

Mid-year allocations of recurrent funding for 2022-23

Funding to encourage provision of
Level 4 and 5 qualifications and to
accelerate the growth of Level 6 degree
apprenticeship programmes

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Enquiries to recurrentgrant@officeforstudents.org.uk

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Summary

1. This publication outlines the Office for Students' (OfS's) allocations of £16 million of recurrent funding to higher education providers for the academic year 2022-23. This consists of:
 - £8 million to support activities related to the growth and development of Level 6 degree apprenticeship training programmes
 - £8 million to encourage greater provision of Level 4 and 5 qualifications.
2. This follows the 2022-23 financial year guidance letter on funding of 31 March 2022 from the Secretary of State for Education and Minister of State for Higher and Further Education.¹
3. These allocations are part of a larger package of recurrent funding distributed by the OfS for the 2022-23 academic year, which totals £1,373 million. This package was announced in July 2022, in 'Recurrent funding for 2022-23' (OfS 2022.37).²
4. To calculate funding allocations for these two grants we have used in-year student data for 2022-23, as submitted by providers in the 2022-23 Higher Education Students Early Statistics (HESES22) data survey.³ Following sign-off of the HESES22 data, funding has been allocated using the following methods:
 - a. Level 6 degree apprenticeship funding is based on the number of OfS-fundable students recorded in HESES22 who are starting study for the first time towards a qualification aim of a Level 6 undergraduate degree (e.g. a BSc) as part of a Level 6 degree apprenticeship. The method includes a weighting to reward providers that have increased the number of degree apprenticeship starters since the 2021-22 academic year.
 - b. Level 4 and 5 provision funding is allocated pro-rata to the number of OfS-fundable students taking qualifications at Level 4 or 5 at each provider in the 2022-23 academic year.
5. In total, 276 providers are receiving allocations of funding in this announcement:
 - a. 102 providers receive funding for Level 6 degree apprenticeships, with 57 providers recording growth in the number of students starting study towards such degree apprenticeships compared with 2021-22.
 - b. 273 providers are receiving funding for Level 4 and 5 provision.
6. Annex A shows allocations for providers registered in the Approved (fee cap) category of the OfS register on 1 February 2023. This document will not be updated; in the case of any changes to data, providers should instead refer to Annex A of OfS 2022.37, which we will update periodically.

¹ See 'Guidance to the OfS on the higher education strategic priorities grant for the 2022-23 financial year (March 2022)', available at: www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

² See www.officeforstudents.org.uk/publications/recurrent-funding-for-2022-23.

³ See www.officeforstudents.org.uk/publications/heses22/.

Introduction

7. This publication announces grant allocations of funding to support the growth of:
 - a. Level 6 degree apprenticeships
 - b. Level 4 and 5 provision.
8. These funding allocations are for the 2022-23 academic year (1 August 2022 to 31 July 2023). Unless otherwise stated, all years in this document relate to academic years.
9. Annex A to this document lists allocations of these funding streams for each provider registered with the OfS in the Approved (fee cap) category on 1 February 2023. The annex is available to download alongside this document as a separate Microsoft Excel file.⁴
10. In addition to this document, we have released technical documents to provide further detail of how we have calculated the Level 6 degree apprenticeship allocation. These are:
 - a. Individualised output documents for providers, which show how we have derived 2021-22 Level 6 degree apprenticeship figures from individualised data. These outputs are available from the OfS portal.
 - b. Technical guidance that accompanies the individualised outputs and explains in detail how the figures are derived.⁵
11. We will also update 'Recurrent funding for 2022-23' (OfS 2022.37) to reflect these new funding allocations.

Background

12. The Secretary of State for Education and Minister of State for Higher and Further Education wrote to the OfS on 31 March 2022 to announce the strategic priorities grant funding available to the OfS for the 2022-23 financial year. This guidance letter set out the government's ambitions to further accelerate the growth of degree apprenticeships and to grow high quality Level 4 and 5 provision. To enable this ambition, the guidance letter provided funding totalling £16 million to support these areas.
13. In 'Funding for academic year 2022-23' (OfS 2022.28),⁶ we announced details of how we would distribute:
 - £8 million of funding to support Level 6 degree apprenticeships
 - £8 million of funding to support Level 4 and 5 provision.

OfS 2022.28 confirmed that we would distribute this funding following the signoff of HESES22 data.

⁴ See www.officeforstudents.org.uk/publications/mid-year-allocations-of-recurrent-funding-for-2022-23/.

⁵ See www.officeforstudents.org.uk/data-and-analysis/post-collection-outputs/.

⁶ See www.officeforstudents.org.uk/publications/funding-for-academic-year-2022-23/.

Degree apprenticeships

14. The government has provided £8 million of funding to promote its aim to accelerate the growth of degree apprenticeships and expand higher education providers' provision. As outlined in the government's guidance letter of 31 March 2022, this is in line with the government's aim to diversify the modes of study available.
15. This funding is intended to support activities related to the growth and development of Level 6 degree apprenticeship training programmes in the 2022-23 academic year.⁷ This includes:
 - a. The development of new degree apprenticeship training, including:
 - i. Developing new programmes.
 - ii. Refreshing existing programmes to better meet the needs of the labour market and the Institute for Apprenticeships and Technical Education's degree apprenticeship reforms.
 - iii. The upskilling of academic and non-academic staff in delivering degree apprenticeships, including on the specific knowledge, systems and processes, and delivery models and mechanisms that underpin effective degree apprenticeship delivery.
 - b. Growing a pipeline of new degree apprenticeship vacancies through:
 - i. Research and intelligence-gathering to identify current and future local skills needs.
 - ii. Forming employer and skills body partnerships with which new training content is developed.
 - c. Ensuring the alignment of degree apprenticeship provision with local employer needs, and progression from existing and future Levels 3 to 5 provision including apprenticeships, T-Levels and Higher Technical Qualifications.
16. For funding purposes, students are only considered to be studying towards a Level 6 degree apprenticeship if they meet both of the following criteria:
 - a. They are on a Level 6 degree apprenticeship training programme.
 - b. They have a currently stated qualification aim of an undergraduate degree.

Level 4 and 5 provision

17. The government has provided £8 million of funding for Level 4 and 5 qualifications, including Higher Technical Qualifications (HTQs), through the strategic priorities grant. As noted in the March 2022 guidance letter, this reflects the government's view that these qualifications provide a high-quality alternative to a degree, leading to better outcomes and life chances for those who take them, and that this represents good value for money for the investment made by learners and the taxpayer.

⁷ Excluding any activity that is already an eligible cost under the Education and Skills Funding Agency's apprenticeships funding rules – see www.gov.uk/guidance/apprenticeship-funding-rules.

18. For the purposes of this funding stream, Level 4 and 5 provision relates to undergraduate students on courses leading to qualifications that are designated at Level 4 or 5 of the sector recognised standards.⁸ This includes:

- Certificate of Higher Education (CertHE) and Certificate in Education (CertEd) courses
- Higher National Certificate (HNC) courses
- Higher National Diploma (HND) courses
- Diploma of Higher Education (DipHE) courses
- foundation degree courses.

It does not include foundation degree bridging courses or students who are undertaking credits at Level 4 or 5 without a stated qualification aim at either level.

Calculation method

Level 6 degree apprenticeships

19. Providers registered with the OfS in the Approved (fee cap) category will receive an allocation of Level 6 degree apprenticeship funding where they have recorded home fee, OfS-fundable students in HESES22 who are starting to study for the first time towards a qualification aim of a Level 6 undergraduate degree (e.g. a BSc) as part of a Level 6 degree apprenticeship training programme.

20. We have also compared the number of 'starters' in 2022-23 for each provider with the equivalent population in 2021-22, as recorded in providers' individualised student data returns for 2021-22.⁹ Where the data shows that a provider has an increase in the number of Level 6 degree apprenticeship starters compared with 2021-22, we have applied a weighting of 2 to the additional starters when calculating the provider's funding allocations.

21. As is the approach for other formula allocations, we do not count students that do not complete their year of study.¹⁰ We have used data from more than one 2021-22 individualised data return where this is available for specific providers. For more detail on how the 2021-22 population was derived, please consult the technical documents published on the OfS portal.¹¹

⁸ See www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/.

⁹ Individualised data means:

- the Individualised Learner Record returned to the Education and Skills Funding Agency. This is submitted by further education and sixth form colleges and academies for all their teaching activity, and also by other providers in relation to apprenticeship activity.
- the Student record or Student Alternative record returned to the designated data body by providers other than further education and sixth form colleges and academies.

¹⁰ Completion in this context is defined in the HESES22 guidance document found at www.officeforstudents.org.uk/publications/heses22/.

¹¹ See the following documents on the OfS portal:

- 2021-22 Student post-collection outputs: 2022-23 Degree Apprenticeship allocation data
- 2021-22 Student Alternative post-collection outputs: 2022-23 Degree Apprenticeship allocation data
- 2021-22 ILR post-collection outputs: 2022-23 Degree Apprenticeship allocation data.

22. The allocation for each provider is calculated pro rata to the weighted number of students starting Level 6 degree apprenticeships. The calculation gives a weighting of 2 to any 2022-23 starters that are above the level recruited in 2021-22, and a weighting of 1 to any other 2022-23 starters. The rate of funding per weighted starter is approximately £466.20.
23. 102 providers have received funding for Level 6 degree apprenticeships, with 57 providers recording a gross increase in the number of students starting study towards such degree apprenticeships in 2022-23.

Level 4 and 5 provision

24. Providers will receive an allocation of funding to support Level 4 and 5 provision where they have recorded students in any year of study in HESES22 who are on courses leading to qualifications that are designated at Level 4 or 5 of the sector-recognised standards, as noted in paragraph 18.
25. Funding is distributed pro rata to the number of FTEs recorded at this level of study in each provider's HESES22 return. We have applied a rate of funding of approximately £143.72 per FTE. 273 providers are receiving a share of the funding.

Terms and conditions, payment and monitoring

26. The full terms and conditions under which the OfS provides funding can be found in 'Terms and conditions of funding for 2022-23' (OfS 2022.38).¹² These allocations will be paid according to the normal monthly payment profile that applies to recurrent grant for 2022-23, with the first payment in March 2022 covering the sum due for the period August 2022 to March 2023.
27. We will monitor providers' use of these two funding allocations through a light-touch monitoring exercise that will be completed after the end of the 2022-23 academic year. Providers will be asked to provide a brief narrative to set out how they have used their funding allocations in line with the purposes identified in paragraphs 38 to 40 of OfS 2022.38, and to identify benefits and outcomes achieved. Further details will be announced later this year.

Further information

28. Providers requiring further information should contact recurrentgrant@officeforstudents.org.uk.

¹² See www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2022-23/.

Annex A: List of provider funding

This annex is available to download as an Excel file alongside this document at www.officeforstudents.org.uk/publications/mid-year-allocations-of-recurrent-funding-for-2022-23/. The table lists allocations by provider.



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