

**Office for
Students**



World-leading specialist provider funding

Outcome

Reference OfS 2022.64

Enquiries to specialists@officeforstudents.org.uk

Publication date 8 December 2022

Contents

Summary	2
Introduction	3
Assessment of submissions by the Specialist Provider Panel	4
Formula funding allocations for world-leading specialist providers and transitional funding	8
Formula funding for 2022-23	8
Formula funding for 2021-22	9
Transitional funding for 2022-23	10
Specialist provider funding for 2023-24 and beyond	11
Annex A: Specialist providers identified as world-leading and funding allocations for 2021-22 and 2022-23 academic years	12
Annex B: Analysis of consultation responses on specialist provider funding method and summary of OfS decisions	14
Overview of consultation process and responses	14
Analysis of responses to each question and OfS decisions	15

Summary

1. This document announces decisions on funding from the Office for Students (OfS) for the 2021-22 and 2022-23 academic years for specialist providers that have been identified by the Specialist Provider Panel as world-leading. These decisions follow the consultations and submissions that providers were invited to make to the panel set out in the following documents:
 - a. 'Consultation on an approach to world-leading specialist provider funding', published in October 2021.
 - b. 'World-leading specialist provider funding: Outcomes of consultation and invitation to submit', published in February 2022.
 - c. 'Consultation on specialist provider funding method', published in July 2022.
2. This document also provides an overview of the panel process and summarises the responses we received to our July 2022 consultation.

Introduction

3. On 19 January 2021, the Secretary of State for Education wrote to the Office for Students (OfS) setting out details of the funding available to distribute to providers for the financial year (April to March) 2021-22 and the government's funding policies and priorities. On 25 March 2021, the Secretary of State for Education wrote to the OfS with further guidance, which included applying terms and conditions relating to funding for world-leading specialist providers for academic year 2021-22.¹
4. On 20 October 2021, we published 'Consultation on an approach to world-leading specialist provider funding' (OfS 2021.47).² The consultation set out our proposals on the purpose of specialist provider funding, eligibility criteria for it and the approach to determining whether providers met them, and features of a formula funding method for providers that met all criteria. To be eligible for specialist provider funding, a provider must be assessed as world-leading. A panel established as a time-limited committee of the OfS board was established to make this assessment.
5. On 17 February 2022, we published 'World-leading specialist provider funding: Outcomes of consultation and invitation to submit'.³ It reported on the responses we received to the previous consultation and the decisions that we made as a result. It also invited submissions from specialist providers that wished to make the case for being world-leading and provided guidance on them and the criteria for assessment.
6. We received 44 submissions from eligible providers, which were assessed against the criteria set out in the invitation to submit. Submissions were assessed between April and July 2022 by the Specialist Provider Panel, which was chaired by Lord Wharton, chair of the OfS board.⁴ On 25 July, Lord Wharton wrote to notify providers of the panel's assessment of their submissions.
 - a. Where the assessment was that the provider is world-leading for its teaching and education-related activity, this was the final decision.
 - b. Where the assessment was that the provider is not world-leading for its teaching and education-related activity, this was a provisional decision. We invited these providers to make written representations before a final decision was made. Representations were received and considered by the panel in September 2022, when it made final decisions on those that were previously provisional.
7. The decision on whether any provider is world-leading has been made by the panel, under the delegated authority of the OfS board. The decisions on the funding to be allocated to providers identified as world-leading are those of the OfS. Our consultation in October 2021 had sought

¹ The January and March 2021 statutory guidance letters are available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

² See www.officeforstudents.org.uk/publications/consultation-on-an-approach-to-world-leading-specialist-provider-funding/.

³ See www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/.

⁴ See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/funding-for-specialist-providers/the-specialist-provider-panel/.

views on the features of a formula funding approach for providers identified as world-leading. On 14 July 2022, we published 'Consultation on specialist provider funding method'.⁵ This sought further views on the approach to determining a formula funding allocation for those providers identified by the panel as world-leading, focusing on the approach to distributing the £58 million available for 2022-23, including the case for transitional funding for providers that might see a reduction to specialist provider funding compared with the funding already allocated for 2021-22. It also covered the approach to distributing the £5 million that remained to be allocated for 2021-22.

8. This publication:
 - a. Reports on the assessment of submissions by the Specialist Provider Panel.
 - b. Reports on the decisions taken by the OfS on the funding for world-leading specialist providers in the light of consultation, and on the provision of transitional funding for 2022-23.
 - c. Announces which providers have been identified as world-leading by the panel and the funding allocated to them for academic years 2021-22 and 2022-23. It also announces the approach to transitional funding for specialist providers for 2022-23.

Assessment of submissions by the Specialist Provider Panel

9. Providers that have previously received specialist provider funding in the years up to 2021-22 did so on the basis of a review carried out in 2015-16 by our predecessor, the Higher Education Funding Council for England (HEFCE). The OfS's funding role, however, relates to the education and related activities and facilities of providers: unlike HEFCE, we do not have a responsibility for funding research.⁶
10. Following our initial consultation, the invitation to specialist providers to submit explained that world-leading 'refers to a level of quality and expertise (in a subject area) that gives a provider an ongoing reputation internationally as being among the finest in the world. International recognition is a necessary, but not sufficient, condition for being world-leading. An ongoing reputation will continue to develop through innovation that maintains a provider's activities and outputs at the cutting edge over time.'
11. Providers were assessed by the panel against the following criteria:

⁵ For information about how we established the panel, see <https://webarchive.nationalarchives.gov.uk/ukgwa/20220922171223/https://www.officeforstudents.org.uk/advise-and-guidance/funding-for-providers/funding-for-specialist-providers/the-specialist-provider-panel/>.

For information about panel membership, see:

<https://webarchive.nationalarchives.gov.uk/ukgwa/20220922171304/https://www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees/>.

⁶ Research England (one of the Councils of UK Research and Innovation) now provides a 'Specialist Provider Element' within its research funding, which has doubled for academic year 2022-23 to £20 million. See: www.ukri.org/publications/research-england-grant-allocations-2022-to-2023/.

- a. The provider has a genuine and ongoing reputation, nationally and internationally, for teaching in its specialism that is world-leading and this is supported by evidence.
 - b. The knowledge and skills of the provider’s graduates, and the enduring impact they have on the professions and industries for which they have been prepared, are recognised by other world-leading providers, leading employers, external funders and others in the UK and beyond.
 - c. The provider’s students, graduates and teaching practitioners contribute to the development of their particular specialisms in a way that is recognised internationally, or create the new industries, techniques or art forms of the future.
 - d. The provider's world-leading status is integral to its specialism and often small size.
12. In our guidance on submissions, we recognised that the evidence, and related measures of success or esteem, that providers might include in their submissions to demonstrate how they meet the criteria for being world-leading may vary according to their subject specialism(s). Our guidance on evidence was designed to enable all eligible providers, across a wide range of specialisms, to be able to demonstrate how they meet the criteria. Table 1, reproduced below, set out the overarching framework for such evidence, including examples of the evidence a provider may submit. It has been for eligible providers to determine the evidence they would provide against the criteria as part of their submission. It has then been for the panel to judge whether and how any particular piece of evidence submitted by a provider contributes in demonstrating that it is world-leading against the criteria.

Table 1: Examples of evidence eligible providers can provide to inform judgements against the world-leading criteria

Criteria	Examples of evidence relating to teaching and education activities and outcomes
A genuine and ongoing reputation, nationally and internationally, for teaching in its specialism that is world-leading and supported by evidence.	<ul style="list-style-type: none"> • The reputation of teaching programmes (for instance whether the provider’s learning processes, pedagogy and curricula have been an essential point of reference for peer institutions). • The environment that underpins teaching outcomes and experience for students (for instance relating to availability of cutting-edge facilities or how research, scholarship and knowledge exchange support and inform teaching activities and enhance outcomes).
The knowledge and skills of the provider’s graduates, and the ongoing impact they have on the professions and industries for which they have been prepared, are recognised by other world-leading providers, leading	<ul style="list-style-type: none"> • The economic, societal and cultural benefits that the provider brings in particular through the activities of students and graduates. • Demand from (and dependency of) particular employers or employment sectors on graduates from certain courses.

Criteria	Examples of evidence relating to teaching and education activities and outcomes
employers, external funders and others in the UK and beyond.	<ul style="list-style-type: none"> • Graduate skills and experience, both in meeting the needs of leading employers (those at the forefront of their industry) and for boosting opportunities for those self-employed. • Independent and peer reviewed indicators of esteem (for instance awards from relevant connected industries). • Success in internationally competitive environments (for instance international exhibitions and grants).
The provider's students, graduates and teaching practitioners contribute to the development of their particular specialisms in a way that is recognised internationally, or create the new industries, techniques or art forms of the future.	<ul style="list-style-type: none"> • The professional roles, influence and recognition that the provider's graduates have had in the industries and disciplines for which they have been prepared. • The distinctive value the provider has added to its students and the type of impact that it prepares its students to make in their professional lives. • The standing of teaching practitioners (for instance the recruitment of staff who are currently leading practitioners in their field).
The provider's world-leading status is integral to its specialism and often small size.	<ul style="list-style-type: none"> • The courses offered and their content. • The approach to delivery (meaning the way in which teaching is provided, rather than, for example, whether students study full-time or part-time).

13. We did not elaborate further on the evidence categories so that they remained high-level and provided an overarching structure for capturing different types of evidence relevant to different subject specialisms. Our concern was to give all eligible providers the freedom to make whatever case they wished to, recognising that the evidence for being world-leading relevant to, say, a specialist in the performing arts is likely to be very different from that of a specialist in a healthcare discipline or agriculture. We were not looking to define evidence requirements on a subject-by-subject basis, nor be prescriptive about what providers did or did not submit. The panel and its expert advisers considered the evidence that each provider submitted and the panel determined whether it was sufficient for that provider to be considered world-leading.

14. The panel's decision on whether a provider is world-leading has been informed, in all cases, by the content of the submission received, any external advice on that submission that it sought and received and any representations received from providers in the light of provisional decisions. Although it was an option open to the panel, it did not consider other publicly available information about a provider, that was not included in its submission, in reaching the

initial decisions notified to providers in July. The panel ensured that it had the expertise needed to fully assess each submission and made provision to secure external advice if needed.

15. The panel recognised in the submissions, in general terms, that providers were able to highlight areas of strength and good practice in teaching, facilities and educational outcomes, and innovation in curriculum content, design and delivery, which they commend. In some cases, this may make providers unique or leaders in their field within the UK. Many providers were also able to demonstrate international recognition, be that through recruitment of overseas students, partnerships with, or advice sought from, non-UK organisations and participation in other activities and developments overseas.
16. It was for the panel to decide whether such evidence reflected what would normally be expected of a strong, high-performing institution or whether such evidence demonstrated that the provider was world-leading. As the guidance in the invitation to submit stated, international recognition and innovation were necessary, but not sufficient, conditions for being world-leading; world-leading is intended to be a very high bar.
17. The panel also acknowledged the challenge for some providers that specialise in disciplines which are still relatively young in the context of higher education. This can mean, for example, that international partnerships may not be mature and strong international recognition and measures of esteem or influence are difficult to evidence. Such providers may be leading exponents of their specialisms within the UK, but the panel's view was that this does not necessarily make a provider world-leading.
18. Some providers sought to provide their own interpretations of 'world leading', in the context of their specialisms and teaching activities; this included references to being the first organisation to introduce or to pioneer a particular technique or way of working which others then utilised. In the panel's judgement some of these claims were too historic and were not supported by more contemporary evidence or examples to demonstrate current international recognition and leadership. Furthermore, being the first, or being unique, in doing something does not necessarily equate to being world-leading, because doing so does not in itself constitute evidence of quality – and specifically, 'a level of quality and expertise (in a subject area) that gives a provider an ongoing reputation internationally as being among the finest in the world', reflecting the definition of world-leading in the invitation to submit. That invitation document also explained that evidence of innovation is a necessary, but not sufficient, condition for being world-leading.
19. Some providers emphasised the value that they and their staff offer to their students, both in the UK and internationally, and their contributions to the development of their industries and specialisms. The panel is clear that the submissions to this process have shown evidence of commendably high quality and performance in a range of student-related and other activities. This may make providers leaders in their subject discipline within England or the UK and demonstrate the value they bring nationally in supporting their subject and its industry. However, being a leading provider of a subject area within the UK does not necessarily make a provider world-leading. Equally, the leading position internationally of the UK in some industries does not necessarily make higher education providers that teach those subjects world-leading. Providers that the panel identified as world-leading were better able to demonstrate their international leadership through the evidence they submitted against the criteria.

20. Some submissions focused on the provider's arguments for receiving (additional) funding, rather than on demonstrating how they met the criteria for being world-leading. The panel's role has been to assess the latter, rather than to make judgements about the financial needs of a provider. Decisions on funding have been for the OfS and follow from the panel's decisions on which providers are world-leading. The OfS is providing funding to recognise and maintain world-leading specialist teaching; the purpose of this funding is not to provide development funding for providers that are 'emerging as' or aspire to be world-leading.
21. **Annex A** identifies the 20 providers that the Specialist Provider Panel has assessed (following the representations process) as being world-leading on the basis of their education and related activities.

Formula funding allocations for world-leading specialist providers and transitional funding

22. 'Consultation on specialist provider funding method' reported initial decisions on the approach to funding following our earlier consultation in October 2021. It also sought views about further proposals on determining a formula funding allocation for those providers identified by the Specialist Provider Panel as world-leading. It focused on the approach to distributing the £58 million available for 2022-23, including the case for transitional funding for providers that might see a reduction to specialist provider funding compared with the funding already allocated for 2021-22. It also set out the approach to distributing the £5 million that remained to be allocated for 2021-22.
23. We received 26 responses to the consultation, all from specialist providers and sector bodies that represent them. **Annex B** summarises the responses we received and the OfS responses to comments made. This section summarises the decisions on the distribution of funding to specialist providers for the 2021-22 and 2022-23 academic years.

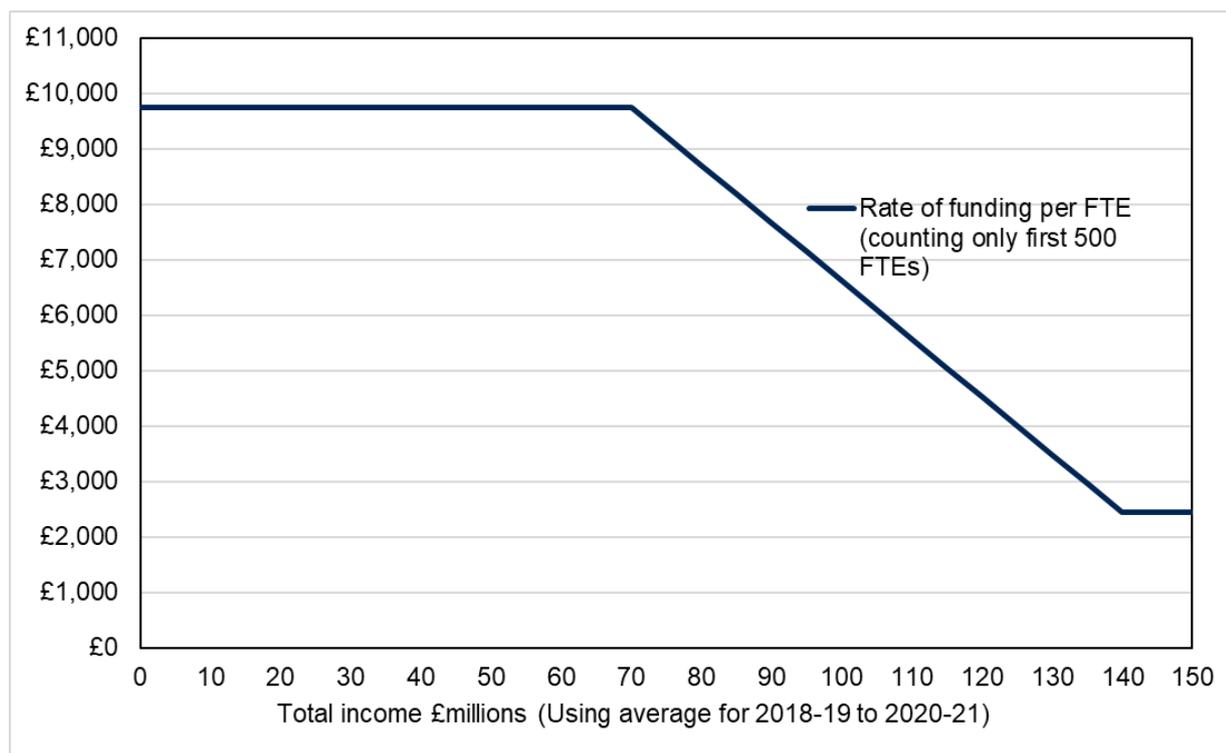
Formula funding for 2022-23

24. As previously confirmed, funding for world-leading specialist providers is being prioritised for providers of a small size, because they have less scope to achieve economies of scale. To achieve this, allocations are calculated:
- a. Based on total OfS-fundable full-time equivalent student numbers (FTEs) that are capped at 500. The FTEs used for this purpose are the average OfS-fundable FTEs reported in (Column 4/4a of) the Higher Education Students Early Statistics (HESES) surveys for 2019-20 to 2021-22.
 - b. Using grant rates per FTE that vary according to provider size, assessed according to their total income, which is averaged for the three-year period 2018-19 to 2020-21. The rates of grant are £9,750 per FTE for providers with average income of up to £70 million, reducing linearly to £2,435 per FTE for providers with average income of £140 million or more.
 - c. A minimum allocation of £500,000 applies. No provider identified as world-leading will receive less than this.

25. In some cases, we do not have three years of income data or FTE data. In these circumstances we use an average derived from the years within the relevant time periods shown in paragraph 24 for which we do have data. For some, this could be data for a single year.

26. Figure 1 provides an illustration of how grant rates per provider vary according to provider income, although the funding outcome for any provider is also subject to the minimum allocation of £500,000.

Figure 1: Rates of grant for world-leading specialist provider funding for 2022-23 before application of a minimum allocation



27. Total specialist provider funding for 2022-23 allocated through the formula is £56.8 million. The balance from the total budget available of £58 million has been set aside as a contribution towards transitional funding (see paragraphs 30 to 32).

Formula funding for 2021-22

28. We previously announced a budget for specialist provider funding in 2021-22 of £53 million, of which £48 million has been distributed to 16 providers on the basis of the previous review undertaken by HEFCE in 2015-16.⁷ The balance of £5 million was set aside for allocation

⁷ See: www.officeforstudents.org.uk/publications/recurrent-funding-for-2021-22/. The allocations previously announced to 16 providers are shown in Column X of Annex A, as originally published and in updates up to February 2022.

based on the decisions of the Specialist Provider Panel, with priority to be given to providers newly made eligible to receive funding for specialist providers.⁸

29. We consulted on the approach to distributing the remaining £5 million in our previous specialist provider funding consultation in October 2021.⁹ Reflecting the decisions on prioritisation announced in 'Consultation on specialist provider funding method', we are distributing this funding:

- a. Firstly, to four providers registered with the OfS in 2021-22 that were not previously in receipt of specialist provider funding in that year.¹⁰ Their allocation for 2021-22 equals that allocated for 2022-23, and totals £3,431,030.
- b. Secondly, to other providers identified as world-leading by the Specialist Provider Panel. This has been distributed pro rata to any increase they may have in specialist provider funding for 2022-23 compared with the previously announced specialist provider funding for 2021-22. This distributes the balance of £1,568,970.

Transitional funding for 2022-23

30. 'Consultation on specialist provider funding method' explained that the purpose of transitional funding is to ensure that any significant reductions to world-leading specialist provider funding between 2021-22 and 2022-23 are manageable for the providers concerned. It is therefore relevant only to providers that were already in receipt of specialist provider funding for 2021-22 as a result of the HEFCE review in 2016.

31. The consultation proposed that we should not provide transitional funding where a world-leading specialist provider has a reduction to grant as a result of the application of the funding formula (as opposed to a decision of the Specialist Provider Panel). We confirm that is now our decision. One provider has a modest reduction to specialist provider funding as a result of the application of the formula and the setting of the minimum allocation at £500,000. We do not see a case for transitional funding in this case.

32. We have, however, accepted that there is a case for transitional funding for providers that were previously in receipt of specialist provider funding in 2021-22 – either directly or indirectly as part of a larger provider – but which are not eligible for 2022-23. We have written to these providers to invite them to set out their need for transitional funding over time, reflecting their own particular circumstances, and to gain assurance about how such funding will be used.

⁸ This reflects terms and conditions placed on the OfS in the Secretary of State's guidance letter of 19 March 2021 (available at: www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

⁹ See: www.officeforstudents.org.uk/publications/consultation-on-an-approach-to-world-leading-specialist-provider-funding/, paragraphs 72 and 73. The outcomes of that consultation are available at: www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/.

¹⁰ Contemporary Dance Trust Limited was not registered directly with the OfS in 2021-22. It was previously part of the Conservatoire for Dance and Drama, which received specialist provider funding in that year.

Specialist provider funding for 2023-24 and beyond

33. In ‘World-leading specialist provider funding: Outcomes of consultation and invitation to submit’, we confirmed our intention that providers assessed as world-leading will retain that assessment for at least five years before being reassessed, and will be funded accordingly, provided that they also continue to be registered with the OfS in the Approved (fee cap) category and meet the initial eligibility criteria. It also confirmed that, unless a provider is successful under the 2022 Specialist Provider Panel process, it will not be able to access funding for world-leading specialist providers until the next assessment point. We expect that next assessment point to be in 2027.
34. That document also reported that a greater proportion of respondents would prefer specialist provider funding to be fixed during that five-year period, rather than recalculated afresh each year.¹¹ Calculating afresh would mean reusing the formula adopted for 2022-23 but with updated provider data (relating to student numbers and income).
35. Whichever approach is taken to determine specialist provider funding after 2022-23, a provider judged to be world-leading will need to remain an Approved (fee cap) provider to continue to receive funding. The overall level of funding available for this allocation in any year will be subject to affordability, depending on the overall teaching funding made available to the OfS from government.
36. We also believe that it is preferable to keep allocations fixed during that five-year period. This will give greater certainty to world-leading providers as they plan their educational activities and look to maintain or enhance their world-leading status. While this is therefore our broad intention, we recognise that circumstances may change at providers or in the wider context of higher education finance arrangements collectively (such as in our funding settlement from government and the guidance that accompanies it). We will therefore monitor provider data that is used to inform the funding formula, as this gets updated each year, and will consider the case for calculating allocations afresh in a later year if our monitoring suggests that a redistribution of the total would be appropriate.
37. If a provider that has been judged as world-leading changes its constitutional arrangements, the OfS reserves the right to decide whether it or its constituent parts continue to receive funding.

¹¹ See www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/, Annex D paragraphs 211 to 222.

Annex A: Specialist providers identified as world-leading and funding allocations for 2021-22 and 2022-23 academic years

1. Table A1 identifies the providers that have been identified by the Specialist Provider Panel as world-leading for their education and related activities, and the specialist provider funding allocated to them for the 2021-22 and 2022-23 academic years. The column headings show:
 - a. **Previously announced specialist provider funding for 2021-22.** The distribution of this funding was first announced in July 2021.¹² This funding was informed by the previous review of specialist provider funding undertaken by the Higher Education Funding Council for England (HEFCE) in 2015-16. These allocations for 2021-22 provided a pro rata increase of approximately 11.5 per cent compared with the allocations for 2020-21 (a total increase of £5 million).
 - b. **Distribution of remaining £5 million for 2021-22.** £5 million was set aside for academic year 2021-22 for distribution following the outcomes of the OfS Specialist Provider Panel process. This has been distributed:
 - i. Firstly, to four providers registered with the OfS in 2021-22 that were not previously in receipt of specialist provider funding in that year.¹³ Their allocation for 2021-22 equals that allocated for 2022-23, and totals £3,431,030.
 - ii. Secondly, to other providers identified as world-leading by the Specialist Provider Panel. This has been distributed pro rata to any increase they may have in specialist provider funding for 2022-23 compared with the previously announced specialist provider funding for 2021-22. This distributes the balance of £1,568,970.
 - c. **Total specialist provider funding for 2021-22.** This is the sum of the previous two columns.
 - d. **Specialist provider funding for 2022-23.** The allocations for 2022-23 have been calculated afresh for all providers identified as world-leading by the Specialist Provider Panel. The allocation method is described in paragraphs 24 to 27 of this document. The total allocation is £56.8 million, against a budget of £58 million. The balance has been set aside towards provision of transitional funding for providers registered with the OfS, which were (directly or indirectly) in receipt of specialist provider funding in 2021-22, but not for 2022-23.

¹² See Column X in Annex A of Recurrent funding for 2021-21 (www.officeforstudents.org.uk/publications/recurrent-funding-for-2021-22/), as originally published and in updates up to February 2022.

¹³ Contemporary Dance Trust Limited was not registered directly with the OfS in 2021-22. It was previously part of the Conservatoire for Dance and Drama, which received specialist provider funding in that year.

Table A1: specialist provider funding for the 2021-22 and 2022-23 academic years

Provider	UKPRN	Previously announced specialist provider funding for 2021-22	Distribution of remaining £5 million for 2021-22	Total specialist provider funding for 2021-22	Specialist provider funding for 2022-23
University of the Arts, London	10007162	£1,115,282	£20,196	£1,135,478	£1,217,500
The Conservatoire for Dance and Drama	10001653	£4,461,126	£0	£4,461,126	£0
Contemporary Dance Trust Limited	10004028	£0	£0	£0	£1,546,350
Courtauld Institute of Art	10007761	£2,197,849	£211,089	£2,408,938	£3,266,250
Cranfield University	10007822	£1,115,282	£20,196	£1,135,478	£1,217,500
Guildhall School of Music & Drama	10007825	£4,461,126	£81,771	£4,542,897	£4,875,000
Harper Adams University	10040812	£4,461,126	£81,771	£4,542,897	£4,875,000
Institute of Cancer Research: Royal Cancer Hospital (The)	10003324	£557,641	£0	£557,641	£500,000
Liverpool School of Tropical Medicine	10003958	£0	£500,000	£500,000	£500,000
London Business School	10007769	£0	£838,062	£838,062	£838,062
London Film School Limited	10004036	£0	£715,000	£715,000	£715,000
London School of Hygiene and Tropical Medicine	10007771	£557,641	£17,027	£574,668	£643,822
National Film and Television School (The)	10004511	£1,385,924	£378,247	£1,764,171	£3,300,375
Royal Academy of Dramatic Art	10009292	£0	£1,377,968	£1,377,968	£1,377,968
The Royal Academy of Music	10007835	£4,271,231	£119,289	£4,390,520	£4,875,000
The Royal Central School of Speech and Drama	10007816	£4,461,126	£81,771	£4,542,897	£4,875,000
Royal College of Art (The)	10007777	£4,461,126	£26,018	£4,487,144	£4,592,815
Royal College of Music	10007778	£4,461,126	£81,771	£4,542,897	£4,875,000
Royal Northern College of Music	10007837	£4,461,126	£81,771	£4,542,897	£4,875,000
The Royal Veterinary College	10007779	£1,482,209	£286,283	£1,768,492	£2,931,196
Trinity Laban Conservatoire of Music and Dance	10008017	£4,461,126	£81,771	£4,542,897	£4,875,000
Total		£48,372,067	£5,000,001	£53,372,068	£56,771,838

Annex B: Analysis of consultation responses on specialist provider funding method and summary of OfS decisions

Overview of consultation process and responses

1. Paragraphs 3 to 7 of this document provide background information on the events and publications that have been part of our review of specialist provider funding. This annex reports on the responses we received to 'Consultation on specialist provider funding method', published on 14 July 2022.¹⁴ This sought views (following the earlier consultation in October 2021) on the approach to determining a formula funding allocation for those providers identified by the Specialist Provider Panel as world-leading. It focused on the approach to distributing £58 million available for 2022-23, including the case for transitional funding for providers that might see a reduction to specialist provider funding compared with the funding already allocated for 2021-22. It also covered the approach to distributing £5 million that remained to be allocated for 2021-22.
2. The consultation ran until 5 September 2022 and we did not hold consultation events. The consultation was open to all, although we stated that 'we are particularly (but not only) interested in hearing from providers that have made submissions to the Specialist Provider Panel in response to 'World-leading specialist provider funding: Outcomes of consultation and invitation to submit', and representative bodies of such providers.'
3. We invited responses to the consultation through an online form, which included four questions, three of which asked respondents to select the extent to which they agreed or disagreed with particular proposals, or whether they 'did not know/preferred not to say'. All questions invited respondents to provide comments setting out the reasons for their view and, where applicable, how and why we should change our approach on (aspects of) proposals with which they disagreed.
4. We received 26 responses to the consultation, 24 from specialist providers and two from representative bodies that include specialist providers among their membership. Responses to consultation can provide important arguments and evidence about proposals, their impact and possible alternative approaches. They also provide contextual information about how widespread and how strong views are on proposals, through the use of Likert-type responses (such as options to agree or disagree).
5. Many of the responses reflected the particular circumstances of the providers that made them and expressed preferences for approaches that would maximise funding for them. This is neither unexpected nor unreasonable, but in reaching decisions, the OfS needs to strike a balance between its various duties and between the arguments made by different respondents.

¹⁴ For information about how we established the panel, see <https://webarchive.nationalarchives.gov.uk/ukgwa/20220922171223/https://www.officeforstudents.org.uk/advise-and-guidance/funding-for-providers/funding-for-specialist-providers/the-specialist-provider-panel/>. For information about panel membership, see: <https://webarchive.nationalarchives.gov.uk/ukgwa/20220922171304/https://www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees/>.

In the analysis that follows we have not given greater weight to comments based on who the respondent is, because our concern is about the strength of the argument or evidence provided.

Analysis of responses to each question and OfS decisions

6. The analysis that follows provides numeric summaries of the extent to which respondents agreed with particular proposals (where this was asked) and also summarises the written comments received. We have sought to summarise the full range of views expressed, irrespective of how many times those views were stated.

Question 1: To what extent do you agree with the proposed features of the formula funding method for world-leading specialist providers as described in paragraphs 18 to 24 (of the consultation document)?

7. In summary, our consultation proposed a formula funding method for world-leading specialist providers which had similarities to that adopted following the previous review in 2015-16 and was prioritised to smaller providers by:
 - a. Basing funding on the average number of fundable full-time equivalent student numbers (FTEs) over the most recent three years, but subject to a cap of not less than 500 FTEs.
 - b. Providing a rate of funding per FTE for providers that varied according to providers' total income (calculated as the average for the three most recent years available), with the highest rates paid for providers with less total income.
 - c. Allocations following the review in 2015-16 had originally provided £8,000 per FTE for providers with average income of less than £40 million, reducing linearly to £2,000 per FTE for providers with average income of more than £80 million. We expected the thresholds at which grant rates varied to increase (illustratively suggested to at least £50 million and £100 million respectively), and the value of those grant rates to be similar, depending on affordability, to those that applied in 2021-22.
8. Of the 26 responses:
 - 3 (12 per cent) strongly agreed
 - 14 (54 per cent) tended to agree
 - 4 (15 per cent) tended to disagree
 - 3 (12 per cent) strongly disagreed
 - 2 (8 per cent) did not know or preferred not to say.
9. Of those expressing a preference (the first four bullets above), 71 per cent strongly agreed or tended to agree.
10. We received 26 comments in response to this question. The main themes identified in these comments were about:
 - the cap of 500 student FTEs
 - the inclusion of various price groups

- the rate(s) of funding
 - the income thresholds at which grant rates varied, which we illustratively suggested would increase to at least £50 million and £100 million
 - income to be counted
 - other methodologies
 - transitional funding.
11. The majority of respondents welcomed the consultation and were broadly in favour of the funding methodology proposed. However, there were a number of nuanced responses with some providing detailed arguments on the various parameters and discussion of perceived weaknesses of the proposal with respect to their specific circumstances or those of the providers represented by stakeholder bodies responding. As one stated 'We believe there are some unintended consequences of the funding formula, as it has existed in the model applied from 2016-17, which will be perpetuated in the new model that is proposed'.
12. Where specifically noted, respondents were in favour of a five-year funding horizon to provide certainty.
- a. A majority of respondents considered that the cap of 500 student FTE was reasonable.
 - b. Three respondents indicated they preferred either a completely different methodology or a cap of 750 student FTE.
 - c. One respondent disagreed strongly noting 'the setting of the cap on fundable numbers at 500 FTE was arbitrary and ill thought out.' They suggested it skewed the results to reflect the typical size of a conservatoire which they indicated was not their more complex model and they went on to say that 'a hard cap on eligible FTEs has the consequence that funding per student in the same discipline varies based on institutional model and for no valid reason.' They suggested using total student numbers and applying a 'soft cap' with a tapering of funding to zero. Another suggested omitting student FTEs and just using a version of income (discussed further below).
13. The use of the three-year average for student FTEs raised a number of comments and while most respondents were broadly happy with its use to accommodate outlier years, some had reservations.
- a. The specific impact of the pandemic, in particular where there had been a dip in student numbers, or the provider had restricted their intake, led to one year being an atypical year and risked their funding over the five-year period being lower because of a single outlier year. Others indicated that this year should be discounted or excluded from any average or that the data should be taken from a period prior to the pandemic.
 - b. One respondent indicated that a five-year average could be used to better smooth the 'dip'.
 - c. One respondent suggested that there should be a forecast element to the average to accommodate student number growth.
 - d. One respondent indicated that in-year student FTEs should be counted only.

- e. Two respondents suggested that FTE should not be used at all in the funding methodology.
14. A number of respondents questioned the phrasing in paragraph 20c of the consultation document, noting 'it is harder to state definitive agreement with paragraph 20c as the intentions here remain unclear given that "complements" could be interpreted in a number of ways.'¹⁵ Where it referred to the range of price groups to be included, respondents tended to favour those groupings that reflected their own subject profile by price group, or the subject profile of provision of their members.
- a. A number of respondents suggested the funding range should be limited to price groups A, B and C1. A respondent said of the proposal that funding should be extended to lower cost subjects in price groups C2 and D that 'to do so is at odds with the OfS's stated principles for this funding stream: to provide "additional funding, recognising the high cost of their education" to smaller providers delivering world-leading teaching'.
- b. However, another indicated that 'We are delighted that the argument to include price groups C2 and D has been accepted' and another saying some funding for non-high-cost subjects was acceptable but referenced it should be at a lower rate.
- c. Alongside the range of views about which price groups might attract funding, there were mixed views, generally reflecting the provider's subject range across price groups, about whether grant rates for specialist providers should vary by price group in a similar way to high-cost subject funding. Respondents specialising in subjects in price groups A and B indicated that a rate differential should be reflected in this funding stream also. Respondents specialising in price group C1 subjects considered that this funding should not be used in this way, with a number noting that the relatively recent removal of funding for the additional costs of operating in London and changes to funding for price group C1.2 meant they had had a more significant impact on their OfS funding than those providers whose provision is in price groups A and B.
15. The other argument raised about the rate of funding is around the calculation of the rate per student FTE counted. Various calculations were provided to indicate what respondents considered to be the absolute minimum rate of funding required to maintain the 2016-17 rates and to reduce any funding gap where it arises. The gap they identified arose from the removal of funding for the additional costs of operating in London and the reduction in rates of high-cost funding of the C1.2 price group, as well as the general inflationary cost pressures that they indicated were more keenly felt in small specialist providers.
16. Of the small number of respondents that provided some calculated figures, and that all considered there should be a single rate of funding, there was reference to £8,922 for 2021-22 based on an inflationary uplift from the base rate of £8,000 in 2016-17.¹⁶ Those respondents indicated they considered the revised figure as an 'absolute minimum'. Further, respondents used a variety of consumer price index (CPI) calculations to indicate that the 2022-23 figure

¹⁵ Paragraph 20c of the July 2022 consultation referred to the proposal from the previous October 2021 consultation that the approach to rates of grant per FTE in the specialist provider method should 'complement' those provided through the high-cost subject funding method. It explained that 'our intention was not to replicate or reinforce the funding differentials that high-cost subject funding already provides'.

¹⁶ The rate of £8,000 per FTE that applied in 2016-17 applied only to smaller providers (those with average income of up to £40 million), not all those in receipt of specialist provider funding.

should end up being anywhere between £8,933 to £9,850 depending on the method of calculation used.

- a. One respondent noted that the funding gap had been plugged in part by an increased recruitment of overseas students and their associated fees. They noted the Public Accounts Committee ‘warned that higher education institutions cross-subsidising from international students left them “potentially exposed to significant financial risks.”’
 - b. One provider indicated that the method should reflect a rate of funding that should be weighted ‘...towards those institutions which ranked most highly, as world leading’. They also referenced a weighting that reflected government priorities. ‘Secondly, we believe that specialist funding should be weighted towards those institutions who deliver against the Government’s Innovation Strategy (2021) and provide a pipeline of talent into UK industries and demonstrate the best track record in delivering the successful entrepreneurs and start-up founders.’
17. As regards the threshold levels at which rates of grant might vary, indicated illustratively as £50 million and £100 million of total income, the majority of respondents were happy with the increase to the levels compared with previously. One respondent made reference to increasing the thresholds in line with CPI inflation rates. One considered that these thresholds were already high and that they should remain at £40 million and £80 million. One respondent suggested increasing the lower threshold to £60 million. Respondents were happy that any calculation is based on a three-year average of total income with some exceptions, where respondents suggested a different methodology or where they have a broader issue about what income is counted within any threshold.
18. A variety of respondents argued that some income should be excluded from any calculations, perhaps for reasons specific to them. A number of these were postgraduate-only organisations, though not exclusively so.
- a. Exclusions to the income calculations suggested by respondents included:
 - one-off restricted lump sums (such as for scholarships or chairs)
 - capital receipts
 - exceptional restricted capital donations
 - UK Research and Innovation (UKRI) income
 - research grant income
 - income from in-house provision of facilities used in part in teaching.
 - b. Respondents with a significant research base noted the Transparent Approach to Costing (TRAC) data indicated achievement of only 70 per cent of full economic costs (FEC) through research income and meant that there was no cross-subsidy from research. Research providers would be penalised if research income was included and this would be a detriment to their world-leading provision.
 - c. A respondent also noted in examples how owning income-generating capital assets should also be excluded from any income calculation: ‘we have a factor critical to ‘the environment

that underpins teaching outcomes and experience for students' which the funding model risks disincentivising.'

- d. A stakeholder respondent indicated that a more bespoke approach should be considered where the provider identifies the relevant income via a representation process. '[We have] ...concerns about the proposal to base the funding formula on size of provider and their total organisational income, rather than FTE (Paragraph 20a). Small providers who operate within a larger charity or corporate body are rarely able to access additional funding from the parent charity or body.... They have to fund activities and reach any economies of scale exclusively within the discrete higher education division of the organisation. Therefore, providers should be allowed to make individual representations to the OfS to discuss which measure of income should be used to derive funding.'

19. Another respondent suggested that funding should be focused on those that do not have a perceived excess of funds.

20. One respondent proposed modifying the approach so that the ratio between the highest and lowest rates of grant reduced from the current 4:1 ratio to 3:1 or 2:1, perhaps with a small number of intermediate steps between the extremes.

21. Two respondents proposed different methodologies which they suggested were simpler:

- a. '...a simpler approach, based on fundable or total student numbers that puts providers into say three bands: £750k, £1.5m, £3m (upper amount to be determined by available funding). This would provide a meaningful amount for all providers meeting the criteria set but with a relatively greater focus on specialists of a smaller size in-keeping with the OfS aims for the World-Leading Specialist Provider Funding.' They noted 'The allocation process highlights that specialist providers broadly fall into one of three categories: those with small numbers of fundable students, those with large numbers and those in between. The gains associated with applying granularity for those 'in between' seem questionable at best.'
- b. 'There may be a case for a simpler methodology using one or other of these approaches. A starting point of dividing total numbers in the system by available resource to derive a per student funding rate seems sensible, after which banding by income could be used to adjust grant rates and redistribute as necessary to recognise the greater need of small providers... The use of a soft cap on numbers counted in the methodology might also be considered whereby the grant rate is tapered beyond a certain FTE and eventually diminishes to a minimum that could be zero.'

22. Various respondents noted that funding challenges such as achieving economies of scale, cross-subsidy, the loss of EU students, removal of funding for the additional costs of operating in London and reduction in funding for the C1.2 price group alongside general inflationary pressures were greater for specialist providers than for others, irrespective of size and whether or not they are in the Approved (fee cap) category on the OfS Register.

23. One respondent commented on the distribution of funding that remained to be allocated for 2021-22: 'We note that in his letter of guidance to the OfS, the Secretary of State made clear that any monies remaining from the £5m after allocation to new providers could be distributed to the 16 existing providers already on this list. It is assumed that OfS will consider this should monies be available for redistribution.'

24. A stakeholder organisation made reference to the use of various categorisations of subjects under various coding structures both current and historic and that there was a considerable element of interdisciplinary activity in small specialist providers that was not necessarily adequately reflected in the subject Common Aggregation Hierarchy (CAH) coding used to identify the specialist providers for this review.¹⁷
25. They also referenced ‘emerging world-leading’ providers were overlooked by this funding: ‘A specific allocation of funding for emerging world-leading providers would support the OfS’s responsibilities to expand and protect student choice and opportunity, support innovation, and ensure that funding provides value for money.’ They note ‘... not including emerging world-leading providers (or having criteria that encourages this group) ensures that funding remains anti-competitive.’

OfS response and decisions

26. We welcome the broad support for our proposed approach to funding, while acknowledging the range of views expressed on particular aspects of the method.
27. On the proposed size of the cap of 500 FTEs that would be counted for funding purposes, we have been clear that we will prioritise specialist provider funding to smaller providers that have less scope to achieve economies of scale and to benefit from a diversity of income streams. We achieve this through the combination of both a cap on the number of FTEs we count for funding purposes and the use of funding rates that decline for larger providers. Paragraph 19 of our consultation document explained about the interaction of these features of the method, set also against the requirement that the total distributed between all providers identified as world-leading has to remain affordable within our fixed budget. While it is of course possible to achieve this prioritisation in different ways and to different extents, any alternative method will be no less open to an accusation that particular parameters or thresholds are ‘arbitrary’. In practice, we believe the approach we are taking strikes an appropriate balance between our various duties and between the competing cases of providers and the students and industries they support. It is not based on any pre-conceived ideas about the size of any particular kinds of specialist provider.
28. On the use of a three-year average of FTEs, a number of providers argued that they would be disadvantaged by inclusion of a year in which student numbers were significantly affected by the COVID-19 pandemic. (It is, of course, the case that the use of a single year’s data or an average over a number of years will not affect providers that, with any approach, would have their total FTEs capped.)
29. We recognise that some providers have reported reductions in OfS-fundable student FTEs in 2021-22. However, those reductions are commonly not evident when considering their total student FTE populations, which would include overseas students and research students. As noted in paragraphs 27c and 29c of our consultation, the 2021-22 academic year was the first year that many EU student entrants were no longer eligible for home fee status, and thus would no longer count as OfS-fundable. The impact is particularly noticeable for postgraduate-only providers (which are specialist), because postgraduate

¹⁷ See: www.hesa.ac.uk/support/documentation/hecos/cah.

taught student entrants will commonly be on one-year courses; the effect for undergraduate providers will be phased in with successive cohorts.

30. The change to home fee status eligibility, rather than the COVID-19 pandemic, is the likely main reason for reductions to OfS-fundable FTEs in 2021-22. This would mean that the 2021-22 academic year data may be **more** representative of future OfS-fundable numbers, rather than less. By using a three-year average, incorporating two years when larger numbers of EU students could be counted as OfS-fundable, we believe we are cushioning the impact of the change to fee status for EU students on specialist providers, rather than disadvantaging them. We have therefore not been persuaded that we should disregard years when student numbers may have been affected by the COVID-19 pandemic. We believe that a three-year average provides an appropriate balance in ensuring allocations are informed by recent data, while moderating the impact of changes to home fee status introduced from 2021-22.
31. We recognise the mixed views of respondents about how price groups might be reflected in a funding method. Our consultation had clarified that in seeking a funding approach that ‘complements’ funding received through the high-cost funding method, our intention was not to replicate or reinforce the funding differentials that high-cost subject funding already provides and that remains our view. We are also constrained, as a result of terms and conditions of grant placed on us by government, on our ability to use funding for specialist providers as a means of counteracting the effects of cuts to price group C1.2 and funding for the additional costs of operating in London implemented for 2021-22.¹⁸ We believe paragraph 20c of our consultation was unambiguous about our funding approach towards price groups, as it began: ‘The funding formula should not apply different rates of grant for FTEs in different price groups.’
32. In ‘World-leading specialist provider funding: Outcomes of consultation and invitation to submit’, we confirmed the purpose of specialist provider funding, as being to:
- provide funding to recognise and maintain world-leading specialist teaching
 - promote choice and opportunities for students in the range of providers and courses available
 - recognise that these providers’ world-leading status is integral to their specialism
 - recognise that these providers’ specialism is often integral to their small size
 - address the needs of specialist employment sectors or parts of the economy
 - provide value for money in targeting limited resources effectively to world-leading specialist providers where the case for exceptional support can add greatest value.
33. Specialist provider funding therefore supports the teaching activities of world-leading providers as a whole, and is intended to be targeted towards smaller providers that have less scope to achieve economies of scale and a diversity of income sources. While the distribution method takes account of provider size in a number of ways to achieve this targeting, it is not intended simply as a means of increasing the funding per student provided through other OfS grants and course fees. This is explicitly recognised by the cap on how many FTEs are counted in the funding formula, even though the funding allocated may

¹⁸ Set out the government guidance letter of 19 July 2021 (available at: www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

support provision for a larger student population. In this context, we believe it right that funding rates should not vary by price group and that OfS-fundable students in all price groups should be counted towards the allocation.

34. We do not accept arguments that funding should be weighted ‘...towards those institutions which ranked most highly, as world leading’. The Specialist Provider Panel was not asked to assess this. Nor do we accept arguments for other weightings, which we believe would similarly vary according to the subject specialism of a provider.
35. We welcome the broad support for increasing the income thresholds used to inform rates of grant for providers. We have, however, not accepted arguments that certain types of income should be excluded from this calculation. We have been clear that the prioritisation of funding will be to smaller providers and do not accept that we should ignore significant aspects of a provider’s overall activities in determining their size for the prioritisation of funding and the opportunities those activities may provide to achieve economies of scale and a greater diversity of income. If, for example, we were to disregard research income, the effect would be to redistribute our grant towards specialist providers that have significant research income and activity. We do not believe that is a desirable outcome for OfS grant, not least in the context of the £20 million that is already being provided for 2022-23 by Research England for specialist providers.¹⁹
36. We also do not accept the argument that ‘providers should be allowed to make individual representations to the OfS to discuss which measure of income should be used to derive funding.’ On the contrary, using the total income of the provider that is registered with the OfS in the Approved (fee cap) category ensures consistency and fairness of treatment of providers that would otherwise be lacking.
37. Some respondents reiterated comments made in response to our previous consultation in October 2021, and which were addressed in ‘World-leading specialist provider funding: Outcomes of consultation and invitation to submit’ (OfS 2022.11). These included comments about:
- the wider financial pressures affecting specialist providers; OfS 2022.11, Annex D, paragraphs 30 and 31 set out our previous response on this.
 - the case for funding providers that are ‘emerging as world-leading; OfS 2022.11, Annex D paragraph 32 sets out our previous response on this.
 - the use of CAH codes to determine whether a provider meets criteria to be specialist; OfS 2022.11, Annex D, paragraphs 56 and 59 set out our previous response on this.
38. In light of the above, we confirm that we are implementing a formula funding method for world-leading specialist providers for 2022-23 that has the features proposed in our consultation. We have set the parameters of the method (such as rates of grant, the thresholds at which they vary and the cap on the numbers of FTEs to be counted) reflecting the purposes for which the funding is given (see paragraph 32), the providers that have been identified as world-leading and their underlying data, and the budget available to us. The method is described in paragraphs 24 to 27 of the main part of this document.

¹⁹ See: Research England grant allocations 2022 to 2023, paragraph 16 and Annex A Table 3, at: www.ukri.org/publications/research-england-grant-allocations-2022-to-2023/.

39. We also confirm that the £5 million that remains to be allocated for the 2021-22 academic year is being allocated as set out in our consultation. The first priority is to four world-leading specialist providers that were not in receipt of a share of the £48 million already allocated for the year. They will receive the same cash allocation for 2021-22 as is provided by the formula for 2022-23. The total for these providers is £3,431,030. The balance is distributed to 15 other world-leading providers pro rata to the increase in specialist provider funding between the sums previously allocated for 2021-22 and those calculated by the formula for 2022-23.

Question 2: To what extent do you agree with the proposed reduction to £250,000 as the minimum allocation for world-leading specialist provider funding?

40. In summary, our consultation proposed that providers identified as world-leading should receive not less than £250,000 in specialist provider funding. This is a reduction to the minimum that applied to providers that received funding following the 2015-16 review (approximately £558,000 for 2021-22).

41. We received 26 comments in response to this question. Of the 26 responses:

- 7 (27 per cent) strongly agreed
- 8 (31 per cent) tended to agree
- 8 (31 per cent) tended to disagree
- 3 (12 per cent) strongly disagreed.

42. Overall, 58 per cent strongly agreed or tended to agree. However, it is important to note that five of the respondents who tended to agree raised various concerns which will be summarised in the following paragraphs and therefore their responses can be considered more as a 'yes, but...' rather than an unequivocal 'yes'.

43. About half of the responses from those who were in favour of the proposed reduction agreed with the rationale as set out in the consultation document. Comments included:

- 'This sum is still considerable for a small and specialist provider and can make a considerable impact on learning and teaching resources, increasing widening participation initiatives and the capacity for growth.'
- 'We recognise that many providers have joined the OfS Register since the last specialist institution review undertaken by HEFCE. It is acknowledged that some of these providers might be very small in size, specialist and deemed by the OfS panel to be world leading. We believe the formula allocation should ensure that no provider receives more than the maximum capped rate per eligible FTE. We therefore strongly support a reduction to a minimum allocation of £250k if this avoids providers with very small eligible FTE numbers receiving more per FTE than the highest rate set for other providers. It will allow for strength across different scales to be recognised.'
- 'This seems like a positive step that would enable world-leading specialists with a very small number of students benefit from this support where a strict application of the formula might otherwise exclude them if the result was less than the current £500k minimum.'

- ‘We are content with the minimum allocation being reduced to £250,000 and think the rationale for doing so makes sense.’

44. Respondents who agreed with the proposed minimum allocation thought that this was a fairer and more equitable approach and that the proposed level of support was appropriate for smaller specialist providers:

- ‘We agree with the premise for reducing the minimum allocation. Overall, we recognise that this methodology is aimed at appropriately supporting smaller specialist providers.’
- ‘We support the proposed reduction which allows for the funding to be allocated more equitably across world-leading institutions.’

45. The main concern that was shared by 23 per cent of respondents regarded funding from UK Research and Innovation (UKRI) and the fact that smaller providers are unlikely to receive support through this route. Comments included:

- ‘The reduction enables a more equitable distribution to smaller organisations but there are some small providers who are unlikely to receive UKRI funding and are therefore likely to be adversely impacted.’
- ‘(...) Many small providers are not in receipt of UKRI funding and would therefore not be able to expect any shortfall to be made up from within that allocation and process.’
- ‘Access to UKRI specialist research funding should not be considered universal. In both the response to the previous consultation and in this consultation, the OfS noted that UKRI would provide funding for research activity. Research activity for small and specialist providers has a much slower growth rate and access to that funding is limited by the research assessment cycle. The research and in particular knowledge exchange activity which supports both the student experience and the world-leading role of the provider is unlikely to fit the UKRI funding model for the smallest of providers.’
- ‘We agree there should be a minimum allocation, and on balance recognising that as there will be more providers receiving this funding that £250,000 is a reasonable compromise. However we do not agree with the OfS analysis that this money could be made up from the UKRI funding round – as these very small providers are unlikely to receive any funding from that process. Indeed just 16 of the 68 eligible providers on the OfS teaching list received the UKRI funding.’²⁰

46. The adverse effect on smaller providers who are often reliant on this funding was raised by 15 per cent of respondents, despite acknowledging that the actual impact will depend on the total number of providers considered to be world leading. Responses included:

²⁰ Those that received the UKRI Funding: Courtauld Institute of Art, Guildhall School of Music & Drama, Harper Adams University, Institute of Cancer Research: Royal Cancer Hospital, Liverpool School of Tropical Medicine, London Business School, London School of Hygiene and Tropical Medicine, Norwich University of the Arts, Rose Bruford College of Theatre and Performance, The Royal Academy of Music, The Royal Central School of Speech and Drama, Royal College of Art (The), Royal College of Music, Royal Northern College of Music, The Royal Veterinary College, Trinity Laban Conservatoire of Music and Dance.

- ‘Lowering the threshold for funding to £250,000 would potentially fund institutions with very low numbers of taught students, which, with a rate of funding up to £8,000 per student (based on previous funding methodology), would be equivalent to an institution with 28.2 fundable students. This appears to be a very low threshold to demonstrate specialist taught provision. Specialist minimum thresholds need to be large enough to demonstrate critical mass and be consistent with the overall maximum of 500 fundable students in your eligibility criteria.’
- ‘The proposal to decrease the minimum funding from 500k to 250k may negatively impact current specialist providers with lower numbers of students. I understand that levels of funding will depend upon the number of HEIs [higher education institutions] deemed world leading, as well as other factors, but small institutions are often dependent upon this additional support and reducing the level could be problematic for some.’
- ‘Minimum reduction from 500k to 250k will definitely affect small specialist arts providers, whose wider income funding is greatly reduced all over. This will of course also be determined by how many HEIs are considered to be world leading and can apply for the funds also and if it means that the reach of the funds extend to more varied organisations however the better. We know that we could do significantly more with £250k than a larger organisation.’
- ‘To reduce the minimum funding would be likely to impact adversely on the smallest institutions who are often the most dependent on specialist support to be able to remain world leading and at the cutting edge of their disciplines (...). Seeking a balance where the funding will have the most impact and offer the greatest support to students seems crucial.’
- ‘(...) There is a strong general argument that in order for world-leading specialist providers to expand or upscale the nature of the provision, as demanded by national priorities, there is a need for more funding. A lower limit of £250k does not provide this scope (...). The reduction of the lower limit only affects a handful of potential WLSPF [world-leading specialist provider funding] recipients. Thus, the financial gain for the WLSPF pot to distribute to other providers will be modest, but the impact on those hit will be hard and risks compromising their ability to maintain their world-leading status.’

47. Amongst those that were not in favour of the reduction of the minimum allocation, about one-fifth of respondents shared the view that the minimum allocation should be kept at £500,000 or even increased. Some highlighted that this is crucial to meet the challenges posed by inflation and the rise in the cost of living. Comments included:

- ‘To have meaningful impact, we propose the WLSPF minimum allocation be increased to £750k, to allow for some degree of inflation, or at the very least maintained in cash terms at £500k, even if reducing the upper limit of the ‘per FTE funding rate’ may be necessary to achieve this, or a simplification of the funding methodology.’
- ‘This level is too low to impact high-cost teaching provision, even in the smallest of world-leading institutions. It would be better to make fewer, more meaningful interventions, with a £500,000 minimum allocation remaining in place.’

- ‘We support retaining the current minimum level at £500k. There has been significant cost inflation since this funding was introduced, so in real terms there has been a reduction in value.’
- ‘(...) the minimum allocation should differ from the amount suggested. Rather than be reduced to £250,000 it should remain at £350,000 at least to reflect the current real terms cost of delivery, and the rising costs that providers are facing in relation to inflation and the cost of living. Whilst this may lead to modest over-funding of the very smallest world-leading providers for the beginning of the funding cycle, ultimately this amount would attract and support future cohorts of domestic students.

‘Allocating £350,000 rather than £250,000 would truly accelerate teaching capacity in small specialist providers. The case for value for money in targeting resources where exceptional support can add greatest value cannot be overstated. The smallest providers face the biggest challenges in funding their teaching provision.

‘Minimum thresholds cannot ignore the drastic increase in the cost of delivery over the past three years, nor what is predicted over the next five years. For fully loan-funded (capped) students this increase cannot be recouped by fee increases. It is essential that the minimum threshold remain high, at the suggested £350,000, to reflect the greater cost of delivery and the impact this will have on SME [small and medium enterprise] providers across the regulated sector.’

- ‘We believe that the minimum allocation should not be lower than at present: £500K, or £557,641 as per 2021/22. Sums below this level produce very limited benefits for the students who should benefit from an organisation being specialist and world leading.’

48. Twelve per cent of the respondents felt that the most suitable approach consists of having no minimum allocation at all, or to cap the allocation per FTE:

- ‘A fair distribution of available funding in the interest of students demands that providers with a low UK student FTE are not disproportionately resourced, thereby depriving their peers. We would question the need for any minimum floor, and OfS may wish to revisit the argument for funding of very small providers above what the formula suggests should be their allocation. Much lower minimums exist elsewhere in the funding system (for example, in the capital formula) without apparent problem.’
- ‘We support the principle that providers with low numbers of OfS-fundable FTEs should not benefit from very high rates of funding per FTE due to there being a minimum allocation. Indeed, our view is that there should be no minimum and all providers should be subject to the same funding formula.’
- ‘The reasons given to reduce the minimum allocation to £250,000 seem reasonable, but whether this is equitable will depend on relative student numbers. It might be better to cap the allocation per FTE student to, say, £8,000 to ensure very small providers are not over compensated but those near the threshold are not disadvantaged.’

49. A suggestion was made by three respondents that the minimum allocation of £250,000 should be increased rather than the cap on the FTEs counted towards the allocation:

- ‘(...) We would therefore like the OfS to reflect on whether the minimum reward is better to be increased than the FTE eligibility, arguing that those smallest providers could make use of the additional funding more so than the larger providers and therefore we would prefer that this £250k limit is increased rather than the eligible FTE allocation’.

50. One respondent raised a point around the inability of postgraduate-only institutions to cross-subsidise postgraduate taught activities from undergraduate income and the consequent need for extra funding. They also expressed a concern with paragraph 25 with regards to funds from UKRI to specialist providers:

- ‘The rationale given for the proposed reduced minimum amount seems to rest on the mistaken belief that the previous HEFCE allocation was in respect of research and teaching (it was not) and that Institutions who are [in] receipt of the new Research England Special Institutional funding could use this to cross subsidise teaching (they cannot) (...) Whilst support for postgraduate research activity is possible, providers using these SPE [‘specialist provider element’ from Research England] monies to cross-subsidise their taught courses, or to meet the cost of meeting the regulatory requirements of higher fee-cap status, would – in effect – be misusing public funds’.

OfS response and decisions

51. We recognise the broad balance between respondents who agreed and those who disagreed with our proposed reduction to the minimum allocation. The reasons for disagreement were also mixed between those who argued there should be no minimum, and those who argued the minimum should be set at a higher level than we proposed. There also appeared to be an occasional misunderstanding of what a minimum allocation represented. Our proposal was that all providers identified as world-leading would receive specialist provider funding that was not less than the minimum, as opposed to meaning that if a provider’s formula allocation was less than the minimum, it would receive nothing (as applies in the formula capital funding method).

52. Also evident in the responses was a variety of expectations about what types of providers might benefit from a minimum allocation, which may have given rise to more principle-based responses. In general, the types of providers that would benefit from a minimum allocation are likely to be those both with few OfS-fundable taught students and also a low rate of grant in the formula because of their overall size (based on their income). This category applies primarily to postgraduate-only providers that have significant research activity, but only a relatively small number of taught students.

53. The arguments put forward by respondents were finely balanced. In light of the comments received, we have decided to keep the minimum allocation at the level that applied up to 2020-21 (£500,000), rather than reduce it to £250,000.

Question 3: To what extent do you agree that the OfS should not provide transitional funding in 2022-23 to world-leading specialist providers that have a significant reduction to specialist provider funding compared with 2021-22 as a result of the funding formula?

54. In summary, our consultation explained the purpose of transitional funding as being to ensure that any significant reductions to world-leading specialist provider funding between 2021-22 and 2022-23 are manageable for the providers concerned. We were open to the possibility of providing transitional funding if a provider previously in receipt were to be assessed by the Specialist Provider Panel as not being world-leading and would discuss the case for this separately with any such provider. However, we did not see a case for providing transitional funding where a world-leading specialist provider has a reduction to grant as a result of the application of the funding formula.

55. Of the 26 responses:

- 3 (12 per cent) strongly agreed
- 9 (35 per cent) tended to agree
- 12 (46 per cent) tended to disagree
- 2 (8 per cent) strongly disagreed.

56. Overall, 46 per cent strongly agreed or tended to agree.

57. We received comments from all 26 respondents in response to this question, and a majority of respondents provided extensive comments on the position set out in the consultation document. The main themes identified in these comments were:

- a. Two-thirds of respondents expressed concern at the timing of the funding decisions, due to the delays in the overall review process, and the implications the later confirmation of funding and final decisions could have for both successful and unsuccessful providers if there are reductions in allocations and no or minimal transitional support.
- b. Most respondents agreed that some form of transitional funding should be provided, although about a quarter of respondents argued that no transitional funding should be provided for unsuccessful providers or, if it were to be provided, then only in exceptional circumstances (not specified). A little under half of respondents commented that some transitional support should be provided for unsuccessful providers. One respondent commented that, 'We therefore believe that any provider currently in receipt of specialist funding whose funding allocation is reduced wholly as a result of monies being spread more thinly, should be eligible for consideration of transitional funding to protect the student experience whilst adjusting to a sudden loss in assumed income. The release of any transitional funding applied during the period could be used to increase allocations to providers in receipt of specialist funds towards meeting inflationary cost pressures that will be faced during the fixed period of funding'. Another respondent commented that, 'If any reduction in funding is substantial in proportionate terms then we do not agree that transitional funding should be restricted to those current recipients who are no longer eligible under the new arrangements'.

58. There was a distinction in responses between providing transitional funding for any successful providers that might receive a reduction in their allocation, and for unsuccessful providers which had previously been in receipt of this funding, but which may now lose the entire funding stream. One respondent also drew a distinction between smaller and larger providers, where the former may be proportionately more affected by a reduction in funding and thus where some transitional support could justifiably be provided: 'For larger providers who are no longer assessed as world-leading we do not think transitional funding is necessary as the funding is not as significant to their finances overall (again 10% of overall annual income might be a useful threshold). Finally, we think there is a fifth scenario that has not been addressed in the document whereby funding is impacted by a reduction in the value per student, which could occur due to new entrants or other formula changes. For small world-leading specialists this could be material to their finances overall, and we believe transitional funding would be necessary for them in this scenario as it would put their activities at risk, particularly as the academic year will already have started when funding is announced.'
59. Another respondent commented, 'Transitional levels of funding should however be used to mitigate significant reductions in funding for world leading institutions, for example where the funding settlement is c£500k or more below current levels. At this late stage, all institutions have set budgets and student numbers for 2022/23 – and assumptions about World Leading Specialist Funding will have been included within this, most likely at a similar level to previous awards. If this funding is suddenly removed, it is too late for institutions to look to other ways to address the gap this will leave in budgets, and it will inevitably lead to cuts in student services and experience to ensure financial stability. This will have the effect of threatening the facilities and teaching that make these institutions world-leading. Therefore transitional funding should be applied for 2022/23 (and potentially 2023/24 if reductions are £2m or more), to allow institutions the time to plan for and seek replacement income streams'.
60. There was disagreement between respondents over the distribution and source of any transitional funding:
- a. Two-thirds of respondents commented that there is now a very high risk of significant in-year reductions to grant when providers, both successful and unsuccessful through the process, have already committed their budgets to deliver higher cost courses and more expensive types of provision. Respondents commented that commitments have already been made to students and staff for the current academic year, and there are legal obligations to meet under consumer protection law. There was general concern across the responses that all providers may suffer some form of financial difficulty, with insufficient time to plan for any loss of specialist funding – particularly if no, or very limited, transitional funding is provided. One respondent commented, 'Notification of the panel's provisional decision was shared a week before the 21/22 funding ended. Providers are now working in a financial year where a significant income stream could be reduced or stopped, although the provider has committed to the specialist provision for which the funding was needed. Whilst recognising the challenge of a limited pot of funds, this makes a strong case for transitional funding for both reduced provision and no further provision'.
 - b. A little over a third of respondents commented that successful providers from the previous review should not receive reduced funding for their new allocation, for example if the number of successful providers increases in this current review and affects the overall amount of funds available for distribution. One respondent commented, 'As an overriding

priority, we consider that world-leading providers with an existing allocation who have again demonstrated their pre-eminent status should not see a material reduction in their specialist funding. This would be a perverse outcome, damaging and inequitable for students and working against policy intentions to strengthen the specialist sector. The formula should be designed at least to maintain current allocations in cash terms, and thereafter to address any significant disparity in the unit of funding per student within income bands’.

- c. About a third of respondents advised that a de minimis threshold should be applied for any transitional funding. However, there was no agreement on a de minimis percentage or amount. One respondent suggested a de minimis level if, ‘the loss of this funding is very significant (if their current WLSP funding is, say, more than 10% of their overall annual income)’.
- d. About one-fifth of respondents commented that any transitional funding should be dealt with and provided separately and not taken from the specialist funding pot – so as to ensure maximum funding is available for the successful providers.
- e. A small number of respondents suggested using the £5 million funding currently unallocated from 2020-21 for transitional funding.

61. Specific concerns were expressed by providers that previously received specialist provider funding indirectly as part of another provider, but which would now be treated as new providers. Their concern was that, if successful, they could receive smaller funding allocations compared with other previously successful providers, or, if unsuccessful, could lose out on any transitional funding as a consequence of their revised status as independent providers.
62. One respondent commented that providers have had ample time to prepare for this review process and should not have assumed anything with regards to this funding stream for 2022-23, so any transitional funding should be applied very carefully (for example, to offer routes to sustainability for any providers no longer considered to be world leading for the purposes of this process): ‘We agree with the comment that providing more through transitional funding, to providers who have been benefiting for many years from this funding, means that less would be available for other world leading providers. This is not desirable and is an important principle for the OfS to consider. Fundamentally, if a provider is no longer world leading, they should not receive world leading funding. We would be supportive of some transitional funding for a limited time period for providers no longer assessed as world leading to ensure their sustainability but not at the expense of others who are assessed as world leading. In reality, there has been sufficient time for providers to plan for scenarios that included losing this additional funding stream which should not simply have been taken for granted. We agree that there is no case for transitional funding where a provider has a reduction to grant as a result of the application of the funding formula’.

OfS response and decisions

63. We recognise the mixed views of respondents on the provision of transitional funding for providers that have significant reductions to specialist provider funding, either as a result of not being assessed as world-leading by the panel, or through the effects of the funding formula (which we would consider includes any implications of more providers becoming eligible for specialist provider funding).

64. The need for transitional funding has been hypothetical until decisions on the world-leading status of providers and the funding formula have been finalised. Now that these decisions have been made, it is apparent that few providers will have a reduction to specialist provider funding and therefore the case for transitional funding is limited.
65. One provider has a modest reduction to specialist provider funding as a result of the application of the formula and the setting of the minimum allocation at £500,000. We do not see a case for transitional funding in this case.
66. We accept that there is a case for transitional funding for providers that were previously in receipt of specialist provider funding in 2021-22 – either directly or indirectly as part of a larger provider – but which are not eligible for 2022-23. We have written to these providers to invite them to set out their need for transitional funding over time, reflecting their own particular circumstances, and to gain assurance about how such funding will be used.

Question 4: Are there aspects of the proposals you found unclear? If so, please specify which, and tell us why.

67. Of the 26 responses:

- 11 (42 per cent) answered yes (there were aspects of the proposals that were unclear)
- 14 (54 per cent) answered no
- 1 (4 per cent) did not know or preferred not to say.

68. About a third of respondents thought that question 1 was not completely clear, in particular in relation to paragraph 20c and price groups. Comments included:

- ‘As mentioned in our response to Question 1, the proposals in paragraph 20c are still unclear as to what is intended by “complements” and what this would actually mean in terms of per FTE allocations.’
- ‘As noted in our answer to question 1 above, we felt that paragraph 20c was a little unclear in relation to different levels of funding for the various price groups:

‘Paragraph 20c indicates that classroom subjects in price groups C2 and D should not be precluded from accessing funding, but is not explicit as to whether they should have a reduced allocation per FTE. This was the intention in the original consultation on the basis that they do not need to incur the level of additional costs as non-classroom subjects in A, B and C1. However if the decision is made to give funding for price groups C2 and D then they should receive a substantially lower amount than the amount for price group C1 that reflects the lower cost to teach.

‘It is also not clear on whether the funding already in place for price groups A and B, which already goes some way to cover their additional costs, would be taken into account through a reduced allocation per FTE to complement the existing funding.’

- ‘We are not clear what the proposal is for different price bands, so we would welcome clarification on that.’

- '[The respondent] welcomes greater clarity on how high-cost subjects would be prioritised for funding, and how subjects classed as C2 or D will receive funding under this model. We would also welcome additional information on how providers can demonstrate a high-cost specialism within specific parameters, such as where the additional high-cost subject areas are taken by students to improve their employability in an industry related to the dominant specialism, for example students studying at a specialist provider in creative arts might undertake courses in digital design, and creative and performing arts (CAH25), media, journalism and communications (CAH24) and computing (CAH11). It is unclear what impact this interdisciplinary approach would have on the funding model.'

69. About a quarter of respondents asked for further clarification on the £5 million available from 2021-2022 and how this funding will be distributed amongst eligible providers. Comments included:

- '[The respondent] would like further clarification about how pro rata will be derived including which data will be used for the distribution of the £5 million available for 2021-22 to any world-leading specialist providers that are not in receipt of a share of the £48 million already allocated.

'Paragraph 36a states: "We proposed to calculate this using the same formula approach as for 2022-23, but that we might need to scale allocations back pro rata if the result sums to more than the £5 million available." We would welcome further clarification on how the funding will be divided amongst the eligible providers. Additionally, what will the prioritisation process be for the allocation [of] funding that is given out on a pro rata basis?'

- 'We were not clear on whether you were consulting on the distribution of £5M outstanding from 2021/22. We do not see the justification for the priority distribution in para 36, in particular for the prioritising of those now judged world-leading, who were not already in receipt of funds – in effect back dating the judgement. Instead, we suggest that it would be more transparent and straightforward to divide the £5M between the world-leading institutions in the same proportion as the funding for 2022 and following.'

70. Some respondents thought that assessing the impact of this new methodology was difficult without detailed information on the number and size of providers. Suggestions were made that a review of the new approach is carried out after one year of implementation or that a different approach of having three funding bands is adopted:

- 'Whilst the consultation provides the rationale for the allocation of funding, without understanding how many providers are in the mix and of what size it is difficult to be confident of the impacts of the methodology.'
- 'Whilst the detail was not unclear, there are still many final decisions to be made which makes it challenging to fully respond given the potential for the unintended consequences/impact of the final allocation. As these final decisions are predicated on knowing the final numbers of providers to distribute to – and their FTE/financial status – we would therefore suggest the OfS considers commissioning a review of the application and impact of the formula after, say, the first year of the new approach.'
- 'Clearly it is difficult to understand the full implications of the proposals until the 'population' size of world-leading specialist providers is known. Whilst the minimum level of funding has

been made clear, it is not possible to understand the likely range of funding, as the maximum level is determined by the upper funding rate and the FTE cap.

‘Responders to this consultation will only have a small portion of the information required to make meaningful proposals. E.g. in the context of a fixed pot of funding, it is folly to suggest increasing the upper funding rate or FTE cap without understanding the affordability of such a proposal. As per our responses to earlier questions, we favour a simpler approach which negates these concerns, where providers are placed into one of three funding bands.’

71. Paragraphs 30 and 33 of the consultation (relating to specialist provider funding beyond 2022-23) were also deemed to be unclear by a small number of respondents in relation to the assessment as world-leading providers:

- ‘We also felt that paragraph 33 was open to interpretation, in particular as to whether world-leading status could be reassessed during the five-year period. While paragraph 30 makes it clear that providers assessed as world-leading will retain that assessment for at least 5 years, we think it is also very important to make it clear that providers who are assessed as “not world-leading” will retain that assessment as well for the full five-year period. We would suggest adding a sentence to make that clear, either in paragraph 30 or 33.’
- ‘The proposals reference current statutory reporting datasets and do not explain the impact of changes relating to Data Futures. The consultation (para. 33) implies that there may be an assessment during the five-year period, despite the statement in para. 30 that “providers assessed as world-leading will retain that assessment for at least five years before being reassessed”. If such an assessment could take place, we suggest that OfS should be explicit now concerning the methodology, criteria (OfS-fundable students or all students), the data source (HESES or HESA Student Record) to determine continued eligibility.’

72. Other themes that emerged were the lack of reference to inflation in the consultation document, as well as the need for further clarification on the analysis of income data and FTE data:

- ‘The proposal also seems silent on how the impact of inflation would be taken into account in future annual or periodic review processes. This is likely to be a major issue going forward, so would welcome clarification on that.’
- ‘Paragraph 24 states: “In some cases, we do not have three years of income data or FTE data. In these circumstances we will use an average derived from the years within the relevant time period shown in Table 1 (column 3) for which we do have data. For some, this could be data for a single year.” For [representative body] members without access to HEFCE funding, the initial OfS registration process was significantly delayed. Some also chose to apply for registration in the Approved category initially and move to ‘fee cap’ at a later date. Covid-19 financial submission concessions further delayed or impacted this data and the data available is unlikely to reflect their ongoing projections. It is not clear how either scenario will be accounted for in the calculations. References above to the variability of small provider data are of particular concern here – it is unclear how data from a single year can be made equivalent to an average of multiple years of FTE or income data. We are especially mindful of FTE fluctuations due to the Covid-19 pandemic; these will be magnified in a single year intake.’

73. Finally, one respondent thought that the framing of question 3 was confusing.

OfS response

67. We acknowledge that some respondents wanted greater clarity about how a funding method for specialists would 'complement' funding provided through the main high-cost subject funding method, but believe paragraph 20c of our consultation was unambiguous in beginning: 'The funding formula should not apply different rates of grant for FTEs in different price groups.' See also the OfS response in paragraph 31 to the comments made on the approach to different price groups.
68. On the £5 million that remained to be distributed for 2021-22, the prioritisation of this funding was considered as part of our earlier consultation in October 2021.²¹ There was strong endorsement for our proposals from respondents to that consultation, summarised in the invitation to bid publication (Annex D, paragraphs 223 to 238).²² Our consultation in July 2022 confirmed the decision taken in the light of that consultation, which we are now implementing.
69. We appreciate that providers could not necessarily understand the funding implications for them in the absence of modelling illustrating a possible funding distribution. That has not been possible in the absence of final decisions on which providers meet the criteria to be world-leading, necessary to allow us to finalise the parameters of the method. This may have facilitated more principle-based responses, albeit we recognise that provider responses are likely to reflect how they perceive they may be affected financially.
70. On funding for specialist providers beyond 2022-23, we accept that our recent consultation could usefully have repeated the eligibility position for specialist providers that have not been identified as world-leading by the Specialist Provider Panel. This had been set out in the invitation to bid document, which stated (in paragraph 48): 'Unless a provider is successful under this year's exercise, it will not be able to access funding for world-leading specialist providers until the next assessment point.'
71. We did not refer explicitly to inflation in our consultation, but made clear that 'the overall level of funding available for this allocation in any year will be subject to affordability, depending on the overall teaching funding made available to the OfS from government.' That remains the case.

²¹ See: www.officeforstudents.org.uk/publications/consultation-on-an-approach-to-world-leading-specialist-provider-funding/, paragraphs 72 and 73 and Question 14.

²² See: www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/.

72. Where we do not have three years of income data or FTE data, we do not consider it unreasonable or unfair to use an average derived from the years for which we do have data, which for some could be data for a single year. However, our consultation also stated that, while our broad intention was to keep allocations fixed during the five-year period, we recognised that 'circumstances may change at providers or in the wider context of higher education finance arrangements collectively (such as in our funding settlement from government and the guidance that accompanies it). We will therefore monitor provider data that is used to inform the funding formula, as this gets updated each year, and will consider the case for calculating allocations afresh in a later year if our monitoring suggests that a redistribution of the total would be appropriate'.



© The Office for Students copyright 2022

This publication is available under the Open Government Licence 3.0 except where it indicates that the copyright for images or text is owned elsewhere.

www.nationalarchives.gov.uk/doc/open-government-licence/version/3/