

Office for  
Students



# Funding for academic year 2023-24

OfS decisions

Reference OfS 2023.26

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# Summary

1. This document reports the decisions taken by the Office for Students (OfS) on funding for 2023-24. These decisions follow the 2023-24 financial year guidance letter of 30 March 2023 from the Secretary of State for Education, which announced the strategic priorities grant funding available to us.<sup>1</sup> The letter provided an increase of £57 million to recurrent funding for distribution by the OfS for the financial year (April to March) 2023-24.<sup>2</sup>
2. 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.<sup>3</sup> The remaining capital funding for providers is being distributed through three annual formula allocations of £11 million, with the second of these having been announced in March 2023.<sup>4</sup>
3. Non-capital grants to be distributed by the OfS for the 2023-24 academic year will total £1,439 million, an increase of £56 million (4 per cent) compared with the equivalent budget for the previous year. The total comprises £1,407 million in recurrent grant for providers and £32 million in funding for national facilities and regulatory initiatives. Within the recurrent funding total for providers:
  - a. The total budget available for our funding for high-cost courses has increased by £65 million (6.6 per cent) to £1,038 million. Within this overall category, high-cost subject funding has also increased by 6 per cent to £866 million. This is sufficient to provide an increase to the rate of grant for high-cost subject funding for price groups A, B and C1.1 of 6.7 per cent in cash terms (4.4 per cent in real terms). We are maintaining the price group C1.2 rate of high-cost subject funding in cash terms.
  - b. We are also maintaining in cash terms the rates of funding for:
    - the nursing, midwifery and allied health supplement
    - the targeted allocation for overseas study programmes
    - the postgraduate taught supplement

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<sup>1</sup> Government guidance letters to the OfS are available at [www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/](http://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

<sup>2</sup> The increase of £56 million in recurrent funding comprises:

- £48.3 million from the Department for Education, as part of the overall £300 million increase in Strategic Priorities Grant recurrent funding across financial years 2022-23 to 2024-25 announced on 24 February 2022 (see [www.gov.uk/government/consultations/higher-education-policy-statement-and-reform](http://www.gov.uk/government/consultations/higher-education-policy-statement-and-reform))
- an additional £8.1 million for the expansion of medical student places which started in 2017, funded by the Department of Health and Social Care (DHSC).

<sup>3</sup> 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/](http://www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/).

<sup>4</sup> See 'Formula capital funding: 2023 allocations' (OfS 2023.13) at [www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/](http://www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/).

- the targeted allocation for intensive postgraduate provision
- the targeted allocation for accelerated full-time undergraduate provision.

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

- c. We will provide 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. We will announce details of the new fund later this year, and invite submissions from providers for an allocation of this funding stream. Of the total, we expect to distribute £16 million for 2023-24.
  - d. We have increased to £16 million the budget for our targeted allocation to encourage and support Level 4 and 5 provision. We will distribute this by formula to reflect relevant student numbers reported in the 2023-24 academic year, but with priority given to supporting Higher Technical Qualification (HTQ) courses. This is in addition to funding already provided through other funding streams (such as high-cost subject funding).
  - e. Within our funding for student access and success, we are maintaining in cash terms the budgets for the student premiums for full-time and part-time undergraduates, the disabled students' premium, and the premium for student transitions and mental health, which total £276 million. We are also maintaining in cash terms the budget for Uni Connect at £30 million. Two one-off allocations that were provided for 2022-23 to support students facing hardship are not continuing into 2023-24. This means that the total budget for student access and success decreases by £19 million to £306 million (a reduction of 5.8 per cent).
  - f. We are also maintaining in cash terms funding for specialist providers that were identified last year as world-leading.
4. In July, we will issue, via the OfS Portal, the recurrent grant letters and tables for 2023-24 for individual providers, together with technical guidance and a summary publication showing allocations for all providers. This information will also be published on our website.
  5. Any questions about this document should be sent to [recurrentgrant@officeforstudents.org.uk](mailto:recurrentgrant@officeforstudents.org.uk).

# Background

6. In this document:
  - a. References to ‘financial year’ mean the 12-month period from 1 April to 31 March.
  - b. References to ‘academic year’ mean the 12-month period from 1 August to 31 July.
  - c. Comparisons between years of budgets or grant rates in ‘cash terms’ make no adjustment for the effects of inflation between those years.
  - d. 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 on 3 April 2023.<sup>5</sup>
  - e. 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.
7. The government’s strategic guidance letter of 30 March 2023<sup>6</sup> set out the money available to the OfS for the financial year 2023-24 and the government’s priorities. **Table 1** summarises the total non-capital strategic priorities grant available to us for financial years 2022-23 and 2023-24.

**Table 1: OfS non-capital strategic priorities grant from the government (£M)**

Financial year	2022-23	2023-24
Funding distributed through Research England	48	48
Recurrent funding distributed by the OfS	1,349	1,406
<b>Total non-capital strategic priorities grant</b>	<b>1,397</b>	<b>1,454</b>

8. 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 £1,406 million for the financial year 2023-24. The £48 million supports teaching-related knowledge exchange activities through Higher Education Innovation Funding.<sup>7</sup>
9. In March 2022, the Secretary of State for Education and Minister of State for Higher and Further Education issued a guidance letter on funding, which announced capital funding of £450 million

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<sup>5</sup> See [www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp](http://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 2023-24 academic year of 2.21 per cent.

<sup>6</sup> See ‘Guidance to the OfS on the Higher Education Strategic Priorities Grant for the 2023-24 financial year (March 2023)’ available at [www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/](http://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

<sup>7</sup> See [www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/](http://www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/).

to be distributed across the three financial years 2022-23 to 2024-25. The guidance letter of 30 March 2023 confirmed no change to this.

10. This document announces the OfS’s decisions, having regard to the government’s strategic guidance letter and our duties, on the budgets for and approaches to recurrent grants for providers and for national facilities and regulatory initiatives for academic year 2023-24.

## Recurrent funding for the 2023-24 academic year

11. The OfS’s funding settlement from government for the 2023-24 financial year provides a cash increase in funding that covers the months April to July 2023 within the 2022-23 academic year, and August 2023 to March 2024 within the 2023-24 academic year. We have already announced our grant to providers for the 2022-23 academic year and do not propose to change those allocations as a result of our funding settlement for the 2023-24 financial year.

12. **Table 2** sets out the non-capital budget that the OfS has set for the academic year 2023-24 and compares it with the 2022-23 budget. The latter includes changes to the budget that were made during the year.<sup>8</sup>

**Table 2: Overall non-capital budget for academic years 2022-23 and 2023-24 (£M)**

Academic year	2022-23 £M	2023-24 £M
Recurrent funding for providers	1,356	1,407
National facilities and regulatory initiatives	27	32
<b>Total non-capital grant distributed by the OfS</b>	<b>1,383</b>	<b>1,439</b>

## Funding for national facilities and regulatory initiatives

13. 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 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 2022-23 and 2023-24.

<sup>8</sup> Changes to the 2022-23 academic year budgets since these were previously announced in ‘Funding for academic year 2022-23’ ([www.officeforstudents.org.uk/publications/funding-for-academic-year-2022-23/](http://www.officeforstudents.org.uk/publications/funding-for-academic-year-2022-23/)) are that:

- £10 million to support preparation for the Lifelong Loan Entitlement (LLE) and £5 million set aside for emerging priorities were both repurposed to provide £15 million for student hardship (see: [www.officeforstudents.org.uk/publications/additional-student-hardship-funding-for-academic-year-2022-23/](http://www.officeforstudents.org.uk/publications/additional-student-hardship-funding-for-academic-year-2022-23/))
- £9.6 million was provided for a new initiative fund to support specialist performing arts providers (see: [www.officeforstudents.org.uk/publications/initiative-funding-for-specialist-performing-arts-providers-funding-allocations/](http://www.officeforstudents.org.uk/publications/initiative-funding-for-specialist-performing-arts-providers-funding-allocations/)) and £1.5 million was provided to support TASO (see: <https://taso.org.uk/about/about-us/>).

**Table 3: Funding for national facilities and regulatory initiatives (£M)**

	2022-23 budget £M	2023-24 budget £M
Provision of student information <sup>9</sup>	3.0	3.0
Challenge competitions <sup>10</sup>	2.8	2.8
The Centre for Transforming Access and Student Outcomes in Higher Education (TASO) <sup>11</sup>	1.5	1.5
Supporting preparation for the Lifelong Loan Entitlement (LLE)	0	5
Performing arts specialist initiative <sup>12</sup>	9.6	9.6
Jisc	10.2	10.2
<b>Total</b>	<b>27.1</b>	<b>32.1</b>

## Recurrent funding for providers

14. **Table 4** summarises the recurrent grant budgets for academic year 2023-24, separated by funding stream, and provides a comparison with the figures for academic year 2022-23.

**Table 4: Recurrent grant budgets for academic year 2023-24 (£M)**

Elements of recurrent grant	2022-23 budget £M	2023-24 budget £M	Percentage change to budget £M
<b>Funding for high-cost courses</b>	<b>973</b>	<b>1,038</b>	<b>6.6%</b>
Of which:			
High-cost subject funding: price groups A to C1.1	799	849	6.3%
High-cost subject funding: price group C1.2	18	17	-6.0%
Nursing, midwifery and allied health (NMAH) supplement	31	32	1.7%
Very high-cost STEM subjects	25	25	0.0%
Overseas study programmes	23	27	17.7%
Degree apprenticeships	8	16	100%
Level 4 and 5 provision	8	16	100%

<sup>9</sup> This includes the annual cost of running the National Student Survey. It also funds Discover Uni ([discoveruni.gov.uk/](https://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.

<sup>10</sup> See [www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/funding-competitions/](https://www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/funding-competitions/).

<sup>11</sup> See [www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/centre-for-transforming-access-and-student-outcomes-in-higher-education/](https://www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/centre-for-transforming-access-and-student-outcomes-in-higher-education/).

<sup>12</sup> 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/](https://www.officeforstudents.org.uk/publications/initiative-funding-for-specialist-performing-arts-providers-funding-allocations/).

Elements of recurrent grant	2022-23 budget £M	2023-24 budget £M	Percentage change to budget £M
Postgraduate taught supplement	9	9	-3.7%
Intensive postgraduate provision	28	24	-14.3%
Accelerated full-time undergraduate provision	3	3	-14.2%
Clinical consultants' pay	16	16	0.0%
Senior academic general practitioners' pay	1	1	0.0%
NHS pensions scheme compensation	5	5	0.0%
<b>Funding for student access and success</b>	<b>325</b>	<b>306</b>	<b>-5.8%</b>
Of which:			
Premium to support successful student outcomes: Full-time	154	154	0.0%
Premium to support successful student outcomes: Part-time	67	67	0.0%
Disabled students' premium	41	41	0.0%
Premium for student transitions and mental health	15	15	0.0%
One-off funding for Ukrainian student hardship	4	0	-100%
One-off funding for student hardship	15	0	-100%
Uni Connect	30	30	0.0%
<b>Funding for specialist providers</b>	<b>58</b>	<b>58</b>	<b>0.0%</b>
Of which:			
World-leading specialist provider funding	57	57	0.0%
Transitional funding	1	1	0.0%
Funding set aside for emerging priorities <sup>13</sup>	0	5	New
<b>Total recurrent grant</b>	<b>1,356</b>	<b>1,407</b>	<b>3.7%</b>

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

15. **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 16 to 37 provide further detail of the changes for different elements of grant.

<sup>13</sup> We will distribute this funding by 31 March 2024, having regard to any government guidance on priorities. See 'Emerging priorities' in the government guidance letter of 30 March 2023. The equivalent sum that was originally set aside for 2022-23 was allocated as part of the one-off funding for student hardship, so is not shown here.



## Changes to student numbers counted for funding

16. **Table 5** summarises changes to the FTEs counted for OfS funding purposes for the 2022-23 and 2023-24 academic years.<sup>14</sup> While there is a reduction to the total student numbers we count, there is an increase in price group A, which attracts much highest rate of high-cost subject funding.

**Table 5: Changes to student FTEs counted for funding for the 2022-23 and 2023-24 academic years**

Price group	FTEs for 2022-23	FTEs for 2023-24	Difference
A	31,728	32,608	880
B	270,882	262,966	-7,916
C1.1	125,462	124,448	-1,014
C1.2	141,690	133,217	-8,473
C2	256,110	248,345	-7,765
D	476,445	462,245	-11,200
<b>Total</b>	<b>1,302,318</b>	<b>1,263,829</b>	<b>-38,488</b>

17. The student numbers we count for funding purposes are primarily taken from the Higher Education Students Early Statistics (HESES) survey for the previous year (so, for example, the 2023-24 fundable FTEs are informed by the HESES data for 2022-23).<sup>15</sup> However, we make adjustments to those HESES FTEs for changes that we expect to happen in the coming year and which we want to recognise in our funding allocations. These adjustments for 2023-24 relate to expected changes in student numbers on pre-registration medicine and dentistry courses reflecting the effects of both planned and unplanned increases to pre-registration medicine and dentistry courses since 2018-19 (see paragraph 21) and other miscellaneous adjustments and transfers.

18. While there will always be variation in student numbers from year to year, the main reason for the reduction in OfS-fundable FTEs is because of the continuing effect of the withdrawal of home fee status for some EU students starting courses in 2021-22 or later.<sup>16</sup> This effectively means that there is an additional cohort of EU students who were reported in the HESES data for 2022-23 as overseas instead of OfS-fundable: their numbers outweigh the changes to the UK student FTE population. Comparing the HESES data for 2021-22 and 2022-23 shows that

<sup>14</sup> The figures for 2022-23 are taken from the summary sector grant tables for the year issued in March 2023 (available from [www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/recurrent-funding/technical-guidance-and-funding-data/](http://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 2023-24 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.

<sup>15</sup> The HESES data for each year is available from: [www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/](http://www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/).

<sup>16</sup> 'New eligibility rules for home fee status and student finance for the 2021 to 2022 academic year' ([www.gov.uk/government/publications/student-finance-eligibility-2021-to-2022-academic-year](http://www.gov.uk/government/publications/student-finance-eligibility-2021-to-2022-academic-year)) summarises the changes.

total FTEs (all categories of home and overseas students) increased by a little over 43,000. These changes to FTEs between 2022-23 and 2023-24 will affect providers in different ways.

19. The numbers of OfS-fundable, UK-domiciled full-time undergraduate new entrants increased significantly in 2020-21 and 2021-22. This may be attributed at least in part to more applicants achieving their grades for A-levels and other Level 3 qualifications during the coronavirus pandemic because of the use of centre-assessed grades rather than on the basis of summer exams. The HESES data for 2022-23 shows that these new entrant numbers have broadly been maintained at the level reported for the previous year.<sup>17</sup> That they have stayed at this level, notwithstanding the resumption of summer A-level exams in 2022, may also reflect the increase in the UK population of 18-year-olds.<sup>18</sup>

## Funding for high-cost courses

20. Overall, the elements of grant that fund high-cost courses have an average increase to budget of 6.6 per cent in cash terms.

### High-cost subject funding

21. The large majority (83 per cent) of our funding for high-cost courses is allocated through the main high-cost subject funding stream. We have increased the sum available to support strategically important subjects in price groups A to C1.1 by £50 million (6.3 per cent). This includes an additional £10 million provided to support the planned expansion of pre-registration medical courses implemented from 2017 and a further £7 million for unplanned increases in intakes to pre-registration medicine and dentistry courses in 2020-21 and 2021-22.<sup>19</sup> The overall increase to the budget for these price groups, together with the changes to student numbers that the budget has to support for 2023-24, means that there is an increase in real terms to the rate of funding per FTE compared with 2022-23.

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<sup>17</sup> This is consistent with the end-of-cycle data reported by UCAS for UK-domiciled accepted applicants to providers in England. See: [www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-end-cycle-data-resources-2022](http://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-end-cycle-data-resources-2022).

<sup>18</sup> Data published by Ofqual summarises how A-level results in 2022 compare with earlier years (see: [www.gov.uk/government/publications/infographic-a-level-results-2022](http://www.gov.uk/government/publications/infographic-a-level-results-2022)). The projection of the UK population by age from the Office for National Statistics is available at: [www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/table21principalprojectionukpopulationinagegroups](http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/table21principalprojectionukpopulationinagegroups).

<sup>19</sup> 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/](http://webarchive.nationalarchives.gov.uk/ukgwa/20180405121740/http://www.hefce.ac.uk/lt/healthcare/)). For 2023-24, this results in an increase of 870 students in price group A in all years of study. The unplanned increases in medicine and dentistry in 2020-21 and 2021-22 are those arising 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 over the last two summers. We are funding an additional 714 places relating to the higher 2020-21 intakes and 856 places relating to the higher 2021-22 intakes compared with the levels previously planned. The extra cost for 2023-24 arises as 699 of these students (those that started medicine in 2021-22) progress into the clinical years of study and thus move from price group B to price group A.

22. The budget used to support other high-cost subjects in price group C1.2 is reduced by 6.0 per cent as a result of a reduction in student numbers. We are maintaining the rate of funding per FTE in cash terms.
23. The combined effect of the 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 2023-24 is set at 1.129, an increase in cash terms of 6.7 per cent (4.4 per cent in real terms).

**Table 6: Changes to high-cost subject rates of funding for 2023-24**

Price group	Funding rate per FTE for 2022-23	Funding rate per FTE for 2023-24	Percentage change
A	£10,580	£11,290	6.7%
B	£1,587.00	£1,693.50	6.7%
C1.1	£264.50	£282.25	6.7%
C1.2	£125.76	£125.76	0%
C2	£0	£0	N/A
D	£0	£0	N/A

### Other targeted allocations

24. In the strategic guidance letter on funding of 30 March 2023, the government asked us to ‘continue to prioritise funding towards the provision of high-cost subjects that support the NHS and wider healthcare policy; science, engineering and technology subjects; and specific labour market needs’. The letter also asked us to ‘look to protect funding rates for the following funding elements: nursing, midwifery and allied health (NMAH) supplement, overseas study programmes, postgraduate taught supplement, intensive postgraduate provision and accelerated full-time undergraduate provision.’
25. We have had appropriate regard to this guidance alongside other relevant matters and we are maintaining in cash terms the rates of grant allocated through the NMAH supplement, compared with 2022-23. **Table 7** summarises those rates of grant per FTE. Due to an increase in the number of student FTEs recorded in 2022-23, this has increased the overall budget for the supplement by 1.7 per cent.

**Table 7: 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	82.29	806.86
Midwifery	B	82.29	806.86
Nursing – adult	C1	220.74	945.31

Profession	Price group	Rate of funding per undergraduate FTE (£)	Rate of funding per postgraduate FTE (£)
Nursing – children	C1	427.76	1,152.33
Nursing – learning disability	C1	427.76	1,152.33
Nursing – mental health	C1	220.74	945.31
Occupational therapy	B	82.29	806.86
Operating department practice	B	82.29	806.86
Orthoptics	B	3,705.14	4,429.71
Orthotics and prosthetics	B	3,705.14	4,429.71
Physiotherapy	B	82.29	806.86
Podiatry	B	1,324.41	2,048.98
Radiography (diagnostic)	B	1,324.41	2,048.98
Radiography (therapeutic)	B	1,324.41	2,048.98
Speech and language therapy	B	289.31	1,013.88

26. We are maintaining in cash terms the budget for the very high-cost STEM subjects targeted allocation. We are also maintaining in cash terms the rates of funding for several targeted allocations, as set out in **Table 8**. Changes to the student FTEs underlying each allocation result in changes to their overall budgets, which are also noted in the table.

**Table 8: Rates of funding for other targeted allocations**

Allocation	Rate of grant per FTE for 2023-24	Percentage change to budget
Overseas study programmes <sup>20</sup>	£2,315	17.7%
Postgraduate taught supplement <sup>21</sup>	£1,023.08	-3.7%

<sup>20</sup> 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/](http://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.

<sup>21</sup> The postgraduate taught supplement applies to postgraduate students in price groups A, B, C1.1, C1.2 and C2 that are on courses for which neither masters' loans nor loans under the undergraduate student support arrangements are available. It does not apply to courses in price group D, where course fees are generally expected to meet costs.

Allocation	Rate of grant per FTE for 2023-24	Percentage change to budget
Intensive postgraduate provision <sup>22</sup>		-14.4%
Price group B	£895.75	
Price groups C1.1, C1.2 and C2	£684.99	
Accelerated full-time undergraduate provision <sup>23</sup>		-14.2%
Price group B	£1,149.77	
Price groups C1.1, C1.2 and C2	£879.24	
Price group D	£676.34	

### Funding for Level 4 and 5 provision

27. We are increasing the budget for our allocation to support Level 4 and 5 provision by £8 million (a 100 per cent increase). In the 30 March 2023 guidance letter, the government asked us to continue to use this allocation to ‘encourage greater provision and build capacity among providers’. The letter also asked us to ‘provide an additional top-up for providers with eligible learners on Higher Technical Qualification (HTQ) courses, to support the launch and delivery of these courses.’
28. 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 2022-23. This will involve collecting data on 2023-24 student numbers as part of the HESES data return in winter 2023. Individual allocations will be announced to providers following sign-off of the HESES23 data in early 2024.
29. 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.

### Funding for degree apprenticeships

30. In the strategic guidance letter on funding of 30 March 2023, the government asked us to ‘establish a competitive degree apprenticeship development fund, worth up to £40 million, to be allocated across the 2023-24 and 2024-25 financial years, to fund capacity building projects over the next two years’.

<sup>22</sup> The targeted allocation for intensive postgraduate provision applies to postgraduate students in price groups B, C1.1, C1.2 or C2 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, or to postgraduate taught provision in price group D, where course fees are generally expected to meet costs.

<sup>23</sup> 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.

31. We will announce details of the new fund later this year, and invite submissions from providers for an allocation of this funding stream. Of the total, we expect to distribute £16 million for 2023-24.

32. We will not be providing a formula allocation for 2023-24 to reflect degree apprenticeship student numbers reported in the academic year, as we did for 2022-23.<sup>24</sup>

## Funding to improve access and support successful student outcomes

33. **Table 4** shows the changes to 2023-24 budgets for the funding allocations provided to improve access and support successful student outcomes.

34. We have maintained in cash terms the overall budgets for the premium to support successful student outcomes (full-time), the premium to support successful student outcomes (part-time), the disabled students' premium and the premium for student transitions and mental health.

35. We are not continuing into 2023-24 two one-off allocations that were provided for 2022-23 to support students facing hardship. These provided:

- a. £15 million to students facing hardship as a result of the increased cost of living.<sup>25</sup>
- b. £4 million (for the 2022-23 financial year) to support Ukrainian nationals and Ukrainian domiciled students facing hardship as a result of the war in Ukraine.<sup>26</sup> From August 2022, the government has extended access to higher education student support, home fee status, course fee caps, Advanced learner loans and FE19+ funding for those who are granted leave under one of the three schemes for Ukrainians introduced recently by the Home Office.<sup>27</sup>

36. We have maintained in cash terms the overall budget for the Uni Connect programme at £30 million. We notified Uni Connect partnerships of their allocations for academic year 2023-24 on 13 April 2023.

## Funding for specialist providers

37. We are maintaining in cash terms the overall budget for our funding for specialist providers at £58 million. Following the conclusion of our review of this funding stream in December 2022<sup>28</sup>, 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.

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<sup>24</sup> Details of the 2022-23 formula allocation are available at: [www.officeforstudents.org.uk/publications/mid-year-allocations-of-recurrent-funding-for-2022-23/](http://www.officeforstudents.org.uk/publications/mid-year-allocations-of-recurrent-funding-for-2022-23/).

<sup>25</sup> See: [www.officeforstudents.org.uk/publications/additional-student-hardship-funding-for-academic-year-2022-23/](http://www.officeforstudents.org.uk/publications/additional-student-hardship-funding-for-academic-year-2022-23/).

<sup>26</sup> See: [www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/](http://www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/).

<sup>27</sup> See: [www.legislation.gov.uk/uksi/2022/534/contents/made](http://www.legislation.gov.uk/uksi/2022/534/contents/made).

<sup>28</sup> See: [www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcome/](http://www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcome/).

## Funding in preparation for the Lifelong Loan Entitlement

38. We are providing £5 million in funding to support the delivery of the Lifelong Loan Entitlement (LLE). This funding will help providers to tackle barriers to modularisation and help them prepare to deliver system-wide changes ahead of the launch of the LLE from 2025. We have made provision for this as part of our funding for national facilities and regulatory initiatives and are exploring options for how the funding can be best allocated to support the aims mentioned above. Further details will be provided in the coming months.

## Overall impact of changes to grant for academic year 2023-24

39. The outcomes for individual providers for academic year 2023-24 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.

40. **Table 9** summarises the changes to the average unit of recurrent funding per full-time equivalent (FTE) student in the period 2018-19 to 2023-24. 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.<sup>29</sup> This information shows an improvement of 4.6 per cent to the unit of funding compared with 2022-23, but that it is still below the level of previous years.

**Table 9: Changes to the average unit of OfS funding for providers for academic years 2018-19 to 2023-24**

	Total recurrent budget (£ millions)	Total fundable FTEs	Unit of funding: Cash terms	Unit of funding: Real terms (2022-23 prices)	How the 2023-24 unit of funding compares in real terms to earlier years
2018-19	1,290	1,147,863	£1,124	£1,287	-15.4%
2019-20	1,303	1,200,151	£1,086	£1,198	-9.1%
2020-21	1,351	1,222,683	£1,105	£1,172	-7.1%
2021-22	1,276	1,305,606	£977	£1,023	6.5%
2022-23	1,356	1,302,318	£1,042	£1,042	4.6%
2023-24	1,407	1,263,829	£1,113	£1,089	

<sup>29</sup> 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 (see paragraph 35). 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/](http://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/](http://www.officeforstudents.org.uk/publications/additional-one-off-funding-for-2021-22/).

## Recurrent grant announcements to providers

41. We will announce in July 2023 our initial allocations of recurrent grant for academic year 2023-24 for providers registered with us in the Approved (fee cap) category.
42. 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 2023 and before the end of the academic year (31 July 2024). Such grants will be reduced pro rata to reflect the number of days in the 2023-24 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

43. 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'.<sup>30</sup>
  - 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' and the second in 'Formula capital funding: 2023 allocations'.<sup>31</sup> We will announce the third distribution in 2024.
  - 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.

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<sup>30</sup> See [www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/](http://www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/).

<sup>31</sup> See [www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/](http://www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/).





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