

Office for
Students



Recurrent funding for 2023-24

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Summary

1. This publication summarises the Office for Students' (OfS's) allocations of recurrent funding to higher education providers for the academic year 2023-24. Annex A to this document summarises the funding allocations for each provider and is available to download alongside this document as a separate file.¹
2. At the time of publishing, Annex A shows initial allocations for providers registered in the Approved (fee cap) category of the OfS Register on 1 June 2023. Updated versions of Annex A will be published periodically throughout the 2023-24 academic year (1 August 2023 to 31 July 2024), including to reflect any further providers that become registered in this category between 2 June and 31 July 2024.
3. We have separately published details of our capital funding, distributing £450 million across the financial years 2022-23 to 2024-25. A bidding competition was used to distribute £399 million across the three-year period.² 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 2023.³
4. For the 2023-24 academic year, the overall non-capital grant we are distributing is £1,439 million. This consists of:
 - a. £1,407 million in recurrent grant for providers.
 - b. £32 million for national facilities and regulatory initiatives.Non-capital grants have increased by £56 million (4 per cent) compared with 2022-23.
5. These recurrent grant allocations reflect our grant settlement from government for the 2023-24 financial year (1 April 2023 to 31 March 2024).⁴
6. The total recurrent funding for providers announced initially in this publication is £1,339 million. The remaining £68 million comprises:
 - £16 million set aside to support the growth of Level 6 degree apprenticeships
 - £16 million set aside to support the growth of Level 4 and 5 qualifications, including higher technical qualifications (HTQs)
 - £5 million set aside for an emerging priorities fund

¹ Available at www.officeforstudents.org.uk/publications/recurrent-funding-for-2023-24/.

² 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/.

³ See 'Formula capital funding: 2023 allocations' (OfS 2023.13) at www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/.

⁴ Guidance letters from the Secretary of State to the OfS are available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/. The grant settlement for financial year 2023-24 was set out in the letter of 30 March 2023.

- £1 million in transitional funding for specialist providers
- £30 million in funding for Uni Connect, which is not part of the formula grants to providers.

The annex to this document will be updated later in the academic year to reflect the distribution between providers of the first four of these funding streams.

7. Changes to grant for individual providers compared with 2022-23 arise for two reasons:

- changes to OfS funding methods and budgets for 2023-24
- changes in student numbers at each provider relative to all others.

8. This publication is part of a suite of documents released as part of the July 2023 grant announcement, including:

- a covering letter and recurrent grant tables for each provider
- technical guidance that explains in detail how the figures in the recurrent grant tables are derived
- 'Terms and conditions of funding for 2023-24' (OfS 2023.30).

9. All documents are available on the OfS website.⁵ This publication is of interest to anybody who wants to know about the recurrent funding distributed by the OfS, but it does not go into the detail of our funding methods. For further details, we recommend that you consult the documents listed above.

⁵ See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/.

The OfS recurrent grant

Introduction

10. This publication announces recurrent grant allocations for the 2023-24 academic year (1 August to 31 July). Unless otherwise stated, all years in this document relate to academic years.
11. Figures in this document 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 (as shown in Annex A) are rounded to the nearest £1. Rounding may therefore cause differences between individual figures and totals in this document.
12. Providers received details of their grant allocations on 6 July 2023.

OfS budget for the 2023-24 academic year

13. The 30 March 2023 statutory guidance letter from the Secretary of State did not show indicative recurrent funding levels for the 2024-25 financial year.
14. To set budgets for the 2023-24 academic year, we have had to make assumptions about the funding that might be available for the 2024-25 financial year, because of the overlap between the two from April to July 2024. However, any future changes to the grant made available to us by government for the 2023-24 financial year, or that we have assumed will be available for the 2024-25 financial year, are likely to affect the funding we are able to distribute to providers in the 2023-24 academic year. This may necessitate revising allocations after they have already been announced.
15. The total non-capital grant we are distributing in 2023-24 is £1,439 million. This is broken down in Table 1.

Table 1: OfS non-capital grant to be distributed in academic year 2023-24

Main elements of grant	Total (£M)
Recurrent funding for providers	1, 407
Funding for national facilities and regulatory initiatives	32
Total	1, 439

16. In addition to the money that we allocate directly, we also contribute £48 million to the knowledge exchange funding distributed to providers by UK Research and Innovation (through Research England) in the form of Higher Education Innovation Funding.⁶ This funding is allocated according to a method agreed with us. Its distribution is not shown in this publication.

⁶ See: www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/.

17. Our approach to capital funding for 2023-24 is set out in 'Formula capital funding: 2023 allocations'.⁷ Following an exercise that concluded in December 2022⁸, we are distributing £399 million in capital funding across the financial years 2022-23 to 2024-25 to providers that made successful bids. We are also distributing £11 million in capital funding through a formula allocation to eligible providers. The distribution of capital funding is also not shown in this publication.

Recurrent grant for providers

18. Table 2 shows our recurrent funding for 2023-24, split by different elements of grant and compared against the totals for 2022-23.

Table 2: Recurrent grant budgets for 2023-24 academic year (£ millions)

Elements of recurrent grant	2022-23 budget	2023-24 budget	Percentage change to budget
Funding for high-cost courses	973	1,038	6.6%
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%
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%
Funding for student access and success	325	306	-5.8%
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%

⁷ See www.officeforstudents.org.uk/publications/formula-capital-funding-2023-allocations/.

⁸ See www.officeforstudents.org.uk/publications/capital-funding-for-financial-years-2022-23-to-2024-25/.

Elements of recurrent grant	2022-23 budget	2023-24 budget	Percentage change to budget
Premium for student transitions and mental health	15	15	0%
Additional funding for Ukrainian student hardship	4	0	-100%
One-off funding for student hardship	15	0	-100%
Uni Connect	30	30	0%
Funding for specialist providers	58	58	0%
Of which:			
World-leading specialist provider funding	57	57	0.0%
Transitional funding	1	1	0.0%
Funding set aside for emerging priorities⁹	0	5	New
Total recurrent grant	1,356	1,407	3.7%

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

19. This publication is concerned with the distribution between providers of recurrent grants. Annex A summarises the funding allocations for each provider and is available to download alongside this document as a separate file. The headings for this table are defined in Annex B.

20. The initial (July 2023) distribution of recurrent funding to providers announced in Annex A of this publication totals £1,339 million. The difference from the total of £1,407 million in Table 2 comprises:

- a. £30 million in funding for Uni Connect, which is not part of the formula grants to providers.
- b. £1 million in transitional funding for specialist providers. Providers eligible to receive this funding have been invited to set out their need for such transitional funding and any allocations made under these arrangements will be included in future updates to this publication.
- c. £16 million to encourage greater provision of Level 4 and 5 qualifications, including HTQs. This will be allocated in March 2024, following sign-off of the Higher Education Students Early Statistics (HESES) student data for the 2023-24 academic year.
- d. £16 million for a degree apprenticeship development fund, to fund capacity building project, that will support providers to deliver a wider range of degree apprenticeship provision and improve access to degree apprenticeships.
- e. £5 million set aside for emerging priorities. This funding will be distributed by 31 March 2024, having regard to any further government guidance on priorities.

⁹ 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 on the strategic priorities grant, available from www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

21. Recurrent grant allocations are made to providers that are registered with the OfS in the Approved (fee cap) category. The initial release of Annex A summarises the allocations of recurrent grant for all such providers on the Register on 1 June 2023.
22. Subject to providers meeting all eligibility criteria for funding and our having sufficient funds available, we will provide formula-based recurrent grants to eligible providers that become registered between 2 June 2024 and 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 other providers.
23. We will periodically publish updates to Annex A through the 2023-24 academic year, to reflect updated allocations or the inclusion of any further providers that become registered through the year.

Changes to funding for 2023-24

24. 'Funding for academic year 2023-24' (OfS 2023.26)¹⁰ set out our decisions on the approach to recurrent funding for 2023-24, including information on budgets and rates of grant for different elements of our formula allocations.
25. Our total recurrent budget for providers for 2023-24 of £1,407 million is an increase of £51 million (3.7 per cent) compared with the equivalent budget for 2022-23. Table 3 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.¹¹ This information shows an improvement of 4.6 per cent to the unit of funding compared with 2022-23, but that it remains below the level of previous years.
26. The 'real terms' comparisons between 2023-24 and previous years take into account the effects of inflation between those years, using the GDP deflators published by the government on 3 April 2023.¹²

¹⁰ See www.officeforstudents.org.uk/publications/funding-for-academic-year-2023-24/.

¹¹ The recurrent budget totals include one-off sums of £83.3 million for 2020-21 relating to student hardship, £10 million for each of 2021-22 and 2022-23 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/.

¹² 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).

Table 3: Changes to the average unit of OfS funding for providers for academic years 2019-20 to 2022-23

	Total recurrent budget (£ millions)	Total fundable FTEs	Unit of funding: Cash terms	Unit of funding: Real terms (2021-22 prices)	How the 2022-23 unit of funding compares in real terms with 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	

27. Within the overall budget:

- a. The various elements of funding that support high-cost courses increase overall by £65 million (6.6 per cent), from £973 million to £1,038 million:
 - i. The largest element of this, high-cost subject funding for price groups A to C1.1, has increased by £50 million (6.3 per cent) to £849 million.
 - ii. The budget for high-cost subject funding for price group C1.2 has reduced by £1 million (-6 per cent). This reflects a reduction in student numbers in these subjects and we are maintaining the rate of funding in cash terms.
 - iii. We are 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
 - the targeted allocation for intensive postgraduate provision
 - the targeted allocation for accelerated full-time undergraduate provision.

Due to changes to student FTEs on these courses recorded in 2022-23, the overall budgets for these elements of grant have changed.
 - iv. We are maintaining in cash terms the budget for the very high-cost science, technology, engineering and maths (STEM) subjects targeted allocation.
 - v. We have increased to £16 million the budget for our targeted allocation to encourage and support Level 4 and 5 provision. We will collect data on 2023-24 student numbers to distribute this funding stream, and cannot determine rates of funding at this time. The necessary data will be collected as part of the HESES data return in winter 2023, with

provider allocations announced in March 2024, following sign-off of the HESES data. Funding will be distributed by formula, with priority given to supporting courses leading to HTQs.

- vi. We will provide up to £40 million 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.
- b. Funding for student access and success has reduced overall by £19 million (5.8 per cent) from £325 million to £306 million. Within the total, we have:
 - i. Maintained in cash terms the budget for Uni Connect at £30 million.
 - ii. 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.
 - iii. We are not continuing into 2023-24 two one-off allocations that were provided for 2022-23 to support students facing hardship. These provided:
 1. £15 million to students facing hardship as a result of the increased cost of living.¹³
 2. £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.¹⁴ 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.¹⁵
 - c. We are maintaining in cash terms the overall budget for our funding for specialist providers. This includes:
 - i. £57 million for 20 world-leading specialist providers identified in our review of this funding stream that concluded in December 2022.¹⁶
 - ii. £1 million of transitional funding set aside for providers that received specialist provider funding in 2021-22 (either directly or indirectly as part of a larger provider) but which were not eligible for 2022-23 onwards. These providers have been invited to set out their need for transitional funding, reflecting their circumstances. Any allocations made under these arrangements will be included in future updates to this publication.

¹³ See: www.officeforstudents.org.uk/publications/additional-student-hardship-funding-for-academic-year-2022-23/.

¹⁴ See: www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/.

¹⁵ See: www.legislation.gov.uk/ukxi/2022/534/contents/made.

¹⁶ See: www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcome/.

Recurrent funding outcomes for providers

28. Changes to grant for individual providers compared with 2022-23 arise for two reasons:

- a. Changes to OfS funding methods and budgets for 2023-24.
- b. Changes in student numbers at each provider relative to all others. In broad terms, providers 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, however, depend on their mix of students between different types of courses and student characteristics.

29. At time of initial publication in July 2023, Annex A does not contain columns for the elements of grant that have not yet been distributed:

- Degree apprenticeships
- Level 4 and 5 provision
- Transitional funding for specialist providers.

We will update Annex A later in the academic year, as these elements of grant are announced.

30. Annex A includes a comparison of funding allocations for 2023-24 with equivalent figures for 2022-23. To ensure an equitable comparison, we have omitted the funding allocations for degree apprenticeships, Level 4 and 5 provision and specialist provider transitional funding from the 2022-23 figures.

Funding for national facilities and regulatory initiatives

31. We aim to provide as much as possible of our recurrent funding through allocations to providers. Further funding of £32 million supports national facilities and regulatory initiatives, representing an increase of £5 million (18.5 per cent) compared with 2022-23. This funding is provided for specific purposes and to promote change that cannot easily be achieved through other routes. Table 5 shows the budgets for 2023-24.

32. This funding supports activity such as the National Student Survey and facilities such as Jisc (which funds development and champions the use of digital technologies in UK education and research). It also supports our Challenge Competitions, which facilitate projects in specific areas where the higher education sector is not serving students as effectively as it could.

Table 5: Funding for national facilities and regulatory initiatives 2023-24

Funding stream	2022-23 budget (£M)	2023-24 budget (£M)
Provision of student information	3	3
Challenge Competitions	2.8	2.8
The Centre for Transforming Access and Student Outcomes in Higher Education (TASO)	1.5	1.5
Supporting preparation for the Lifelong Loan Entitlement	0	5

Funding stream	2022-23 budget (£M)	2023-24 budget (£M)
Performing arts specialist initiative	9.6	9.6
Jisc	10.2	10.2
Total	27.1	32.1

Terms and conditions of OfS funding for 2023-24

33. Our 'Terms and conditions of funding for 2023-24' (OfS 2022.30) are also being published in July 2023.¹⁷ Providers should consult that document for full information on the terms and conditions attached to recurrent funding.

Further information

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

¹⁷ See www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2023-24/.

Annex A: Recurrent grants for academic year 2023-24

1. This annex is available to download as an Excel file alongside this document at www.officeforstudents.org.uk/publications/recurrent-funding-for-2023-24. The table lists the recurrent grants for the academic year 2023-24 by provider.

Annex B: Description of columns used in Annex A

1. Providers are listed by legal name, with trading names also listed. A hidden column in the Excel file identifies the government region for each provider.
2. **'Funding for high-cost courses'** shows the total of our allocations that support the extra costs associated with teaching particular types of courses. Hidden columns show the breakdown between the allocations that make up this total. As at July 2023, the total is £1,006 million, comprising:
 - a. £865 million for the main high-cost subject funding allocation
 - b. £32 million for the nursing, midwifery and allied health supplement
 - c. £25 million for very high-cost science STEM subjects
 - d. £27 million for overseas study programmes
 - e. £9 million for the postgraduate taught supplement
 - f. £24 million for intensive postgraduate provision
 - g. £3 million for accelerated full-time undergraduate provision
 - h. £16 million for clinical consultants' pay
 - i. £1 million for senior academic general practitioners' pay
 - j. £5 million for NHS pensions scheme compensation.
3. **'Funding for student access and success'** shows the total of our allocations to providers that support student access and success for particular student groups (this does not include the separate funding allocated to Uni Connect partnerships). Hidden columns show the breakdown between different allocations. As of July 2023, the total is £276 million, comprising:
 - a. £135 million for the premium to support successful student outcomes: full-time (main allocation)
 - b. £20 million for the premium to support successful student outcomes: full-time (supplement)
 - c. £67 million for the premium to support successful student outcomes: part-time
 - d. £41 million for the disabled students' premium
 - e. £15 million for the premium for student transitions and mental health.
4. **'Funding for specialist providers'** shows the total of our allocations to support providers identified as world-leading specialist providers. As of July 2023, the total is £57 million.
5. **'Total funding'** is the sum of funding for high-cost courses, funding for student access and success and funding for specialist providers.

6. **'2022-23 Total comparison recurrent grant'** shows the recurrent grant allocation published in Annex A of 'Recurrent funding for 2022-23'.¹⁸ However, as at July 2023, the total has been adjusted to exclude the 2022-23 allocations for 'degree apprenticeships', 'Level 4 and 5 provision' and 'transitional funding' for specialist providers. These will be included in the comparison figure in later grant announcements once we have announced the equivalent allocations for 2023-24.
7. **'Difference to 2022-23 grant'** equals 'Total funding' minus '2022-23 Total comparison recurrent grant'.
8. **'Percentage difference to 2022-23 grant'** is 'Difference to 2022-23 grant' as a percentage of 'Total funding'.

¹⁸ See: www.officeforstudents.org.uk/publications/recurrent-funding-for-2022-23/.



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