

24 July 2025

Dear [Accountable Officer]

Recurrent funding allocations for 2025-26

I am writing to confirm that the total OfS recurrent funding allocation for 2025-26 for [PROVIDER NAME] is £[ALLOCATION].

The Department for Education wrote to us in May, confirming £1,347.7 million of Strategic Priorities Grant recurrent funding available to us for the 2025-26 financial year, alongside a letter setting out strategic guidance on government priorities.¹

In addition, the government placed terms and conditions on the OfS which required us to make certain changes in allocations, including ending student premium payments for students studying on franchised courses where the franchisee was not also registered with OfS, and removing additional funding for certain media-related courses.

Following receipt of the government's letter, we are now setting out how we will distribute a total of £1,310.9 million of OfS funding for the 2025-26 academic year.

For a summary of your distribution, please see Annex A.

Confidentiality and embargo

You may share this information with your colleagues for operational purposes, but **please note that the information in this letter and associated documents is embargoed until we make it public through the OfS website on Friday 25 July.** Please keep the details confidential until then.²

¹ See [Guidance from government](#).

² See [Recurrent funding](#).

Supporting materials

We are releasing three documents, providing further information to support with this grant announcement:

- **‘Funding for 2025-26: Decisions and allocations’** (OfS 2025.39) summarises our funding budgets in 2025-26 and the methods used to distribute funding. This document includes an annex setting out the funding allocation for each individual institution which will be published on the OfS website on Friday 25 July.
- **‘Terms and conditions of funding for 2025-26’** (OfS 2025.40).
- **‘Guide to funding 2025-26’** (OfS 2025.41) sets out how the Office for Students allocates funding to higher education institutions.

This information can be found via the Portal. For information on accessing the portal please see Annex B to this letter.

Further information and requests for changes

Annex C to this letter provides further information on circumstances in which we will consider changes to the allocations announced alongside this letter.

If you wish to discuss this or if you have any other questions on your funding, please contact recurrentgrant@officeforstudents.org.uk and a member of the funding team will be able to help.

Yours sincerely

John Blake
Director for Fair Access and Participation

Annex summary

Annex A - An executive summary of our recurrent funding budget for 2025-26, and how this compares with the equivalent budget for 2024-25.

Annex B – Accessing the portal. How to access further information via the portal.

Annex C - Requests for changes. This provides further information on circumstances in which we will consider changes to the allocations and the process you will need to follow.

Annex A: Executive summary of changes to OfS funding

Recurrent funding allocations for 2025-26

We have taken decisions on our funding budget for the 2025-26 academic year following receipt of our guidance letter from the Secretary of State for Education on 19 May 2025.³ This announced the strategic priorities grant funding available to us for the 2025-26 financial year and also placed terms and conditions on our use of the funding in setting budgets for the academic year 2025-26. The letter did not provide any information on funding levels for the 2026-27 financial year.

To set budgets for the 2025-26 academic year, we have made assumptions about the funding that might be available for the 2026-27 financial year because of the overlap from April to July 2026 between the two years. **Any future changes to the grant made available to us by government for the 2025-26 financial year, or that we have assumed will be available for the 2026-27 financial year, may affect the funding we are able to distribute to providers in the 2025-26 academic year.** This may require revising allocations after they have already been announced, and institutions are urged to take this into account and be prudent in their financial planning.

The supporting document, 'Funding for 2025-26: Decisions and allocations', which accompanies this letter, sets out the decisions we have taken on our approach to funding for 2025-26 and information on budgets and rates of grant for different elements of our formula allocations. These are also summarised below.

Budget changes

Our total recurrent budget for institutions for the academic year 2025-26 of £1,310.9 million is a decrease of £114.8 million (8.07 per cent) compared with the total distributed for 2024-25.

- Funding to support high-cost courses decreases overall by £86.6 million (8.3 per cent), from £1,042.7 million to £956.1 million.
- Funding for student access and success has reduced overall by £27.8 million (-9.2 per cent) from £301 million to £273.3 million.
- Funding for world-leading specialist providers has reduced by £0.4 million (-0.6 per cent) from £57.8 million to £57.4 million. This is due to a planned decrease in transitional funding provided to four providers.
- Funding for national facilities and regulatory initiatives remains constant at £24.1 million.

Terms and conditions placed on us by government

The terms and conditions placed on us by government require us to make specific changes to our funding budgets for academic year 2025-26.

³ See [Guidance from government](#).

For high-cost courses, the government's terms and conditions specify that no funding should be allocated for six targeted allocations provided in 2024-25. These are the allocations for: accelerated full-time undergraduate provision; intensive postgraduate provision; overseas study programmes, the postgraduate taught supplement; funding for degree apprenticeships and funding to support Level 4 and 5 provision.

In allocating high-cost subject funding, we will seek to maintain (in cash terms) per-student funding rates. However, we are also directed to develop changes to our funding methods so that:

- a. Students on courses delivered at franchised providers are not counted in our calculations, except where the teaching provider is registered with the OfS in the Approved (fee cap) category.
- b. We reprioritise funding for courses in media studies, journalism, publishing and information services for the academic years 2025-26, with any savings generated reallocated to support subjects in price group B.

We are directed to maintain the per-student funding rates for the nursing, midwifery and allied health supplement and the budget for the very high-cost STEM⁴ subjects targeted allocation.

In allocating funding to support student access and success, we are also directed to:

- a. Implement changes to our funding methods so that funding is allocated for these four student premiums so that students on courses where teaching is subcontracted out to a partner institution are not counted in our calculations, except where the teaching institution is registered with the OfS in the Approved (fee cap) category.
- b. Maintain per-student funding rates for the full-time and part-time student premiums, the disabled students' premium and the premium for mental health and student transitions.

2025-26 recurrent grant changes for higher education institutions

Individual institutions will generally see changes to their funding for 2025-26 that arise from:

- a. Changes in student numbers at each institution relative to all others. In broad terms, institutions 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 depend on the mix of students between different types of courses and student characteristics.
- b. Changes to our funding methods and budgets as described above.

⁴ Science, technology, engineering and mathematics.

Annex B: Accessing grant information on the OfS portal

Detailed information related to allocations for 2025-26 can be accessed from the OfS portal (extranet.officeforstudents.org.uk/data).

Documents are contained in the '2025-26 recurrent grant (Office for Students)' section of the portal. Your institution has at least one nominated OfS portal user administrator who will be able to give colleagues at your institution 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.

Annex C: How to request changes to allocations

Introduction

We have calculated 2025-26 funding allocations using the most up-to-date institutional data available to us. However, there are some circumstances where institutions may wish to submit representations asking us to recalculate their funding.

There are three primary categories where we may consider amending funding after it is announced:

- **Planned changes for 2025-26** – institutions may have planned changes for 2025-26 that affect their total student population, such as a planned merger with another institution or the transfer of student cohorts (either to or from another institution).
- **Amendments to data** – institutions may identify errors in the data we have used to inform our calculations, after the institution has signed it off.
- **Other changes to allocations** – institutions may have other queries around the 2025-26 allocations, which are not covered by the above two scenarios.

This annex provides information on how institutions can request changes to funding allocations that might arise due to such circumstances.

Amendments to data

Data sources used to calculate funding

In calculating 2025-26 recurrent grant allocations, we have used two main types of data, aggregate and individualised student data. Aggregate student data has been taken from the Higher Education Students Early Statistics (HESES) survey for 2024-25. Details of this survey can be found on the OfS website.⁵ Individualised student data has been taken from one of the following returns for 2023-24:

- the Individualised Learner Record (ILR), returned to the Education and Skills Funding Agency (ESFA) by further education and sixth form colleges and academies.
- the Student record submitted to the designated data body (DDB).⁶

If individualised student data is not available for a provider, we use alternative sector-derived figures.

⁵ See [Data collection](#).

⁶ Jisc is the current designated data body.

Amendments process

We do not automatically accept and process amendments to data. We expect that the data we use will be the final version submitted and signed off as correct by an institution's accountable officer. This approach also allows for consistency with published data. However, we acknowledge that sometimes errors are identified in the data after it has been finally submitted or signed off by institutions and after we have used the data.

The OfS has a single data amendment process that is used to assess whether we will accept and implement changes to data. If you think that you have identified such an error in your data, and that this might have implications for OfS uses (including funding), you should complete an error summary and submit it through the data amendment process. Further information on how to do this can be found on the OfS website at www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/.

We will only accept amendments to final submitted data in exceptional circumstances, where they meet all the following criteria:

- errors are widespread
- errors are significant
- amendments relate to clear evidence of data error rather than reinterpretation of data (such as re-categorisation)
- errors are likely to have an impact on one or more of our uses of the data.

These amendments will be assessed by an OfS panel to determine if the above criteria are met. Institutions will be informed of the outcomes and will have an opportunity to appeal against the decision.

Completed amendments arising from decisions taken by the process up to 19 June 2024 are reflected in the July grant announcement.

Planned changes for 2025-26 (mergers and transfers)

Institutions may have planned changes for the 2025-26 academic year (such as a transfer of students or a planned merger with another institution (or institutions), that mean they believe a change to their initial allocations is necessary.

We encourage institutions to notify the funding team ahead of any such changes, so that we can make any necessary adjustments to funding to reflect the teaching being delivered by each institution.

Mergers

Where institutions are aware of plans for any merger between their institution and any other institution (or institutions) that are due to be completed during the academic year 2025-26, they should submit a reportable event.⁷

They should also notify recurrentgrant@officeforstudents.org.uk at the earliest opportunity, so that we are able to implement appropriate plans for adjustments or amendments to grant allocations.

Once notified, we will liaise with other teams at the OfS and with institutions, to ensure that appropriate processes are completed and that we collect the required details regarding the merger, such that any changes can be implemented in a timely manner.

Transfers

Following this grant announcement, institutions may become aware of transfers of student numbers to another institution that will take place within the academic year 2025-26. (For example, an institution may have a course taught under a subcontractual arrangement where the contractual responsibility for the course is being transferred to the teaching provider.)

In such cases, the lead provider may wish to transfer student numbers (and associated funding) to the second provider, during the academic year.

In order to do this, the institutions should have formal agreements in place and notify recurrentgrant@officeforstudents.org.uk at the earliest opportunity.

Once notified, we will send institutions further guidance and a template to collect any required details of the students that are to transfer. Before implementing any transfers, we will require written agreement from all parties concerned.

Institutions should also consider whether they should submit a reportable event, depending on the scale of the transfer.

Other changes to allocations

As set out above, most funding allocations are based on signed-off institution data; if there are any issues that arise from that data, it will need to be corrected via the data amendments process. However, there are some allocations which are not typically calculated annually based on the latest relevant data (such as the 'Very high-cost STEM subjects allocation').

If there are any other circumstances where institutions believe they may have grounds to appeal funding allocation, they should contact recurrentgrant@officeforstudents.org.uk. Once notified, we will then be able to discuss any required criteria, as well as an appropriate timetable.

⁷ OfS, '[Regulatory advice 16: Reportable events](#)' (OfS 2021.44).

Any appeals submitted will need to be evidence-based. Where appropriate, we will check providers' claims for consistency with other data sources available to us.

This guidance is not intended to limit the content of institutions' submissions or to provide any guarantee of the acceptance or otherwise of an appeal. Each case will be considered on its merits, although we will also be mindful of the desirability of treating institutions consistently.