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14 July 2022

Dear Accountable Officer

## Recurrent grants for 2022-23

I am writing with details of your initial recurrent funding allocations for the academic year 2022-23.

**All information in this letter and associated documents is confidential and subject to embargo until 0001 on Friday 15 July 2022.** This means that neither the letter and associated documents, nor their substance, are to be disclosed to any other person outside the higher education provider or used in the public domain while subject to the embargo.

This letter summarises the main changes to funding from the OfS for 2022-23, compared with 2021-22. Full details are set out in the documents listed in Annex A.

We do not require a reply to this letter.

### Allocations to be announced later

The allocations announced with this letter do not include the following elements of grant:

- a. Funding for world-leading specialist providers. We expect to confirm the distribution of £58 million between providers later in the year, following decisions by the Specialist Provider Panel on submissions received in response to 'World-leading specialist provider funding: outcomes of consultation and invitation to submit'.<sup>1</sup>

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<sup>1</sup> See [www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/](http://www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/).

- b. Funding to support the growth of Level 6 degree apprenticeship training programmes in 2022-23. We expect to confirm the distribution of £8 million for this in February 2023, following signoff of the Higher Education Students Early Statistics survey data for the 2022-23 academic year (HESES22).
- c. Funding to encourage greater provision of Level 4 and 5 qualifications. We similarly expect to confirm the distribution of £8 million for this in February 2023, following signoff of the HESES22 data.
- d. Funding set aside for emerging priorities. This funding of £5 million will be distributed by 31 March 2023, having regard to any government guidance on priorities.
- e. Funding to support Ukrainian nationals and Ukrainian-domiciled students financially affected by the recent events in Ukraine. This funding, totalling £4 million, was announced in June 2022, but is allocated for the financial year 2022-23, hence not included in grant tables for the academic year 2022-23.<sup>2</sup>

To set budgets for the 2022-23 academic year, we have had to make assumptions about the funding that might be available for the 2023-24 financial year, because of the overlap from April to July 2023 between the two. Changes to government grant or our assumptions may mean that we have to revise allocations later in the year.

Only providers that have successfully joined the OfS Register in the Approved (fee cap) category by 1 July 2022 will receive allocations in this grant announcement. We will make further recurrent funding allocations to providers that are registered in this category after this date and before the end of the academic year (31 July 2023). We will not reduce the announced allocations to extend funding to providers that join the OfS Register later in the year.

### **Recurrent grant budgets for 2022-23**

'Funding for 2022-23: OfS decisions' (OfS 2022.28) set out the decisions we have taken on the approach to funding for 2022-23. These decisions follow the 2022-23 financial year guidance letter of 31 March 2022 from the Secretary of State for Education and Minister of State for Higher and Further Education, which announced the strategic priorities grant funding available to us. It provides information on budgets and rates of grant for different elements of our formula allocations. We will publish in the autumn an updated version of our guide to funding for 2022-23.

Our total recurrent budget for providers for 2022-23 of £1,347 million is an increase of £70 million (5.5 per cent) compared with the total announced for 2021-22 in February 2022. Within the overall budget:

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<sup>2</sup> See [www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/](http://www.officeforstudents.org.uk/publications/distribution-of-funding-to-support-ukrainian-students/).

- a. The various elements of funding that support high-cost courses increase overall by £74 million (8.2 per cent), from £900 million to £974 million:
  - i. The largest element of this, high-cost subject funding, has increased by £62 million (8.1 per cent to £817 million. Within this, the rates of funding for subjects in price groups A, B and C1.1 have increased by 4.75 per cent (1.2 per cent in real terms), while the rate of funding for price group C1.2 has been maintained in real terms.
  - ii. The rates of funding for the nursing, midwifery and allied health supplement and the budget for the very high-cost science, technology, engineering and maths (STEM) subjects allocations have been maintained in real terms (an increase of 3.51 per cent in cash terms).
  - iii. We are maintaining rates of grant in cash terms for the allocations for overseas study programmes, postgraduate taught supplement, intensive postgraduate provision and accelerated full-time undergraduate provision. The budgets for other targeted allocations have been maintained in cash terms.
- b. Funding for student access and success has reduced overall by £3 million (1 per cent) from £313 million to £310 million. Within the total, we have:
  - i. Reduced funding for Uni Connect by £10 million (-25 per cent).
  - ii. Maintained in cash terms the overall budgets for the premium to support successful student outcomes (full-time), the premium to support successful student outcomes (part-time) and the disabled students' premium. We are also no longer specifying that a portion of these three allocations should be designated to address student hardship.
  - iii. Maintained the overall funding for the student premium to support students transitioning into higher education and mental health at £15 million.<sup>3</sup>

## **2022-23 recurrent grant changes for higher education providers**

Changes to the grants announced in this letter for individual providers compared with 2021-22 arise for two reasons:

- a. Changes to OfS budgets for 2022-23. The most significant contributory factor for individual providers is the increase in the proportion of funding provided through the main high-cost subject funding allocation.
- b. Changes in student numbers at each provider relative to all others. In broad terms, providers whose student numbers have not increased as much as the sector average are likely to

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<sup>3</sup> For 2021-22, this funding comprised £12 million allocated by formula and £3 million allocated as part of the funding for national facilities and regulatory initiatives.

receive a reduced share of the total funding. This will, however, depend on their mix of students between different types of courses and student characteristics.

### **Further information and requests for changes**

While we do not require a reply to this letter, providers may wish to request changes to allocations. The technical guidance provides further details and deadlines that apply. The main reasons for possible changes are:

- a. Appeals relating to the targeted allocation for very high-cost STEM) subjects.
- b. Amendments to data submitted by providers. We expect to accept data amendments only to correct errors that are widespread, significant and have a material impact on our use of the data.<sup>4</sup> We may also accept amendments to data without recalculating funding. In the exceptional circumstance that we are prepared to accept data amendments for funding purposes, we will update the provider's grant tables to reflect changes to funding.
- c. Other reasons such as transfers of provision between providers, mergers or other changes to a provider's status in the Approved (fee cap) part of the OfS Register.

We can provide informal advice about the effects of any data changes, transfers or mergers to aid planning. If you wish to discuss this, or have any questions about your allocations, please contact [recurrentgrant@officeforstudents.org.uk](mailto:recurrentgrant@officeforstudents.org.uk).

Yours sincerely

**Nolan Smith**  
**Director of Resources and Finance**

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<sup>4</sup> Providers should consult the OfS website for guidance on amendments to data. See [www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/](http://www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/).

## Annex A

### Documents and tables accompanying this grant announcement

1. Detailed information related to allocations for 2022-23 are released alongside this letter on the OfS portal ([extranet.officeforstudents.org.uk/data](https://extranet.officeforstudents.org.uk/data)) under embargo until 0001 on 15 July 2022.
2. The section '2022-23 Grant tables (Office for Students)' can be accessed via the OfS portal user administrator system. Your provider has at least one nominated user administrator who will be able to give colleagues at your provider access to this section of the portal. Guidance for user administrators can be found on the log-in page of the portal. If you have queries about portal access, please email [portal@officeforstudents.org.uk](mailto:portal@officeforstudents.org.uk). The section contains:
  - a. Your 2022-23 recurrent grant tables. This shows the funding allocated for 2022-23 under different funding streams and a breakdown of the data used to calculate it.
  - b. '2022-23 Recurrent grant: Technical guidance for higher education providers', which explains in detail how the figures in the grant tables have been derived. The technical guidance document is aimed primarily at finance and planning officers.
  - c. 'Recurrent funding for 2022-23' (OfS 2022.37). This provides a summary report on our recurrent grant allocations. When this is published on the OfS website, it will also be accompanied by a separate Excel file (Annex A) which will show the total initial recurrent allocations for each provider. Annex A is not available on the portal.
  - d. 'Terms and conditions of funding for 2022-23' (OfS 2022.38). These apply to the recurrent and capital funding the OfS will distribute to providers that are registered in the Approved (fee cap) part of the OfS Register and supplement the conditions of registration that apply to them.
3. The documents described in 2b to 2d will also be made available on the OfS website from 15 July 2022. In addition, we will publish tables showing the 2022-23 recurrent grant for providers collectively. HESSES21 data submitted by providers is also available on the OfS website.<sup>5</sup>

### Other documents and data to be released later

4. For providers that submitted 2020-21 individualised student data, we will be making available funding data summaries, which will show them how that data has been used to inform funding. Providers will be able to access their outputs from **Friday 15 July 2022** on the OfS portal. The funding data summary outputs contain data that has been used to calculate the 2022-23 student premium allocations, which are shown on Table F of the grant tables. Further information about the funding data summaries is available in '2022-23 Recurrent grant: Technical guidance for higher education providers'.

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<sup>5</sup> See [www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/](https://www.officeforstudents.org.uk/data-and-analysis/data-collection/get-the-heses-data/).

5. We have also published 'Changes to 2022 student data surveys to inform funding: Notification of changes' (OfS2022.35). This document notifies providers of the changes that we intend to make to the 2021 Higher Education Students Early Statistics (HESES21) survey and the Higher Education Students Forecast 2022-23 (HESF22) survey compared with last year. We will alert student data contacts as soon as this is available.
6. We also intend to publish in autumn 2022 an updated 'Guide to funding 2022-23: How the Office for Students allocates money to higher education providers'.