

Office for
Students



Funding for academic year 2022-23

OfS decisions

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Summary

1. This document reports the decisions taken by the Office for Students (OfS) on 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. The letter provided an increase of £66 million to recurrent funding for distribution by the OfS for the financial year (April to March) 2022-23 and a total of £450 million of capital funding to be allocated across the financial years 2022-23 to 2024-25.¹
2. Non-capital grants to be distributed by the OfS for the 2022-23 academic year will total £1,373 million, an increase of £72 million (5.5 per cent) compared with the equivalent budget for the previous year. The total comprises £1,347 million in recurrent grant for providers and £26 million in funding for national facilities and regulatory initiatives. Within the recurrent funding total for providers:
 - a. The total budget available for our funding for high-cost courses has increased by £73 million (8.1 per cent) to £973 million. Within this overall category, high-cost subject funding has also increased by 8.1 per cent to £817 million. This is sufficient to provide an increase to the rate of grant for high-cost subject funding for price groups A, B and C1.1 of 4.75 per cent in cash terms (1.2 per cent in real-terms). We are maintaining the price group C1.2 rate of high-cost subject funding in real terms.
 - b. We are also applying an uplift of 3.51 per cent to maintain, in real terms, the rates of funding for the nursing, midwifery and allied health supplement and the budget for the very high-cost STEM subjects allocation.
 - c. We are maintaining in cash terms the rates of funding for the postgraduate taught supplement and the targeted allocations for intensive postgraduate provision and accelerated full-time undergraduate provision.
 - d. We will provide £8 million for a new allocation to support growth and development in degree apprenticeships. We will also provide a further £8 million for a new targeted allocation to encourage and support Level 4 and 5 provision. This is in addition to funding already provided through other funding streams (such as high-cost subject funding).
 - e. Overall, funding for student access and success reduces to £310 million (a reduction of 1 per cent, due to a 25 per cent reduction in funding for Uni Connect to £30 million). Within this total, we have maintained in cash terms the budgets for the student premiums for full-

¹ The increase of £66 million in recurrent funding comprises:

- £56 million from the Department for Education, the first part of the overall £300 million increase in Strategic Priorities Grant recurrent funding across financial years 2022-23 to 2024-25 announced on 24 February 2022 (see www.gov.uk/government/consultations/higher-education-policy-statement-and-reform)
- an additional £10 million for the expansion of medical student places which started in academic year 2018-19, funded by the Department of Health and Social Care (DHSC).

time and part-time undergraduates and the disabled students' premium. We are also maintaining the overall funding available to support student transitions and mental health.

- f. We are making £4 million available to providers to support hardship faced by Ukrainian students. This funding is to be distributed by providers to their students during the 2022-23 financial year.
 - g. We are increasing the total funding available to support specialist providers by £5 million to £58 million for the 2022-23 academic year.
3. In addition, we are providing £450 million of capital funding across the financial years 2022-23 to 2024-25. This will primarily be distributed through a bidding competition, with a small formula element made to providers that meet threshold criteria. Further detail of our capital allocation process can be found in 'Capital funding for financial years 2022-23 to 2024-25: Formula allocations and invitation to bid' (OfS 2022.19).²
 4. In July, we intend to issue, via the OfS Portal, the recurrent grant letters and tables for 2022-23 for individual providers, together with technical guidance and a summary publication showing allocations for all providers. This information will also be published on our website.
 5. Any questions about this document should be sent to recurrentgrant@officeforstudents.org.uk.

² Available at www.officeforstudents.org.uk/publications/capital-funding-for-2022-23-to-2024-25-formula-allocations-and-invitation-to-bid/.

Background

6. In this document:
 - a. References to 'financial year' mean the 12-month period from 1 April to 31 March.
 - b. References to 'academic year' mean the 12-month period from 1 August to 31 July.
 - c. Comparisons between years of budgets or grant rates in 'cash terms' make no adjustment for the effects of inflation between those years.
 - d. Comparisons between years of budgets or grant rates in 'real terms' take into account the effects of inflation between those years, using the GDP deflators published by the government on 31 March 2022.³
 - e. Figures are normally rounded to the nearest £1 million, except where necessary to avoid showing a figure that would otherwise be rounded down to zero, but allocations to providers and their totals will be rounded to the nearest £1. There are therefore some rounding differences in the document and its tables.
7. The government's strategic guidance letter on funding of 31 March⁴ set out the money available to the OfS for the financial year 2022-23 and the government's priorities. **Table 1** summarises the total non-capital strategic priorities grant available to us for financial years 2021-22 and 2022-23.

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

Financial year	2021-22	2022-23
Funding distributed through Research England	47	48
Recurrent funding distributed by the OfS	1,283	1,349
Total non-capital strategic priorities grant	1,330	1,397
One-off additional recurrent funding for 2021-22 ⁵	10	

8. The total recurrent grant for the year includes £48 million that relates to funds administered by Research England, thus reducing the total available for distribution by us to £1,349 million for

³ See www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp. We have estimated the GDP deflators by academic year (August to July) using $\frac{2}{3}$ of the deflator for the financial year (relating to the eight months from August to March) and $\frac{1}{3}$ of the deflator for the following financial year (relating to the four months from April to July).

⁴ See 'Guidance to the OfS on the Higher Education Strategic Priorities Grant for the 2022-23 Financial Year (March 2022)' available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

⁵ See www.officeforstudents.org.uk/publications/additional-one-off-funding-for-2021-22/.

the financial year 2022-23. The £48 million supports teaching-related knowledge exchange activities through Higher Education Innovation Funding.⁶

9. The guidance letter also made available a total of £450 million of capital grant to be distributed in the financial years 2022-23 to 2024-25. We have published further information on how this will be distributed, including an invitation to providers to bid for funds.⁷
10. This document announces the OfS's decisions, having regard to the government's strategic guidance letter and our duties, on the budgets for and approaches to recurrent grants for providers and for national facilities and regulatory initiatives for academic year 2022-23.

Recurrent funding for the 2022-23 academic year

11. The OfS's funding settlement from government for the 2022-23 financial year provides a cash increase in funding that covers the months April to July 2022 within the 2021-22 academic year, and August 2022 to March 2023 within the 2022-23 academic year. We have already announced our grant to providers for the 2021-22 academic year and do not propose to change those allocations as a result of our funding settlement for the 2022-23 financial year. We expect further increases to the strategic priorities grant in later financial years reflecting the announcement by government of an additional £300 million over the spending review period.⁸ This means that the year-on-year increase to grant is greater for the 2022-23 academic year than the financial year.
12. **Table 2** sets out the non-capital budget that the OfS has set for the academic year 2022-23 and compares it with the 2021-22 budget.

Table 2: Overall non-capital budget for academic years 2021-22 and 2022-23 (£M)

Academic year	2021-22 £M	2022-23 £M
Recurrent funding for providers ⁹	1,277	1,347

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

⁷ See www.officeforstudents.org.uk/publications/capital-funding-for-2022-23-to-2024-25-formula-allocations-and-invitation-to-bid/.

⁸ See www.gov.uk/government/consultations/higher-education-policy-statement-and-reform. The £300 million represents a total across the three financial years 2022-23 to 2024-25 combined, compared with a baseline for the 2021-22 financial year. It excludes additional funding provided through the Department of Health and Social Care to support increases in medical student numbers.

⁹ For 2021-22, includes the one-off additional £10 million of recurrent funding noted in Table 1.

Academic year	2021-22 £M	2022-23 £M
National facilities and regulatory initiatives	25 ¹⁰	26
Total non-capital grant distributed by the OfS	1,301	1,373

Funding for national facilities and regulatory initiatives

13. We aim to distribute as much as possible of the funding for core higher education activity through the recurrent grant to providers. However, a small proportion of our funding is provided for specific purposes and to promote change that cannot easily be achieved through other routes. **Table 3** shows how the budgets that comprise this funding have changed between the academic years 2021-22 and 2022-23.

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

	2021-22 budget	2022-23 budget
Provision of student information ¹¹	3.0	3.0
Challenge competitions ¹²	11.3	2.8
Supporting preparation for the Lifelong Loan Entitlement (LLE)	0	10
Jisc	8.7	10.2
Professional and operational services	1.5	0
Total	25.0	26.0

Recurrent funding for providers

14. **Table 4** summarises the recurrent grant budgets for academic year 2022-23, separated by funding stream, and provides a comparison with the figures for academic year 2021-22.

¹⁰ The 2021-22 academic year budget for national facilities and regulatory initiatives was originally set at £21 million. We increased it during the year by providing a greater proportion of funding for Jisc (www.jisc.ac.uk/about) as recurrent, rather than capital, funding. This was possible using recurrent funds released by underspends against other budgets and following data audit and reconciliation work. This enabled us to provide more funding to providers than originally planned through the capital bidding exercise for 2021-22. See www.officeforstudents.org.uk/publications/capital-funding-announcement-2021-22/.

¹¹ This includes the annual cost of running the National Student Survey. It also funds Discover Uni (discoveruni.gov.uk/) which is the official, authoritative source of information and guidance on higher education in the UK and is designed to support prospective students in deciding whether, where and what to study.

¹² See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/funding-competitions/.

Table 4: Recurrent grant budgets for academic year 2022-23 (£M)

Elements of recurrent grant	2021-22 budget	2022-23 budget	Percentage change to budget
Funding for high-cost courses	900	974	8.2%
Of which:			
High-cost subject funding: price groups A to C1.1	737	799	8.4%
High-cost subject funding: price group C1.2	18	18	-2.8%
Nursing, midwifery and allied health (NMAH) supplement	27	31	14.0%
Very high-cost STEM subjects	24	25	3.5%
Overseas study programmes	28	23	-19.3%
Degree apprenticeships	-	8	New
Level 4 and 5 provision	-	8	New
Postgraduate taught supplement	8	9	20.3%
Intensive postgraduate provision	33	28	-13.3%
Accelerated full-time undergraduate provision	3	3	-10.7%
Clinical consultants' pay	16	16	0.0%
Senior academic general practitioners' pay	1	1	0.0%
NHS pensions scheme compensation	5	5	0.0%
Funding for student access and success	313	310	-1.0%
Of which:			
Premium to support successful student outcomes: Full time ¹³	154	154	0.0%
Premium to support successful student outcomes: Part time	67	67	0.0%
Disabled students' premium	41	41	0.0%
Premium for student transitions and mental health	12	15	25% ¹⁴
Additional funding for Ukrainian student hardship	-	4	New
Uni Connect	40	30	-25%
Funding for specialist providers	53	58	9.4%
Specialist institutions	53	58	9.4%
Funding set aside for emerging priorities ¹⁵	-	5	New

¹³ The funding for the three student premiums for 2021-22 incorporates the sums attributable to the £5 million allocated in that year to address student hardship.

¹⁴ Overall funding for student transitions and mental health is maintained at £15 million. For 2021-22, this comprised £12 million allocated by formula and £3 million allocated as part of the funding for national facilities and regulatory initiatives.

¹⁵ We will distribute this funding by 31 March 2023, having regard to any government guidance on priorities. See 'Emerging priorities' in the government guidance letter of 31 March 2022 on the strategic priorities grant, available from www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

Elements of recurrent grant	2021-22 budget	2022-23 budget	Percentage change to budget
Total recurrent grant	1,267	1,347	6.4%
One-off recurrent funding for high-cost subjects for 2021-22	10	0	-100%
Total recurrent grant including one-off sums	1,277	1,347	5.5%

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

15. **Table 4** shows the percentage change to each budget in cash terms, but changes to the rates of grant per full-time equivalent student (FTE) will differ according to how student numbers counted towards each allocation have changed. Paragraphs 17 to 33 provide further detail of the changes for different elements of grant.

Changes to student numbers counted for funding

16. **Table 5** summarises changes to the FTEs counted for OfS funding purposes for the 2021-22 and 2022-23 academic years.¹⁶ While there is a small reduction to the total student numbers we count, there are increases in the more expensive subject areas, particularly in price group A, which attracts much higher rates of high-cost subject funding than others.

Table 5: Changes to student FTEs counted for funding for the 2021-22 and 2022-23 academic years

Price group	FTEs for 2021-22	FTEs for 2022-23	Difference
A	28,900	31,732	2,832
B	273,745	270,922	-2,823
C1.1	119,801	125,462	5,661
C1.2	150,521	141,753	-8,768
C2	257,045	256,072	-973
D	475,594	476,411	817
Total	1,305,606	1,302,351	-3,255

17. While there will always be variation in student numbers from year to year, there are a number of factors that have contributed to the changes to OfS-fundable FTEs between 2021-22 and 2022-23 and which will affect providers in different ways:

¹⁶ The figures for 2021-22 are taken from the summary sector grant tables for the year issued in February 2022 (available from www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/recurrent-funding/technical-guidance-and-funding-data/), but incorporating further adjustments for individual providers. The figures for 2022-23 are the equivalent FTEs that we expect to count in our initial allocations for the year, but may be subject to change as a result of, for example, changes to providers' registration status, data amendments and transfers.

- a. There are reductions arising from the withdrawal of home fee status for some EU students starting courses in 2021-22 or later.¹⁷
- b. There has been increased demand from UK applicants, reflecting increases in the population of 18-year-olds, as well as greater numbers meeting the terms of their offers (following the use of centre- and teacher-assessed grades for A-Levels and other Level 3 qualifications in the last two summers).¹⁸
- c. Increases in price group A that we expect to count for 2022-23 reflect the effects of both planned and unplanned increases to pre-registration medicine and dentistry courses since 2018-19 (see paragraph 19).
- d. We have incorporated for 2022-23 an estimate of the number of Ukrainian students who will become OfS-fundable following the government's decision to grant home fee status to those in the UK under the three schemes available to them.¹⁹

Funding for high-cost courses

18. Overall, the elements of grant that fund high-cost courses have an average increase to budget of 7 per cent in cash terms.

High-cost subject funding

19. The large majority (84 per cent) of our funding for high-cost courses is allocated through the main high-cost subject funding stream. In line with government guidance, we have increased the sum available to support strategically important subjects in price groups A to C1.1 by £62 million (8.4 per cent). This includes an additional £15.7 million provided to support the planned expansion of pre-registration medical courses implemented from 2017 and a further £7 million for unplanned increases in intakes to pre-registration medicine and dentistry courses in 2020-21 and 2021-22.²⁰ The overall increase to the budget for these price groups, together

¹⁷ 'New eligibility rules for home fee status and student finance for the 2021 to 2022 academic year' (www.gov.uk/government/publications/student-finance-eligibility-2021-to-2022-academic-year) summarises the changes.

¹⁸ The UK population of 18-year-olds is expected to increase by nearly 25 per cent between 2020 and 2030 ('National population projections: 2020-based interim', published by the Office for National Statistics, www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/latest. See Figure 3, and the underlying data). Information on admissions via UCAS in the most recent completed recruitment cycle is available at www.ucas.com/corporate/news-and-key-documents/news/ucas-end-cycle-2021-strong-demand-uk-he-amidst-global-pandemic.

¹⁹ The Education (Student Fees, Awards and Support) (Amendment) (No. 2) Regulations 2022 (Statutory Instrument 2022/534: www.legislation.gov.uk/uksi/2022/534/contents/made) make the changes to student finance arrangements for Ukrainian students that take effect from August 2022. Information on the three schemes for Ukrainians is available at www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-ukraine-scheme. We have estimated an increase to OfS-fundable students of about 1,000 FTEs relating to Ukrainian students, based on individualised student data for 2020-21.

²⁰ The planned expansion of medical courses refers to the phased increase of 1,500 places between 2018-19 and 2020-21 (see webarchive.nationalarchives.gov.uk/ukgwa/20180405121740/http://www.hefce.ac.uk/lt/healthcare/). For 2022-23, this results in an increase of 1,500 students in price group A in all years of study. The unplanned increases in medicine and dentistry in 2020-21 and 2021-22 are those arising from the removal of the intake

with the changes to student numbers that the budget has to support for 2022-23, means that there is a small increase in real terms to the rate of funding per FTE compared with 2021-22.

20. The budget used to support other high-cost subjects in price group C1.2 is reduced by 2.8 per cent as a result of a reduction in student numbers. We are maintaining the rate of funding per FTE in real terms.

21. The combined effect of the budgetary and FTE changes result in the rates of high-cost subject funding shown in **Table 6**. The scaling factor that applies to price groups A to C1.1 for 2022-23 is set at 1.058, an increase in cash terms of 4.75 per cent (1.2 per cent in real terms).

Table 6: Changes to high-cost subject rates of funding for 2022-23

Price group	Funding rate per FTE for 2021-22	Funding rate per FTE for 2022-23	Percentage change
A	£10,100	£10,580	4.75%
B	£1,515	£1,587.00	4.75%
C1.1	£252.50	£264.50	4.75%
C1.2	£121.50	£125.76	3.51%
C2	£0	£0	N/A
D	£0	£0	N/A

Other targeted allocations

22. In the strategic guidance letter on funding of 31 March, the government asked us to ‘continue to prioritise funding towards the provision of high-cost subjects that support the NHS and wider healthcare policy; science, engineering and technology subjects; and specific labour market needs’. Reflecting this, we are maintaining in real terms the rates of grant allocated through the nursing, midwifery and allied health supplement, with an uplift of 3.51 per cent compared with 2021-22. **Table 7** summarises those rates of grant per FTE. Due to an increase in the number of student FTEs recorded in 2021-22, this has increased the overall budget for the supplement by 14 per cent.

target cap in 2020-21, and the temporarily higher cap that was reinstated for 2021-22 following the use of centre-assessed grades for A-Levels and other Level 3 qualifications over the last two summers. We are funding an additional 714 places relating to the higher 2020-21 intakes and 799 places relating to the higher 2021-22 intakes compared with the levels previously planned. The extra cost for 2022-23 arises as 782 of these students progress into the clinical years of study and thus move from price group B to price group A.

Table 7: Price groups and rates of funding per FTE for the nursing, midwifery and allied health supplement

Profession	Price group	Rate of funding per undergraduate FTE (£)	Rate of funding per postgraduate FTE (£)
Dental hygiene	A	0	0
Dental therapy	A	0	0
Dietetics	B	82.29	806.86
Midwifery	B	82.29	806.86
Nursing – adult	C1	220.74	945.31
Nursing – children	C1	427.76	1,152.33
Nursing – learning disability	C1	427.76	1,152.33
Nursing – mental health	C1	220.74	945.31
Nursing – unclassified	C1	220.74	945.31
Occupational therapy	B	82.29	806.86
Operating department practice	B	82.29	806.86
Orthoptics	B	3,705.14	4,429.71
Orthotics and prosthetics	B	3,705.14	4,429.71
Physiotherapy	B	82.29	806.86
Podiatry	B	1,324.41	2,048.98
Radiography (diagnostic)	B	1,324.41	2,048.98
Radiography (therapeutic)	B	1,324.41	2,048.98
Speech and language therapy	B	289.31	1,013.88

23. We are also providing an uplift of 3.51 per cent to the budget for the very high-cost STEM subjects targeted allocation, to maintain this in real terms. The allocations for providers for this element of grant will provide the same uniform uplift compared with 2021-22.

24. We are maintaining in cash terms the rates of funding for several targeted allocations, as set out in **Table 8**. Changes to the student FTEs underlying each allocation result in changes to the overall budgets for each allocation, which are also noted in the table.

Table 8: Rates of funding for other targeted allocations

Allocation	Rate of grant per FTE for 2022-23	Percentage change to budget
Overseas study programmes ²¹	£2,315	-19.3%
Postgraduate taught supplement ²²	£1,023.08	+20.3%
Intensive postgraduate provision ²³		-13.3%
Price group B	£895.75	
Price groups C1.1, C1.2 and C2	£684.99	
Accelerated full-time undergraduate provision ²⁴		-10.7%
Price group B	£1,149.77	
Price groups C1.1, C1.2 and C2	£879.24	
Price group D	£676.34	

Funding for degree apprenticeships and Level 4 and 5 provision

25. The guidance letter provided specific funding for two new priority areas:

- £8 million to accelerate the growth of degree apprenticeships
- £8 million to encourage greater provision of Level 4 and 5 qualifications.

26. As these funding streams are designed to encourage and support growth of new provision in the sector, we will need to collect data on 2022-23 student numbers to calculate provider allocations. To minimise the burden on the sector, this data will be collected as part of the HESES data return in winter 2022. Individual allocations will be announced to providers

²¹ The targeted allocation for Overseas study programmes supports the costs to providers of participation in student exchange programmes with overseas providers. This includes the government's Turing scheme (www.turing-scheme.org.uk/), which was introduced from 2021-22, as well as other exchange programmes established by providers. The OfS funding contributes to the costs to providers of supporting both for their own students studying abroad and their teaching of incoming exchange students.

²² The postgraduate taught supplement applies to postgraduate students in price groups A, B, C1.1, C1.2 and C2 that are on courses for which neither masters loans nor loans under the undergraduate student support arrangements are available. It does not apply to courses in price group D, where course fees are generally expected to meet costs.

²³ The targeted allocation for intensive postgraduate provision applies to postgraduate students in price groups B, C1.1, C1.2 or C2 who are studying for at least 45 weeks in the year full-time, or the equivalent part-time. It does not apply to courses in price group A, where the intensity of study is already reflected in the high-cost subject funding rate, or to postgraduate taught provision in price group D, where course fees are generally expected to meet costs.

²⁴ The targeted allocation for accelerated full-time undergraduate provision applies to undergraduate students in price groups B, C1, C2 or D who are studying for at least 45 weeks in the year full-time.

following sign-off of the HESES22 data in February 2023. These allocations will be calculated on the following basis:

- a. **Degree apprenticeships.** The purpose of this funding is to support activities related to growth and development of Level 6 degree apprenticeship training programmes in 2022-23.²⁵ This includes:
 - i. The development of new degree apprenticeship training, including:
 - developing new programmes.
 - refreshing existing programmes to better meet the needs of the labour market and the Institute for Apprenticeships and Technical Education (IFATE)'s Degree apprenticeship reforms.²⁶
 - ii. The upskilling of academic and non-academic staff in delivering degree apprenticeships, including on the specific knowledge, systems and processes, and delivery models and mechanisms which underpin effective degree apprenticeship delivery.
 - iii. Growing a pipeline of new degree apprenticeship vacancies through:
 - research and intelligence-gathering to identify current and future local skills needs
 - forming employer and skills body partnerships with whom new training content is developed
 - ensuring the alignment of degree apprenticeship provision with local employer needs, and progression from existing and future Level 3-5 provision including apprenticeships, T-Levels and Higher Technical Qualifications.

Funding will be allocated based on the number of new entrants to Level 6 degree apprenticeship training programmes in 2022-23, and we will provide higher rates of grant where HESES data shows that these numbers have increased compared with a provider's individualised student data²⁷ for 2021-22.

- b. **Level 4 and 5 provision.** Funding will be provided at a uniform rate reflecting the numbers of students in all years of study on courses leading to a qualification at Level 4 or Level 5. This does not include students aiming for credit at level 4 or 5, but without the stated aim of a Level 4 or 5 qualification.

²⁵ Excluding any activity that is already an eligible cost under ESFA's apprenticeships funding rules www.gov.uk/guidance/apprenticeship-funding-rules.

²⁶ See www.instituteforapprenticeships.org/about/newshub/news-events/full-steam-ahead-with-degree-apprenticeship-reforms-following-strong-consultation-support/.

²⁷ This will be either the HESA student record (<https://www.hesa.ac.uk/collection/c21051>), HESA student alternative record (<https://www.hesa.ac.uk/collection/c21054>) or individualised learner record ([Individualised Learner Record \(ILR\) technical documents, guidance and requirements \(submit-learner-data.service.gov.uk\)](https://www.data.service.gov.uk)), depending on the provider.

Funding to improve access and support successful student outcomes

27. **Table 4** shows the changes to 2022-23 budgets for the funding allocations provided to improve access and support successful student outcomes.
28. We have maintained in cash terms the overall budgets for the premium to support successful student outcomes (full-time), the premium to support successful student outcomes (part-time) and the disabled students' premium. With regard to the priorities set out in the government's guidance letter, we will also no longer specify a portion of these three student premiums as designated to address student hardship arising from the COVID-19 pandemic.
29. We are allocating £15 million for the premium for student transitions and mental health. This maintains overall funding for this priority area in cash terms compared with 2021-22, albeit in that year we provided £12 million through the premium and £3 million as part of the funding for national facilities and regulatory initiatives. The twin aims of this formula funding are to give additional support to students transitioning from school or college to university and for universities and colleges to develop effective joint working between their student support services and local NHS mental health services, to ensure students are referred quickly and appropriately. These partnerships should bring together the appropriate skills, experience and expertise to meet the needs of students. There will be further guidance available in July 2022 to support this activity.
30. We have reduced the overall budget for the Uni Connect programme by 25 per cent, to £30 million. We notified Uni Connect partnerships of their allocations for academic year 2022-23 on 29 April 2022.
31. We are making available to providers £4 million to support Ukrainian nationals and Ukrainian-domiciled students. The funding must be distributed to these students within the 2022-23 financial year. We announced an initial distribution of £2 million on 28 April 2022,²⁸ which was paid at the beginning of May 2022 to providers that reported at least five Ukrainian students in their individualised data returns for 2020-21. We have now collected further data from the sector on the number of Ukrainian students attending providers in academic year 2021-22 and are distributing the full £4 million to reflect these numbers, with payment being made in June 2022. Regulations have come into force to extend access to higher education student support, home fee status, tuition fee caps, Advanced learner loans and FE19+ funding for those who are granted leave under one of the three schemes for Ukrainians introduced recently by the Home Office.²⁹

Funding for specialist providers

32. We have increased the overall budget for our funding for specialist providers by 9.4 per cent to £58 million. At the time of publication, we are undertaking a review to identify which providers

²⁸ See www.officeforstudents.org.uk/publications/funding-to-support-ukrainian-students/.

²⁹ See: www.legislation.gov.uk/uksi/2022/534/contents/made.

meet criteria to be deemed world-leading and so are eligible to receive this funding stream.³⁰ We expect this review to conclude shortly. We will consult further with the providers identified as world-leading in July on our approach to distributing this funding for 2022-23, and about the £5 million that remains to be distributed for academic year 2021-22. However, we do not expect to confirm final funding decisions in time for our July announcement of recurrent grant for providers.

Funding in preparation for the Lifelong Loan Entitlement

33. The guidance letter outlined £10 million in funding to increase the amount of skills provision at Level 4 to 6 in preparation for the launch of the Lifelong Loan Entitlement from 2025. We have made provision for this as part of our funding for national facilities and regulatory initiatives. We are currently exploring options for allocating this funding to best meet this aim and will provide further details over the coming months.

Overall impact of changes to grant for academic year 2022-23

34. The outcomes for individual providers for academic year 2022-23 will be variable, because these depend not just on changes to our budgets and rates of grant, but also on the outcomes of the review of specialist provider funding and how student numbers in different categories at each provider have changed relative to all others. Each provider is competing for a share of our funding through its ability to recruit and retain students.

35. **Table 9** summarises the changes to the average unit of recurrent funding per full-time equivalent (FTE) student in the period 2018-19 to 2022-23. The unit of funding is calculated by dividing the recurrent funding for providers and Uni Connect by the total fundable FTEs counted in the formula allocations for the relevant year.³¹ This information shows a modest improvement of 2.3 per cent to the unit of funding compared with 2021-22, but that it is still below the level of previous years.

³⁰ See www.officeforstudents.org.uk/publications/world-leading-specialist-provider-funding-outcomes-of-consultation-and-invitation-to-submit/.

³¹ The recurrent budget totals include one-off sums of £83.3 million for 2020-21 relating to student hardship and £10 million for each of 2020-21 and 2021-22 for additional student numbers. The one-off allocations for 2020-21 are shown in Annex A (updated October 2021) of recurrent funding for 2020-21 (www.officeforstudents.org.uk/publications/recurrent-funding-for-2020-21/). The one-off allocation for 2021-22 was announced in www.officeforstudents.org.uk/publications/additional-one-off-funding-for-2021-22/.

Table 9: Changes to the average unit of OfS funding for providers for academic years 2018-19 to 2022-23

	Total recurrent budget (£ millions)	Total fundable FTEs	Unit of funding: Cash terms	Unit of funding: Real terms (2021-22 prices)	How the 2022-23 unit of funding compares in real terms to earlier years
2018-19	1,290	1,147,863	£1,124	£1,210	-17.4%
2019-20	1,303	1,200,151	£1,086	£1,130	-11.6%
2020-21	1,351	1,222,683	£1,105	£1,112	-10.1%
2021-22	1,277	1,305,606	£978	£978	2.2%
2022-23	1,347	1,302,351	£1,034	£999	

Recurrent grant announcements to providers

36. We intend to announce in July 2022 our initial allocations of recurrent grant for academic year 2022-23 for providers registered with us in the Approved (fee cap) category. As noted in paragraph 32, we do not expect this announcement to include allocations of specialist provider funding. We will ensure that those specialist providers identified as world-leading through the current review process have a basis on which to plan financially, and that there is no hiatus in the payment of grant to them from August 2022, before we confirm final specialist provider funding allocations for them.
37. Subject to providers meeting all eligibility criteria for funding and our having sufficient funding available, we will make further recurrent funding allocations to providers that become registered in the Approved (fee cap) category after July 2022 and before the end of the academic year (31 July 2023), and will make budget provision for this purpose. Such grants will be reduced pro rata to reflect the number of days in the 2022-23 academic year before a provider becomes registered in this category. We will not reduce allocations already announced to providers in order to extend funding to newly registered providers.



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