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Dear [name of accountable officer]

Recurrent grants for 2020-21

I am writing to provide details of your initial recurrent funding allocations for the academic year 2020-21. **All information in this letter and associated documents is subject to embargo until 0001 on Wednesday 13 May 2020.**

This letter sets out the main changes to OfS funding in 2020-21, compared to 2019-20. It is part of a suite of documents relating to your grant and to the sector more widely: the full list is described in Annex A.

Details of initial 2020-21 formula teaching capital allocations to providers were released on 27 March 2020 in 'Formula capital funding for 2020-21' (OfS 2020.17).¹

We do not require a reply to this letter.

Introduction

'Funding for 2019-20 and 2020-21: OfS board decisions and outcomes of consultation' (OfS 2020.21)² confirmed that we are making savings of £26 million for academic year 2019-20 without reducing recurrent grants already announced to providers.

It also confirmed that recurrent grant allocations to providers for the 2020-21 academic year (August 2020 to July 2021) will total £1,255 million, a reduction of £48 million compared with the revised budget for the previous year. This reduced total has to support an increase in student

¹ See www.officeforstudents.org.uk/publications/formula-capital-funding-for-2020-21/

² See www.officeforstudents.org.uk/publications/funding-for-2020-21-ofs-board-decisions/

numbers that count towards OfS grants, including those arising from the government's health education reforms.

We are maintaining in cash terms the overall rate of funding for pre-registration courses in nursing, midwifery and allied health disciplines, which is provided through the high-cost subject allocation and the separate nursing, midwifery and allied health supplement. This applies to all disciplines other than those that attract price group A funding. To do this, we are increasing the rates of grant provided through the supplement, compared with academic year 2019-20, to offset the lower rates of grant provided through the high-cost subject allocation.

The various elements of funding that support high-cost courses reduce overall by £33 million (3.6 per cent), from £928 million to £895 million. The largest element of this, high-cost subject funding, is reduced by 3.2 per cent to £690 million. Because of the increases in student numbers that this funding has to support, the rate of funding per student for high-cost subject funding falls in cash terms by 5.2 per cent.

Funding for student access and success reduces overall by £16 million (4.8 per cent) from £332 million to £316 million. Within the total, we are maintaining in cash terms both the funding for Uni Connect (formerly the National Collaborative Outreach Programme)³ and the disabled students premium. The £16 million saving arises from a reduction of 6.8 per cent to the student premiums for full-time and part-time undergraduates.

We are maintaining in cash terms, at £43 million, the targeted allocation for world-leading specialist providers. This is a transitional measure for academic year 2020-21, pending a review of this funding which we intend to undertake later this year.

To set budgets for the 2020-21 academic year, we have had to make assumptions about the funding that might be available for the 2021-22 financial year, because of the overlap from April to July 2021 between the two. 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 14 April 2020 will receive allocations in this May 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 2021). We have made budget provision for this purpose. We will not reduce your announced allocations to extend funding to providers that join the OfS Register later in the year.

2020-21 Recurrent grant changes for higher education providers

Providers may see differences in their 2020-21 grant compared with 2019-20 as a result of the developments to the funding method described in this letter, but also because of changes in their student numbers, relative to other providers. Such changes affect a provider's share of allocations

³ We will, however, recover any underspends from Uni Connect partnerships that arise in the year.

for high-cost subjects and those targeted allocations that are recalculated each year to reflect the latest student numbers.

Implications of the coronavirus (COVID-19) pandemic on monitoring of funding allocations

Nolan Smith's letter of 6 May 2020 to accountable officers⁴ also provided information about the implications of the coronavirus pandemic for OfS funding. It set out how the virus will affect our:

- review of the OfS approach to funding
- monitoring arrangements for funding, including intake targets for pre-registration courses in medicine and dentistry
- terms and conditions of funding.

Terms and conditions of funding

Earlier this month we published our 'Terms and conditions of funding for 2020-21' (OfS 2020.22).⁵ 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.

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 provides further details and deadlines that apply.

Two targeted allocations are subject to appeal; these are the allocations for 'very high-cost science, technology, engineering and mathematics (STEM) subjects' and 'students attending courses in London'. Providers that wish to appeal should consult the technical guidance for further information on the grounds for which such appeals can be made.

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. 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. Providers that wish to request amendments should consult the technical guidance and the OfS website.⁶

⁴ See www.officeforstudents.org.uk/publications/implications-of-the-coronavirus-pandemic-for-ofs-funding/

⁵ See www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2020-21/

⁶ See www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/data-amendments-process/.

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.

Yours sincerely

Ross Lawlor

Funding Round Manager

Annex A

Documents and tables accompanying this grant announcement

1. Detailed information related to allocations for 2020-21 are released alongside this letter on the OfS portal (<https://extranet.officeforstudents.org.uk/data>) **under embargo until 0001 on 13 May 2020.**
2. The section '**2020-21 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. The section contains:
 - a. Your 2020-21 recurrent grant tables. This shows the funding allocated for 2020-21 under different funding streams and a breakdown of the data used to calculate it.
 - b. 'Recurrent funding for 2020-21' (OfS 2020.24). This provides a summary report on our recurrent grant allocations. A separate Excel file (Annex A) shows the total initial recurrent allocations for each provider.
 - c. 'Guide to funding 2020-21' (OfS 2020.23). This guide provides an overview of our funding methods.
 - d. '2020-21 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.
3. The section '**2018-19 post-collection outputs**' can also be accessed via the user administrator system. The funding data summaries package, which can be downloaded from this area contains:
 - student premium funding data summary outputs (workbook and individualised file)
 - a HESES18A, HESES18B or HEIFES18 comparison individualised file
 - student premium method document
 - student premium technical document.
4. The documents described in 2b to 2d will also be made available on the OfS website⁷ from 13 May 2020. In addition, we will publish tables showing the 2020-21 recurrent grant for providers collectively. HESES19 data submitted by providers is also available on the OfS website.⁸

⁷ See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/

⁸ See www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/.