as for 2023-24. The transitional funding for those specialist 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 has reduced by £0.3 million (-24.9 per cent) from £1 million to £0.7 million for 2024-25.

2024-25 recurrent grant changes for higher education providers

Changes to the grants announced in this letter for individual providers compared with 2023-24 arise for two reasons:

- a. Changes to OfS budgets for 2024-25. 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.

Providers that become registered during the academic year

Only providers that have successfully joined the OfS Register in the Approved (fee cap) category by 18 June 2024 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 2025). We will not reduce the announced allocations to extend funding to providers that join the OfS Register later in the year.

⁴ This does not therefore include the one-off increase to this premium of £10 million distributed in April 2024.

Annex B: Documents and tables accompanying this grant announcement

1. Detailed information related to allocations for 2024-25 can be accessed from the OfS portal (extranet.officeforstudents.org.uk/data).
2. Documents are contained in the '2024-25 Grant tables (Office for Students)' section of the portal. Your provider has at least one nominated OfS portal 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 login page of the portal. If you have queries about portal access, please email portal@officeforstudents.org.uk.
3. The portal will allow you to access:
 - a. Your 2024-25 recurrent grant tables. This Excel workbook shows the funding allocated for 2024-25 under different funding streams and a breakdown of the data used to calculate it.
 - b. '2024-25 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 2024-25' (OfS 2024.34). 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 2024-25' (OfS 2024.32). 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.
 - e. 'Funding for academic year 2024-25' (OfS 2024.33). This provides a summary of decisions the OfS has taken for budgets in 2024-25 and the methods by which these will be distributed.
4. From 29 July, we will publish these documents on the OfS website. This does not include the grant table workbook for your provider, as we publish tables showing the grant allocations for all providers in a single collected document. HESES24 data submitted by providers is also available on the OfS website.⁵

⁵ See www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/.

Other documents

5. For providers that submitted 2022-23 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 **Friday 26 July 2024** on the OfS portal. The funding data summary outputs contain data that has been used to calculate the 2024-25 student premium allocations, which are shown on Table F of the grant tables. Further information about the funding data summaries is available in '2024-25 Recurrent grant: Technical guidance for higher education providers'.