

Office for
Students



Funding for academic year 2024-25

OfS decisions

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Enquiries to recurrentgrant@officeforstudents.org.uk

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Summary

1. This document reports the decisions taken by the Office for Students (OfS) on funding for the 2024-25 academic year. These decisions follow the guidance letter of 4 April 2024 from the Secretary of State for Education, which announced the strategic priorities grant funding available to us for the 2024-25 financial year.¹ The letter provided an increase of £2 million to recurrent funding for distribution by the OfS for the financial year (April to March) 2024-25.²
2. The government's letter provided guidance on its strategic priorities for 2024-25, and also set terms and conditions that constrain our use of the funding made available to us. 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.
3. Capital funding of £450 million to be allocated across the financial years 2022-23 to 2024-25 was previously announced in 'Guidance to the OfS on the Higher Education Strategic Priorities Grant for the 2022-23 financial year' on 31 March 2022. A bidding competition was used to distribute £399 million across the three-year period.³ The remaining capital funding for providers was distributed through three annual formula allocations of £11 million, with the third of these announced in April 2024.⁴
4. Non-capital grants to be distributed by the OfS for the 2024-25 academic year will total £1,426 million, a decrease of £13 million (0.9 per cent) compared with the equivalent budget for the previous year. The total comprises £1,402 million in recurrent grant for providers and £24 million in funding for national facilities and regulatory initiatives.
5. The total budget available for our funding for high-cost courses has increased by £5 million (0.5 per cent) to £1,043 million. Within this overall category, high-cost subject funding has also increased by 2.1 per cent to £883 million. This is sufficient to provide an uplift to the rates of grant for high-cost subject funding, with increases (in cash terms) of 2.6 per cent for price groups A, B and C1.1 and of 3.8 per cent for price group C1.2.
6. We are maintaining in cash terms the rates of funding for the targeted allocation for accelerated full-time undergraduate provision and the targeted allocation for overseas study programmes.

¹ Government guidance letters to the OfS are available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

² The £1,456 million in funding for financial year 2024-25 includes:

- £2 million for the 2024 medical expansion as part of the NHS long term workforce plan and 2024 medical degree apprenticeship pilot
- £51.1 million to fund the expansion of medical student places by 1,500 (agreed in 2016 and started in 2017), funded by £48.7 million from the Department of Health and Social Care (DHSC) and £2.4 million from the Department for Education (DfE).

³ 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/.

⁴ See 'Formula capital funding: 2024 allocations' (OfS 2024.13) at www.officeforstudents.org.uk/publications/formula-capital-funding-2024-allocations/.

7. We are maintaining in cash terms the budgets for the very high-cost STEM subjects allocation and the targeted allocation to encourage and support Level 4 and 5 provision.
8. We are increasing the rate of funding for the nursing, midwifery and allied health supplement by 2.8 per cent.
9. We are reducing the budget for two targeted allocations and restricting the subjects that inform their calculation to exclude those in price groups C1.1 and C2. This has the effect of increasing the rate of funding per student full-time equivalent (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.
10. We are providing up to £40 million in funding for 2023-24 and 2024-25 combined to establish a fund for projects that will 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.
11. The total budget for student access and success is decreasing by £15 million from £316 million to £301 million.⁵
 - a. We are increasing the total budget for the student premiums for full-time and part-time undergraduates 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.
 - b. We are maintaining the budget in cash terms for the premium for student transitions and mental health at £15 million.
 - c. We are reducing the budget for Uni Connect by £10 million, from £30 million to £20 million.
12. We are maintaining in cash terms funding for specialist providers that were identified last year as world leading.
13. Alongside this publication, we are also issuing recurrent grant letters and tables for 2024-25 for individual providers, together with technical guidance and a summary publication showing allocations for all providers via the OfS portal. This information will also be published on our website.
14. Any questions on this document should be sent to recurrentgrant@officeforstudents.org.uk.

⁵ The £316 million total for academic year 2023-24 includes £301 million announced in July 2023 and an additional £10 million announced in February 2024. The additional £10 million comes from reallocation of £5 million of funding set aside for LLE preparation and £5 million set aside for emerging priorities. This was allocated following receipt of a government guidance letter in January 2024.

Background

15. In this document:

- a. References to 'financial year' mean the 12-month period from 1 April to 31 March. References to 'academic year' mean the 12-month period from 1 August to 31 July.
- b. Comparisons between years of budgets or grant rates in 'cash terms' make no adjustment for the effects of inflation between those years. Comparisons between years of budgets or grant rates in 'real terms' take into account the effects of inflation between those years, using the GDP deflators published by the government in March 2024.⁶
- c. Figures 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 will be rounded to the nearest £1. There are therefore some rounding differences in the document and its tables.
- d. The 2023-24 academic year budgets were first announced in 'Funding for academic year 2023-24'.⁷ Since then the budgets have changed: £5 million to support preparation for the Lifelong Loan Entitlement (LLE) and £5 million set aside for emerging priorities were repurposed to increase the budget for the premium for student transitions and mental health by £10 million. The budgets for academic year 2023-24 quoted in this publication represent the position at April 2024, as listed in the provider allocations show in Annex A of 'Recurrent funding for 2023-24'.⁸

Strategic priorities grant for the 2024-25 academic year

16. The Secretary of State for Education's guidance letter of 4 April 2024⁹ set out the strategic priorities grant funding available to the OfS for the financial year 2024-25. **Table 1** summarises the total non-capital funds available to us for financial years 2023-24 and 2024-25.

Table 1: OfS non-capital strategic priorities grant from the government

Financial year	2023-24 (£M)	2024-25 (£M)
Funding distributed through Research England	48	48
Recurrent funding distributed by the OfS	1,406	1,408
Total non-capital strategic priorities grant	1,454	1,456

⁶ 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). This calculation produces a GDP deflator for the 2024-25 academic year of 0.99 per cent.

⁷ See www.officeforstudents.org.uk/publications/funding-for-academic-year-2023-24/ (OfS 2023.26).

⁸ See www.officeforstudents.org.uk/publications/recurrent-funding-for-2023-24/ (OfS 2023.31).

⁹ See 'Guidance to the Office for Students on the allocation of Strategic Priorities Grant funding for the 2024-25 financial year and associated terms and conditions (March 2024)' available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

17. The total recurrent grant for the year includes £48 million that relates to funds administered by Research England, thus reducing the total available for distribution by us to £1,408 million for the financial year 2024-25. The £48 million supports teaching-related knowledge exchange activities through Higher Education Innovation Funding.¹⁰
18. In March 2022 the government made available to the OfS a total of £450 million of capital funding to be distributed across the three financial years 2022-23 to 2024-25. The guidance letter of 4 April 2024 confirmed no change to this.

Government terms and conditions on allocation of funding for 2024-25

19. The government’s letter of 4 April 2024 provided guidance on the government’s strategic priorities for 2024-25. The letter 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.
20. This document announces the OfS’s decisions on the budgets for and approaches to recurrent grants for providers and for national facilities and regulatory initiatives for the academic year 2024-25. As well as the terms and conditions placed on our use of the funds by government, our decisions have been taken having regard to our general duties.

OfS funding for the 2024-25 academic year

21. The OfS’s funding settlement from government for the 2024-25 financial year covers the months April to July 2024 within the 2023-24 academic year, and August 2024 to March 2025 within the 2024-25 academic year. We have already announced our grant to providers for the 2023-24 academic year and do not propose to change those allocations as a result of our funding settlement for the 2024-25 financial year.
22. **Table 2** sets out the non-capital budget that the OfS has set for the academic year 2024-25 and compares it with the 2023-24 budget. The latter includes changes to the budget that were made during the year, as discussed in paragraph .d.

Table 2: Overall non-capital budget for academic years 2022-23 and 2023-24

Academic year	2023-24 £M	2024-25 £M
Recurrent funding for providers	1,412	1,402
National facilities and regulatory initiatives	27	24
Total non-capital grant distributed by the OfS	1,439	1,426

Funding for national facilities and regulatory initiatives

23. We aim to distribute as much as possible of the funding for core higher education activity through the recurrent grant to providers. However, a small proportion of our funding is provided

¹⁰ See www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/.

for specific purposes and to promote change that cannot easily be achieved through other routes. **Table 3** shows how the budgets that comprise this funding have changed between the academic years 2023-24 and 2023-25.

Table 3: Funding for national facilities and regulatory initiatives

	2023-24 budget £M	2024-25 budget £M
Provision of student information ¹¹	3.0	3.0
Challenge competitions ¹²	2.8	0
The Centre for Transforming Access and Student Outcomes in Higher Education (TASO) ¹³	1.5	1.5
Performing arts specialist initiative ¹⁴	9.6	9.6
Jisc	10.2	10.0
Total	27.1	24.1

Recurrent funding for providers

24. **Table 4** summarises the recurrent grant budgets for academic year 2024-25, separated by funding stream, and provides a comparison with the figures for academic year 2023-24.

Table 4: Recurrent grant budgets for academic year 2024-25

Elements of recurrent grant	2023-24 budget £M	2024-25 budget £M	Percentage change to budget £M
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%

¹¹ This includes the annual cost of running the National Student Survey. It also funds Discover Uni (discoveruni.gov.uk/) which is the official, authoritative source of information and guidance on higher education in the UK, designed to support prospective students in deciding whether, where and what to study.

¹² See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/funding-competitions/.

¹³ See www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/centre-for-transforming-access-and-student-outcomes-in-higher-education/.

¹⁴ Funding to enhance the provision of, and access to, performing arts education and training at specialist providers not in receipt of recurrent specialist provider funding, with a particular focus on contemporary music, drama and dance. See www.officeforstudents.org.uk/publications/initiative-funding-for-specialist-performing-arts-providers-funding-allocations/.

Elements of recurrent grant	2023-24 budget £M	2024-25 budget £M	Percentage change to budget £M
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%
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.

25. **Table 4** shows the percentage change to each budget in cash terms, but changes to the rates of grant per full-time equivalent student (FTE) will differ according to how student numbers counted towards each allocation have changed. Paragraphs 30 to 49 provide further detail of the changes for different elements of grant.

Changes to student numbers counted for funding

26. **Table 5** summarises changes to the FTEs counted for OfS funding purposes for the 2022-23 and 2023-24 academic years.¹⁵ While there is an overall reduction to the total student numbers we count, there is a small increase in price group A, which attracts the highest rate of high-cost subject funding.

Table 5: Changes to student FTEs counted for funding for the 2023-24 and 2024-25 academic years

Price group	FTEs for 2023-24	FTEs for 2024-25	Difference
A	32,608	32,820	212
B	262,968	258,947	-4,021
C1.1	124,448	124,945	497
C1.2	133,217	127,834	-5,383
C2	248,529	245,221	-3,308
D	462,220	461,755	-465
Total	1,263,990	1,251,522	-12,468

27. The student numbers we count for funding purposes are primarily derived from the Higher Education Students Early Statistics (HESES) survey for the previous year (so, for example, the 2024-25 fundable FTEs are informed by the HESES data for 2023-24).¹⁶

28. For 2023-24, the HESES survey changed, as providers were not required to return FTE data in their HESES returns, instead returning data on the 'years of engagement' undertaken by their students. We then took the HESES data and applied 'multiplication factors' to calculate data at an FTE level. These multiplication factors were unique to each provider and were primarily derived from the provider's HESES22 data. Providers were able to make representations to the OfS if they felt that the multiplication factors did not reflect significant changes to their provision. This representation process concluded in May 2024.¹⁷

29. We also make adjustments to the FTEs derived from HESES to account for known changes that we expect to happen in the coming year and which we want to recognise in our funding allocations. These adjustments for 2024-25 relate to expected changes in student numbers on pre-registration medicine and dentistry courses, reflecting the effects of both planned and

¹⁵ The figures for 2023-24 are taken from the summary sector grant tables for the year issued in April 2024 (available from www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/recurrent-funding/technical-guidance-and-funding-data/), but incorporating further adjustments for individual providers. The figures for 2024-25 are the equivalent FTEs that we expect to count in our initial allocations for the year but may be subject to change as a result of, for example, changes to providers' registration status, data amendments and transfers.

¹⁶ The HESES data for each year is available from: www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/.

¹⁷ For further detail, see www.officeforstudents.org.uk/data-and-analysis/data-collection/multiplication-factors/.

unplanned increases to pre-registration medicine and dentistry courses since 2018-19 and other miscellaneous adjustments and transfers.

Funding for high-cost courses

30. Overall, the elements of grant that fund high-cost courses have an average increase to budget of 0.5 per cent in cash terms. Within the funding for high-cost courses, terms and conditions were applied to the budget lines for:

- High-cost subject funding for price groups A to C1.1
- High-cost subject funding for price group C1.2
- Intensive postgraduate provision
- The postgraduate taught supplement
- Funding for degree apprenticeships
- Funding to support Level 4 and 5 provision.

A condition was also applied such that the total budget for high-cost courses must be no less than the equivalent total budget allocated for academic year 2023-24.

High-cost subject funding

31. The large majority (84.7 per cent) of our funding for high-cost courses is allocated through the main high-cost subject funding stream. The government's terms and conditions require us to:

- a. Increase the total budget available to support strategically important subjects in price groups A to C1.1 by £18 million (an increase of 2.1 per cent).
- b. Apply a small decrease of £0.1 million (0.3 per cent) to the budget used to support other high-cost subjects in price group C1.2.

32. The £867 million high-cost subject funding budget for price groups A to C1.1 includes:

- a. £2 million for the 2024 medical expansion as part of the NHS long term workforce plan and 2024 medical degree apprenticeship pilot.
- b. £51 million funding the planned expansion of pre-registration medical courses implemented from 2017, and for unplanned increases in intakes to pre-registration medicine and dentistry courses in 2020-21 and 2021-22.¹⁸

¹⁸ The planned expansion of medical courses refers to the phased increase of 1,500 places between 2018-19 and 2020-21 (see webarchive.nationalarchives.gov.uk/ukgwa/20180405121740/http://www.hefce.ac.uk/lt/healthcare/). The unplanned increases in medicine and dentistry in 2020-21 and 2021-22 arise from the removal of the intake target cap in 2020-21, and the temporarily higher cap that was reinstated for 2021-22 following the use of centre-assessed grades for A-levels and other Level 3 qualifications.

33. The combined effect of budgetary and FTE changes result in the rates of high-cost subject funding shown in **Table 6**. The scaling factor that applies to price groups A to C1.1 for 2024-25 is set at 1.158.

Table 6: Changes to high-cost subject rates of funding for 2024-25

Price group	Funding rate per FTE for 2023-24 (£)	Funding rate per FTE for 2024-25 (£)	Percentage change
A	11,290.00	11,580.00	2.57%
B	1,693.50	1,737.00	2.57%
C1.1	282.25	289.50	2.57%
C1.2	125.76	130.54	3.8%
C2	0	0	N/A
D	0	0	N/A

Funding for Level 4 and 5 provision

34. In accordance with the government’s terms and conditions, we are maintaining the budget for our allocation to support Level 4 and 5 provision at £16 million for academic year 2024-25. The letter also asked us to include an uplift within this allocation ‘for learners on Higher Technical Qualification (HTQ) courses, as flagship, high-quality level 4 and 5 qualifications.’

35. As this funding stream is designed to encourage and support growth of new provision in the sector, it will be allocated in a similar fashion to the method used for 2023-24. This will involve collecting data on 2024-25 student numbers as part of the HESES data return in winter 2024. Individual allocations will be announced to providers following sign-off of the HESES24 data in early 2025.

36. Funding will reflect the numbers of students in all years of study on courses leading to a qualification at Level 4 or Level 5. (This does not include students aiming for credit at Level 4 or 5, but without the stated aim of a Level 4 or 5 qualification.) A higher rate of funding will be provided to reflect the number of students within this population that are identified as taking HTQ courses.

Postgraduate taught supplement and intensive postgraduate provision

37. The government’s terms and conditions require us to:

- a. Reduce the budget for the postgraduate taught supplement¹⁹ by £5 million.

¹⁹ The postgraduate taught supplement applies to postgraduate students in price groups A, B and C1.1, who are on courses for which neither masters’ loans nor loans under the undergraduate student support arrangements are available.

- b. Reduce the budget for the intensive postgraduate provision²⁰ allocation by £10 million.
- c. Change the methods used to allocate these funding lines, such that FTEs in price groups C1.2 and C2 are no longer included in the calculation method. (FTEs in price group D, where course fees are generally expected to meet costs, were already omitted.)

38. The combined effect of these changes means that although the overall budgets for these two allocations have decreased, the funding rates have increased. These funding rates are set out in Table 7.

Table 7: Rates of funding for other targeted allocations

Allocation	Rate of grant per FTE for 2023-24 (£)	Rate of grant per FTE for 2024-25 (£)	Percentage change to rate
Postgraduate taught supplement	1,023.08	1,213.25	18.6%
Intensive postgraduate provision			
Price group B	895.75	1,117.73	24.78%
Price group C1.1	684.99	854.74	24.78%

Funding for degree apprenticeships

39. In March 2023, the government asked us to establish a competitive degree apprenticeship development fund, worth up to £40 million, to be allocated across financial years 2023-24 and 2024-25.²¹

40. In September 2023 we invited eligible providers to submit bids for this funding, which will be distributed via three waves of funding, in January, March and September 2024 with £16 million of funding distributed in the academic year 2023-24. In accordance with the terms and conditions placed on us in the guidance letter of 4 April, the remaining £24 million will be distributed in academic year 2024-25.

Other targeted allocations

41. In the strategic guidance letter of 4 April 2024, the government asked us to ‘seek to protect funding rates for the following funding elements: nursing, midwifery and allied health supplement, overseas study programmes, and accelerated full-time undergraduate provision’.

42. We are maintaining in cash terms the budget for the very high-cost STEM subjects targeted allocation.

²⁰ The targeted allocation for intensive postgraduate provision applies to postgraduate students in price groups B or C1.1 who are studying for at least 45 weeks in the year full-time, or the equivalent part-time. It does not apply to courses in price group A, where the intensity of study is already reflected in the high-cost subject funding rate.

²¹ See www.officeforstudents.org.uk/advice-and-guidance/skills-and-employment/degree-apprenticeships/degree-apprenticeships-for-providers/funding-for-degree-apprenticeships/.

43. We are maintaining in cash terms the rate of funding for the overseas study programmes allocation²² at £2,315 per FTE. Due to a lower number of eligible FTEs, the budget has decreased by £6 million (22.8 per cent).

44. We are maintaining in cash terms the rates of funding for the accelerated full-time undergraduate provision allocation.²³ These are:

- £1,149.77 per FTE in price group B
- £879.24 per FTE in price groups C1.1, C1.2 and C2
- £676.34 per FTE in price group D

Due to an increase in the number of eligible FTEs, the budget has increased by £0.15 million (5.5 per cent).

Nursing midwifery and allied health supplement

45. We are maintaining in cash terms the budget for the nursing, midwifery and allied health supplement. Due to reductions in the eligible FTEs, this results in a small increase (2.8 per cent) to the rates of funding for each profession. **Table 8** summarises those rates of grant per FTE.

Table 8: Price groups and rates of funding per FTE for the nursing, midwifery and allied health supplement

Profession	Price group	Rate of funding per undergraduate FTE (£)	Rate of funding per postgraduate FTE (£)
Dental hygiene	A	0	0
Dental therapy	A	0	0
Dietetics	B	84.56	829.13
Midwifery	B	84.56	829.13
Nursing – adult	C1	226.83	971.40
Nursing – children	C1	439.57	1,184.14
Nursing – learning disability	C1	439.57	1,184.14
Nursing – mental health	C1	226.83	971.40
Nursing – unclassified	C1	226.83	971.40
Occupational therapy	B	84.56	829.13

²² The targeted allocation for Overseas study programmes supports the costs to providers of participation in student exchange programmes with overseas providers. This includes the government’s Turing scheme (www.turing-scheme.org.uk/), which was introduced from 2021-22, as well as other exchange programmes established by providers. The OfS funding contributes to the costs to providers of supporting both their own students studying abroad and their teaching of incoming exchange students.

²³ The targeted allocation for accelerated full-time undergraduate provision applies to undergraduate students in price groups B, C1, C2 or D who are studying for at least 45 weeks in the year full-time.

Profession	Price group	Rate of funding per undergraduate FTE (£)	Rate of funding per postgraduate FTE (£)
Operating department practice	B	84.56	829.13
Orthoptics	B	3,807.40	4,551.97
Orthotics and prosthetics	B	3,807.40	4,551.97
Physiotherapy	B	84.56	829.13
Podiatry	B	1,360.96	2,105.53
Radiography (diagnostic)	B	1,360.96	2,105.53
Radiography (therapeutic)	B	1,360.96	2,105.53
Speech and language therapy	B	297.30	1,041.86

Funding to improve access and support successful student outcomes

46. **Table 4** shows the changes to 2024-25 budgets for the funding allocations provided to improve access and support successful student outcomes.

47. The government terms and conditions require us:

- a. 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.
- b. 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.
- c. 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 2024.²⁴

48. In distributing the additional £5 million for the premium to support successful student outcomes (full-time), the premium to support successful student outcomes (part-time) and the disabled students' premium, 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. These are set out in **Table 9**. Due to a decrease in the number of part-time FTEs, this results in a decrease to the overall budget for the premium to support successful student outcomes (part-time).

²⁴ Letters were issued to providers on 29 April 2024 under embargo until after the local elections on 2 May 2024.

Table 9: Budgets and rates of funding per weighted FTE for the full-time, part-time and disabled students' premiums

Premium	Rate of funding per weighted FTE for 2023-24 (£)	Rate of funding per weighted FTE for 2024-25 (£)	Percentage change to rate
Premium to support successful student outcomes: full-time (main allocation)	151.61	156.65	3.32%
Premium to support successful student outcomes: full-time (supplement)	164.51	170.04	3.36%
Premium to support successful student outcomes: part-time	772.41	797.90	3.30%
Disabled students' premium	124.42	128.53	3.30%

Funding for specialist providers

49. For the academic year 2024-25 we are maintaining in cash terms the funding for 20 world-leading specialist providers at £57 million. Four additional 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 (24.9 per cent) for 2024-25.

Overall impact of changes to grant for academic year 2024-25

50. The outcomes for individual providers for academic year 2024-25 will be variable, because these depend not just on changes to our budgets and rates of grant, but also on how student numbers in different categories at each provider have changed relative to all others. Each provider is competing for a share of our funding through its ability to recruit and retain students.

51. **Table 10** 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.²⁵ This information shows a small decrease in the unit of funding compared to 2023-24. Compared to previous years, the unit of funding is higher than for 2021-22 and 2022-23 but is substantially below the unit of funding provided in the three years before that.

²⁵ This calculation excludes funding for national facilities and regulatory initiatives. 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/.

Table 10: Changes to the average unit of OfS funding for providers for academic years 2018-19 to 2024-25

	Total recurrent budget (£ millions)	Total fundable FTEs	Unit of funding: Cash terms	Unit of funding: Real terms (2023-24 prices)	2024-25 unit of funding compared in real terms to 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%
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	1,407	1,263,829	£1,117	£1,117	-0.71%
2024-25	1,402	1,251,522	£1,120	£1,109	

Recurrent grant announcements to providers

52. Alongside this publication, we are announcing our initial allocations of recurrent grant for academic year 2024-25 for providers registered with us in the Approved (fee cap) category.
53. Subject to providers meeting all eligibility criteria for funding and our having sufficient funding available, we will make further recurrent funding allocations to providers that become registered in the Approved (fee cap) category after July 2024 and before the end of the academic year (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 newly registered providers.

Capital funding for the financial years 2022-23 to 2024-25

54. The guidance letter of 31 March 2022 from the Secretary of State and the Minister of State for Higher and Further Education announced that capital funding of £450 million was available for the OfS to distribute across the three financial years 2022-23 to 2024-25. Of this total:
- a. We have allocated £399 million through a competitive bidding process, announced in 'Capital funding for financial years 2022-23 to 2024-25'.²⁶
 - b. We are making three annual formula capital allocations of £11 million each. The first was announced in 'Capital funding for financial years 2022-23 to 2024-25', the second in 'Formula capital funding: 2023 allocations' and the third in 'Formula capital funding – 2024 allocations'.²⁷
 - c. We are providing £18 million across the three financial years to support capital expenditure by Jisc, relating to the services it provides for the sector.

²⁶ See www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/.

²⁷ See www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/ and www.officeforstudents.org.uk/publications/formula-capital-funding-2024-allocations/.



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