

29 July 2026

Dear [Accountable Officer]

Recurrent funding allocations for 2026-27

I am writing to confirm that the total Office for Students (OfS) recurrent funding allocation for 2026-27 for [PROVIDER NAME] is £[ALLOCATION].

We have produced grant tables for your provider which provide a detailed breakdown of this allocation. These grant tables are available to download as an Excel workbook from the OfS provider portal. For information on accessing the portal, please see Annex B to this letter.

Changes to OfS funding methods

The Secretary of State for Education wrote to us on 6 July, confirming £1,252 million of Strategic Priorities Grant recurrent funding available to us for the 2026-27 financial year. This letter also set out strategic guidance on government priorities and placed terms and conditions on the OfS.¹

We must comply with these terms and conditions, which place restrictions on the budget we have set for the 2026-27 academic year and require us to cease providing funding in certain areas. A summary of the changes to our funding methods for 2026-27, along with the terms and conditions placed on us, is included in Annex A to this letter.

Confidentiality and embargo

You may share this information with your colleagues for operational purposes, but **please note that the information in this letter and associated documents is embargoed until we make it public through the OfS website on Thursday 30 July**. Please keep the details confidential until then.²

¹ See the [Guidance from government](#) page on the OfS website.

² See the [Recurrent funding](#) pages on the OfS website.

Supporting materials

As well as the grant tables for your provider, we are releasing three documents which provide further information to support with this grant announcement:

- **‘Funding for 2026-27: Decisions and allocations’** (OfS 2026.36) summarises our funding budgets in 2026-27 and the methods used to distribute funding. This document includes an annex setting out the funding allocation for each individual institution (which will be published on the OfS website on Thursday 30 July).
- **‘Terms and conditions of funding for 2026-27’** (OfS 2026.37).
- **‘Guide to funding 2026-27’** (OfS 2026.38) sets out how the OfS allocates funding to higher education institutions.

This information can be found via the OfS provider portal. For information on accessing the portal, please see Annex B to this letter.

Further information and requests for changes

Annex C to this letter provides further information on circumstances in which we will consider changes to the allocations announced alongside this letter.

If you wish to discuss this or if you have any other questions on your funding, please contact recurrentgrant@officeforstudents.org.uk and a member of the funding team will be able to help.

Yours sincerely

Julie Tam
Head of Regulatory Function (Pathways and Funding)

Annexes to this letter

Annex A: An executive summary of our recurrent funding budget for 2026-27, and how this compares with the equivalent budget for 2025-26.

Annex B: Accessing the portal. How to access further information via the OfS provider portal.

Annex C: Requests for changes. This provides further information on circumstances in which we will consider changes to the allocations and the process you will need to follow.

Annex A: Executive summary of changes to OfS funding

Recurrent funding allocations for 2026-27

We have taken decisions on our funding budget for the 2026-27 academic year following receipt of our guidance letter from the Secretary of State for Education on 6 July 2026.³ This announced the Strategic Priorities Grant funding available to us for the 2026-27 financial year and also placed terms and conditions on our use of the funding in setting budgets for the academic year 2026-27. The letter did not provide any information on funding levels for the 2027-28 financial year.

To set budgets for the 2026-27 academic year, we have made assumptions about the funding that might be available for the 2027-28 financial year because of the overlap from April to July 2027 between the two years. **Any future changes to the grant made available to us by government for the 2026-27 financial year, or that we have assumed will be available for the 2027-28 financial year, may affect the funding we are able to distribute to providers in the 2026-27 academic year.** This may require revising allocations after they have already been announced, and institutions are urged to take this into account and be prudent in their financial planning.

The supporting document, 'Funding for 2026-27: Decisions and allocations', which accompanies this letter, sets out the decisions we have taken on our approach to funding for 2026-27 and information on budgets and rates of grant for different elements of our formula allocations. These are also summarised below. (Please note that the figures shown below are rounded to one decimal place. This may affect the percentage changes quoted.)

Budget changes

Our total recurrent budget for institutions for the academic year 2026-27 of £1,252.0 million is a decrease of £58.9 million (-4.5 per cent) compared with the total distributed for 2025-26.

- Funding to support high-cost courses decreases overall by £66.0 million (-6.9 per cent), from £956.1 million to £890.1 million.
- Funding for student access and success has increased overall by £4.1 million (1.5 per cent) from £273.3 million to £277.4 million.
- Funding for world-leading specialist providers has reduced by £0.3 million (-0.5 per cent) from £57.4 million to £57.1 million. This is due to a planned decrease in transitional funding provided to four providers.
- Funding for national facilities and regulatory initiatives increases by £3.3 million (13.9 per cent) from £24.1 million to £27.4 million. The increase is due to funding from the Ministry of Defence earmarked to support the defence-related skills funding competition.⁴

³ See the [Guidance from government](#) page on the OfS website.

⁴ See the [Defence-related skills funding competition](#) page on the OfS website.

Terms and conditions placed on us by government

The Secretary of State's letter placed a number of terms and conditions on us that we **must** comply with when setting funding budgets for academic year 2026-27.

For high-cost courses, the government's terms and conditions specify that we must no longer provide:

- high-cost subject funding for subjects that fall into price groups 1.2 (creative and performing arts) and C1.1 (nursing, computing, geographical systems and archaeology)
- funding for three targeted allocations relating to: clinical consultants' pay; senior academic general practitioners' pay; and NHS pension scheme compensation.

For several funding lines, we are also required to maintain the budgets at the same level (in cash terms) provided for academic year 2025-26. These are:

- high-cost subject funding for subjects that fall into price groups A (clinical years of medical, dental and veterinary science) and B (lab-based science, engineering and certain health care courses)
- the Nursing, Midwifery and Allied Health supplement
- the allocation for 'very high-cost' STEM subjects.

We are required to maintain the per-student funding rate (again in cash terms) provided for academic year 2025-26 for the Disabled students' premium and the Premium for student transitions and mental health.

The terms and conditions require us to align our funding methods with government policy regarding the funding of franchised provision. When allocating student premium funding and high-cost subject funding, we are required to:

- allocate for students attending franchised provision only where the franchise provider is in the OfS's Approved (fee cap) category
- exempt providers in line with the 'Strengthening oversight of partnership delivery in higher education' government consultation response published in December 2025.⁵

We also must explore ways to implement the same restrictions in allocating high-cost subject funding.

2026-27 recurrent grant changes for higher education institutions

Individual institutions will generally see changes to their funding for 2026-27 that arise from:

⁵ See [Franchising in higher education - GOV.UK](#).

- a. Changes in student numbers at each institution relative to all others. In broad terms, institutions whose share of the total student numbers for the sector as a whole has reduced are likely to receive a similarly reduced share of the total funding. This will depend on the mix of students between different types of courses and student characteristics.
- b. Changes to our funding methods and budgets as described above. Changes to budgets and the number of students being supported have resulted in changes to per- student funding rates; these are listed in the accompanying 'Funding for 2026-27: Decisions and allocations' document.

Annex B: Accessing grant information on the OfS portal

Detailed information related to allocations for 2026-27 can be accessed from the OfS provider portal (<https://ofsproviderportal.officeforstudents.org.uk/>).

Documents are contained in the '2026-27 recurrent grant (Office for Students)' collection on the portal. Portal users at your provider with one of the following roles assigned to them will be able to access the documents on the portal:

- Data collection contributor – HESES
- Delegated portal administrator
- Portal administrator.

Your portal administrator or delegated portal administrator will be able to give you and your colleagues access to this area. Any portal users who have previously accessed HESES or the 2025-26 recurrent grant documents through the new portal will not need further access granted and will automatically gain access to this new collection.

Guidance for portal administrators and delegated portal administrators can be found at: www.officeforstudents.org.uk/how-to-manage-your-portal-users/. If you have queries about portal access, please email portal@officeforstudents.org.uk.

Annex C: How to request changes to allocations

Introduction

We have calculated 2026-27 funding allocations using the most up-to-date institutional data available to us. However, there are some circumstances where providers may wish to submit representations asking us to recalculate their funding.

There are three primary categories where we may consider amending funding after it is announced:

- **Planned changes for 2026-27** – providers may have planned changes for 2026-27 that affect their total student population, such as a planned merger with another institution or the transfer of student cohorts (either to or from another provider).
- **Amendments to data** – providers may identify errors in the data we have used to inform our calculations, after the provider has signed it off.
- **Other changes to allocations** – providers may have other queries around the 2026-27 allocations, which are not covered by the above two scenarios.

This annex provides information on how providers can request changes to funding allocations that might arise due to such circumstances.

Planned changes for 2026-27 (mergers and transfers)

Providers may have planned changes for the 2026-27 academic year (such as a transfer of students or a planned merger with another provider), that mean they believe a change to their initial allocations is necessary.

We encourage providers to notify the funding team ahead of any such changes, so that we can make any necessary adjustments to funding to reflect the teaching being delivered by each provider.

Mergers

Where providers are aware of plans for any merger between their institution and any other institution (or institutions) that are due to be completed during the academic year 2026-27, they should submit a reportable event.⁶

They should also notify recurrentgrant@officeforstudents.org.uk at the earliest opportunity, so that we are able to implement appropriate plans for adjustments or amendments to grant allocations.

⁶ See OfS, '[Regulatory advice 16: Reportable events](#)'.

Once notified, we will liaise with other teams at the OfS and with providers, to ensure that appropriate processes are completed and that we collect the required details regarding the merger, such that any changes can be implemented in a timely manner.

Transfers

Following this grant announcement, providers may become aware of transfers of student numbers to another institution that will take place within the academic year 2026-27. (For example, a provider may have a course previously taught under a subcontractual arrangement where the contractual responsibility for the course is changing.)

In such cases, the providers involved may wish to transfer student numbers (and associated funding), so that this accurately reflects the teaching activity undertaken.

As with the guidance for mergers, we encourage providers considering a transfer to submit a reportable event and to notify recurrentgrant@officeforstudents.org.uk. We will then liaise with the affected providers regarding any additional data required to support the transfer of funding.

Amendments to data

Data sources used to calculate funding

In calculating 2026-27 recurrent grant allocations, we have used two main types of data: aggregate and individualised student data. Aggregate student data has been taken from the Higher Education Students Early Statistics (HESES) survey for 2025-26. Details of this survey can be found on the OfS website.⁷ Individualised student data has been taken from one of the following returns for 2024-25:

- the Individualised Learner Record (ILR), returned to the Education and Skills Funding Agency (ESFA) by further education and sixth form colleges and academies.
- the Student record submitted to the designated data body.⁸

If individualised student data is not available for a provider, we use alternative sector-derived figures.

Amendments process

We do not automatically accept and process amendments to data. We expect that the data we use will be the final version submitted and signed off as correct by a provider's accountable officer. This approach also allows for consistency with published data. However, we acknowledge that sometimes errors are identified in the data after it has been finally submitted or signed off and after we have used the data.

⁷ See the [Data collection](#) page on the OfS website.

⁸ Jisc is the current designated data body.

If you think that you have identified such an error in your data, and that this might have implications for OfS uses (including funding), you should follow the OfS data amendment process. Further information on how to do this can be found on the OfS website at www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/.

Amendments should only be submitted if they are correcting errors that are genuine, widespread and material. This means errors must:

- be a clear mistake and not involve a reinterpretation or reclassification of data
- affect a significant component of the data (e.g. multiple records or fields)
- affect one or more of the ways we use the data (e.g. funding, regulation, analysis), or have a significant impact on your provider.

Further information on these criteria can be found on the website.

Other changes to allocations

As set out above, most funding allocations are based on signed-off institutional data; if there are any issues that arise from that data, it will need to be corrected via the data amendments process.

If there are any other circumstances where institutions believe they may have grounds to appeal funding allocation, they should contact recurrentgrant@officeforstudents.org.uk. Once notified, we will then be able to discuss any required criteria, as well as an appropriate timetable.

Any appeals submitted will need to be evidence-based. Where appropriate, we will check providers' claims for consistency with other data sources available to us.

This guidance is not intended to limit the content of institutions' submissions or to provide any guarantee of the acceptance or otherwise of an appeal. Each case will be considered on its merits, although we will also be mindful of the desirability of treating institutions consistently.