

Office for
Students



Recurrent funding for 2024-25

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Summary

1. This publication summarises the Office for Students' (OfS's) allocations of recurrent funding to higher education providers for the academic year 2024-25. 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 19 June 2024. Updated versions of Annex A will be published periodically throughout the 2024-25 academic year (1 August 2024 to 31 July 2025) to reflect any further providers that become registered in this category between that date and 31 July 2025.
3. We have separately published details of our capital funding, distributing £450 million across the financial years 2022-23 to 2024-25. A bidding competition was used to distribute £399 million across the three-year period.² The remaining capital funding for providers is distributed through three annual formula allocations of £11 million across the period, with the third (final) of these announced in April 2024.³
4. For the 2024-25 academic year, the overall non-capital grant we are distributing is £1,426 million. This consists of:
 - a. £1,402 million in recurrent grant for providers.
 - b. £24 million for national facilities and regulatory initiatives.Non-capital grants have decreased by £13 million (-0.9 per cent) compared with 2023-24.
5. These recurrent grant allocations reflect our grant settlement from government for the 2024-25 financial year (1 April 2024 to 31 March 2025).⁴
6. The total recurrent funding for providers announced initially in this publication is £1,342 million. The remaining £60 million comprises:
 - £16 million set aside to support the growth of Level 4 and 5 qualifications, including higher technical qualifications (HTQs)
 - £24 million distributed through a funding competition to support the growth of Level 6 degree apprenticeships

¹ Available at www.officeforstudents.org.uk/publications/recurrent-funding-for-2024-25/.

² See 'Capital funding for financial years 2022-23 to 2024-25' (OfS 2022.70) at www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/.

³ See 'Formula capital funding: 2024 allocations' (OfS 2024.13) at www.officeforstudents.org.uk/publications/formula-capital-funding-2024-allocations/.

⁴ Guidance letters from the Secretary of State to the OfS are available at www.officeforstudents.org.uk/providers/regulatory-resources/guidance-from-government/. The grant settlement for financial year 2024-25 was set out in the letter of 4 April 2024.

- £20 million in funding for Uni Connect, which is not part of the formula grants to providers.

The annex to this document will be updated later in the academic year to reflect the distribution between providers of the funding to support the growth of Level 4 and 5 qualifications.

7. Changes to grant for individual providers compared with 2023-24 arise for two reasons:

- changes to OfS funding methods and budgets for 2024-25
- 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 2024 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 2024-25' (OfS 2024.36).

9. All documents are available on the OfS website.⁵ This publication is of interest to anybody who wants to know about the recurrent 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.

⁵ See www.officeforstudents.org.uk/for-providers/finance-and-funding/.

The OfS recurrent grant

Introduction

10. This publication announces recurrent grant allocations for the 2024-25 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 26 July 2024.

OfS budget for the 2024-25 academic year

13. We received a statutory guidance letter from the Secretary of State on 4 April 2024.⁶ The guidance letter announced the strategic priorities grant funding available to us for the 2024-25 financial year. The letter provided guidance on the government's strategic priorities for 2024-25 and also set terms and conditions that constrain our use of the funding. These conditions identify specific changes to funding methods and budgets that we are required to make in distributing funds for the academic year 2024-25. The letter did not show indicative recurrent funding levels for the 2025-26 financial year.
14. To set budgets for the 2024-25 academic year, we have had to make assumptions about the funding that might be available for the 2025-26 financial year, because of the overlap between the two from April to July 2025. However, any future changes to the grant made available to us by government for the 2024-25 financial year, or that we have assumed will be available for the 2025-26 financial year, are likely to affect the funding we are able to distribute to providers in the 2024-25 academic year. This may necessitate revising allocations after they have already been announced.
15. The total non-capital grant we are distributing in 2024-25 is £1,426 million. This is broken down in Table 1.

Table 1: OfS non-capital grant to be distributed in academic year 2024-25

Main elements of grant	Total (£M)
Recurrent funding for providers	1,402
Funding for national facilities and regulatory initiatives	24
Total	1,426

⁶ See 'Guidance to the Office for Students from the Secretary of State for Education on the allocation of Strategic Priorities Grant funding for the 2024-25 Financial Year and associated terms and conditions', available at www.officeforstudents.org.uk/for-providers/regulatory-resources/guidance-from-government/.

16. In addition to the money 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.⁷ This funding is allocated according to a method agreed with us. Its distribution is not shown in this publication.
17. Our approach to capital funding for 2024-25 is set out in 'Formula capital funding – 2024 allocations'.⁸ Following an exercise that concluded in December 2022,⁹ we are distributing £399 million in capital funding across the financial years 2022-23 to 2024-25 to providers that made successful bids. We are also distributing £33 million in capital funding to eligible providers through three formula allocations, with the third and final allocation announced in April 2024. The distribution of capital funding is also not shown in this publication.

Recurrent grant for providers

18. Table 2 shows our recurrent funding for 2024-25, split by different elements of grant and compared against the totals for 2023-24.

Table 2: Recurrent grant budgets for 2024-25 academic year (£ millions)

Elements of recurrent grant	2023-24 budget	2024-25 budget	Percentage change to budget
Funding for high-cost courses	1,038	1,043	0.5%
Of which:			
High-cost subject funding: price groups A to C1.1	849	867	2.1%
High-cost subject funding: price group C1.2	17	17	-0.3%
Nursing, midwifery and allied health (NMAH) supplement	32	32	-0.1%
Very high-cost STEM subjects	25	25	0.0%
Overseas study programmes	27	21	-22.8%
Degree apprenticeships	16	24	50.0%
Level 4 and 5 provision	16	16	0.0%
Postgraduate taught supplement	9	4	-54.7%
Intensive postgraduate provision	24	14	-41.1%
Accelerated full-time undergraduate provision	3	3	5.5%
Clinical consultants' pay	16	16	0.0%
Senior academic general practitioners' pay	1	1	0.0%
NHS pensions scheme compensation	5	5	0.0%

⁷ See: <https://www.ukri.org/what-we-do/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/>.

⁸ See www.officeforstudents.org.uk/publications/formula-capital-funding-2024-allocations/.

⁹ See www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/.

Elements of recurrent grant	2023-24 budget	2024-25 budget	Percentage change to budget
Funding for student access and success	316	301	-4.7%
Of which:			
Premium to support successful student outcomes: Full time	154	160	4.1%
Premium to support successful student outcomes: Part time	67	65	-3.4%
Disabled students' premium	41	41	2.4%
Premium for student transitions and mental health	15	15	0.0%
Additional allocation to the premium for student transitions and mental health (spring 2024)	10	0	-100%
Uni Connect	30	20	-33.3%
Funding for specialist providers	58	58	-0.6%
Of which:			
World-leading specialist provider funding	57	57	0.0%
Transitional funding	1	1	-24.9%
Total recurrent grant	1,412	1,402	-0.7%

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

19. This publication is concerned with the distribution of recurrent grants between providers. 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 2024) distribution of recurrent funding to providers, announced in Annex A of this publication, totals £1,342 million. The difference from the total of £1,402 million in Table 2 comprises:
- a. £20 million in funding for Uni Connect, which is not part of the formula grants to providers.
 - b. £16 million to encourage greater provision of Level 4 and 5 qualifications, including HTQs. This will be allocated in March 2025, following sign-off of the Higher Education Students Early Statistics (HESES) student data for the 2024-25 academic year.
 - c. £24 million for a degree apprenticeship development fund, to fund capacity building project, that will support providers to deliver a wider range of degree apprenticeship provision and improve access to degree apprenticeships.
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 19 June 2024.
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 19 June 2024 and 31 July 2025. Such grants will be reduced pro rata to

reflect the number of days in the 2024-25 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 2024-25 academic year, to reflect updated allocations or the inclusion of any further providers that become registered through the year.

Changes to funding for 2024-25

24. 'Funding for academic year 2024-25'¹⁰ set out our decisions on the approach to recurrent funding for 2023-24, including information on budgets and rates of grant for different elements of our formula allocations.
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 equivalent budget for 2023-24. Table 3 summarises the changes to the average unit of recurrent funding per full-time equivalent (FTE) student in the period 2018-19 to 2024-25. 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.¹¹ This information shows a change of -0.71 per cent to the unit of funding compared with 2023-24 and it remains below the level of previous years.
26. The 'real terms' comparisons between 2024-25 and previous years take into account the effects of inflation between those years, using the GDP deflators published by the government on 2 April 2024.¹²

Table 3: Changes to the average unit of OfS funding for providers for academic years 2019-20 to 2023-24

	Total recurrent budget (£ millions)	Total fundable FTEs	Unit of funding: Cash terms	Unit of funding: Real terms (2023-24 prices)	How the 2024-25 unit of funding compares in real terms with earlier years
2018-19	1,290	1,147,863	£1,124	£1,363	-18.65%
2019-20	1,303	1,200,151	£1,086	£1,274	-12.95%
2020-21	1,351	1,222,683	£1,105	£1,254	-11.58%

¹⁰ See www.officeforstudents.org.uk/publications/funding-for-academic-year-2024-25/ (OfS 2024.33).

¹¹ The recurrent budget totals include one-off sums of £83.3 million for 2020-21 relating to student hardship, £10 million for each of 2020-21 and 2021-22 for additional student numbers, and two allocations totalling £19 million for 2022-23 also supporting students facing hardship. 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/). The one-off allocation for 2021-22 was announced in www.officeforstudents.org.uk/publications/additional-one-off-funding-for-2021-22/.

¹² 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).

	Total recurrent budget (£ millions)	Total fundable FTEs	Unit of funding: Cash terms	Unit of funding: Real terms (2023-24 prices)	How the 2024-25 unit of funding compares in real terms with earlier years
2021-22	1,276	1,305,606	£977	£1,090	1.71%
2022-23	1,356	1,302,318	£1,041	£1,090	1.73%
2023-24	1,412	1,263,829	£1,117	£1,117	-0.71%
2024-25	1,402	1,251,522	£1,120	£1,109	

27. The changes detailed in this paragraph reflect the terms and conditions placed on the OfS (as set out in the statutory guidance letter from the Secretary of State on 4 April 2024¹³) that constrain our use of the funding. 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 (-0.3 per cent). due to reductions in the eligible FTEs, this results in a small increase (3.8 per cent) to the rate of funding.
 - iii. We are maintaining in cash terms the budgets for:
 - A. the nursing, midwifery and allied health supplement - due to reductions in the eligible FTEs, this results in a small increase (2.76 per cent) to the rates of funding for each profession.
 - B. the very high-cost science, technology, engineering and maths (STEM) subjects targeted allocation.
 - iv. We are maintaining in cash terms the rates of funding for:
 - A. the targeted allocation for overseas study programmes
 - B. the targeted allocation for accelerated full-time undergraduate provision.

Due to changes to student FTEs on these courses recorded in 2023-24, the overall budgets for these elements of grant have changed.

¹³ See 'Guidance to the Office for Students from the Secretary of State for Education on the allocation of Strategic Priorities Grant funding for the 2024-25 Financial Year and associated terms and conditions', available at www.officeforstudents.org.uk/for-providers/regulatory-resources/guidance-from-government/.

- v. We are reducing the budget for two targeted allocations and restricting the subjects that inform their calculation to those in price groups A, B and C1.1 only. This has the effect of increasing the rate of funding per student FTE. These are:
 - A. The postgraduate taught supplement. The budget decreases by £5 million to £4 million (a decrease of 54.7 per cent) and the rate of funding increases by 18.6 per cent).
 - B. The targeted allocation for intensive postgraduate provision. The budget decreases by £10 million to £14 million (a decrease of 41.1 per cent) and the rate of funding increases by 24.8 per cent.
 - vi. We are maintaining in cash terms the budget for our targeted allocation to encourage and support Level 4 and 5 provision. We will collect data on 2024-25 student numbers to distribute this funding stream, and cannot determine rates of funding at this time. The necessary data will be collected as part of the HESES data return in winter 2024, with provider allocations announced in March 2025, following sign-off of the HESES data. Funding will be distributed by formula, with priority given to supporting courses leading to HTQs.
 - vii. We are providing up to £40 million for 2023-24 and 2024-25 combined through a funding competition to support projects that build the sector's capacity to provide degree apprenticeships. Providers were invited to submit bids for funding to support their delivery of Level 6 degree apprenticeships, with funding announced in three waves. Of the total, we will distribute up to £24 million in 2024-25.
- b. Funding for student access and success has reduced overall by £15 million (a decrease of 4.7 per cent) from £316 million to £301 million. The government terms and conditions require us:
- i. To increase by at least £5 million the total budget for the premium to support successful student outcomes (full-time), the premium to support successful student outcomes (part-time) and the disabled students' premium. In distributing the additional £5 million, we have also had regard to changes to the number of eligible FTEs counted in each allocation. As a result, we have set budgets for these student premiums that result in a percentage increase to their funding rates of approximately 3.3 per cent.
 - ii. To ensure that the budget for the premium for student transitions and mental health is no more than the equivalent budget for the academic year 2023-24, as announced in July 2023. This does not include the one-off increase of £10 million to this premium distributed in April 2024.¹⁴
 - iii. To reduce the overall budget for the Uni Connect programme by £10 million. We notified Uni Connect partnerships of their allocations for academic year 2024-25 on 29 April 2024.

¹⁴ See 'Guidance to the Office for Students on the use of £10 million from the Higher Education Strategic Priorities Grant (SPG) for the 2023-24 Financial Year' at www.officeforstudents.org.uk/for-providers/regulatory-resources/guidance-from-government/.

- c. We are maintaining in cash terms the overall budget for our funding for specialist providers. This includes:
- i. £57 million for 20 world-leading specialist providers identified in our review of this funding stream that concluded in December 2022.¹⁵
 - ii. £1 million of transitional funding set aside for providers that received specialist provider funding in 2021-22 (either directly or indirectly as part of a larger provider) but which were not eligible for 2022-23 onwards. Four providers that were previously (directly or indirectly) in receipt of specialist provider funding receive allocations of transitional funding, totalling £1 million. The total requirement for this transitional funding has reduced by £0.3 million (a decrease of 24.9 per cent) for 2024-25.

Recurrent funding outcomes for providers

28. Changes to grant for individual providers compared with 2023-24 arise for two reasons:

- a. Changes to OfS funding methods and budgets for 2024-25.
- 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.

29. At time of initial publication in July 2024, Annex A does not contain columns for the grant for Level 4 and 5 provision that has not yet been distributed. We will update Annex A later in the academic year, after allocations of funding to support Level 4 and 5 provision are announced.

30. Annex A includes a comparison of funding allocations for 2024-25 with equivalent figures for 2023-24. To ensure an equitable comparison, we have omitted the funding allocations for Level 4 and 5 provision from the 2023-24 figures.

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 £24.1 million supports national facilities and regulatory initiatives, representing a reduction of £3 million (-11.1 per cent) compared with 2023-24. This funding is provided for specific purposes and to promote change that cannot easily be achieved through other routes. Table 4 shows the budgets for 2024-25.

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.

¹⁵ See: www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcome/.

Table 4: Funding for national facilities and regulatory initiatives 2024-25

Funding stream	2023-24 budget (£M)	2024-25 budget (£M)
Provision of student information	3.0	3.0
Challenge Competitions	2.8	0.0
The Centre for Transforming Access and Student Outcomes in Higher Education (TASO)	1.5	1.5
Performing arts specialist initiative	9.6	9.6
Jisc	10.2	10.0
Total	27.1	24.1

Terms and conditions of OfS funding for 2024-25

33. Our 'Terms and conditions of funding for 2024-25' are also being published in July 2024.¹⁶ 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-2024-25/ (OfS 2024.36).

Annex A: Recurrent grants for academic year 2024-25

1. This annex is available to download as an Excel file alongside this document at www.officeforstudents.org.uk/publications/recurrent-funding-for-2024-25. The table lists the recurrent grants for the academic year 2024-25 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 2024, the total is £1,002 million, comprising:
 - a. £883 million for the main high-cost subject funding allocation
 - b. £32 million for the nursing, midwifery and allied health supplement
 - c. £25 million for very high-cost science STEM subjects
 - d. £21 million for overseas study programmes
 - e. £4 million for the postgraduate taught supplement
 - f. £14 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). Hidden columns show the breakdown between different allocations. As of July 2024, the total is £281 million, comprising:
 - a. £140 million for the premium to support successful student outcomes: full-time (main allocation)
 - b. £20 million for the premium to support successful student outcomes: full-time (supplement)
 - c. £65 million for the premium to support successful student outcomes: part-time
 - d. £41 million for the disabled students' premium
 - e. £15 million for the premium for student transitions and mental health.
4. **'Funding for specialist providers'** shows the total of our allocations to support providers identified as world-leading specialist providers. As of July 2024, the total is £58 million.
5. **'Total funding'** is the sum of funding for high-cost courses, funding for student access and success and funding for specialist providers.

6. **'2023-24 Total comparison recurrent grant'** shows the recurrent grant allocation published in Annex A of 'Recurrent funding for 2023-24'.¹⁷ However, as at July 2024, the total has been adjusted to exclude the 2023-24 allocations for 'Level 4 and 5 provision'. This will be included in the comparison figure in later grant announcements once we have announced the equivalent allocations for 2024-25.
7. **'Difference to 2023-24 grant'** equals 'Total funding' minus '2023-24 Total comparison recurrent grant'.
8. **'Percentage difference to 2023-24 grant'** is 'Difference to 2023-24 grant' as a percentage of 'Total funding'.

¹⁷ See: www.officeforstudents.org.uk/publications/recurrent-funding-for-2023-24.



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