

Mid-year allocations of recurrent funding for 2024-25

Funding to encourage provision of
Level 4 and 5 qualifications

Reference OfS 2025.23

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Summary

1. This publication outlines the Office for Students' (OfS's) allocations of £16 million of recurrent funding to higher education providers for the academic year of 2024-25. The publication does not require a response.
2. The 2024-25 allocations consist of £16 million to encourage greater provision of Level 4 and 5 qualifications, including higher technical qualifications (HTQs).
3. This follows the guidance letter from the Secretary of State for Education on 4 April 2024, which set out the funding available to the OfS for the 2024-25 financial year.¹
4. These allocations are part of a larger package of recurrent funding distributed by the OfS for the 2024-25 academic year, which totals £1,402 million. This package was announced in July 2024, in 'Recurrent funding for 2024-25' (OfS 2024.34).²
5. We have calculated allocations of funding to support Level 4 and 5 provision at each provider. We have derived these numbers from the Higher Education Students Early Statistics survey for 2024-25 (HESES24). We have also applied an additional weighting to reflect the number of students taking HTQs recorded in HESES24, to provide an uplift in funding proportional to the number of students on HTQ courses, as flagship, high-quality Level 4 and 5 qualifications.
6. In this announcement, we are allocating funds for Level 4 and 5 provision to a total of 271 providers.
7. Annex A shows allocations for providers registered in the Approved (fee cap) category of the OfS Register on 1 March 2025. After this point, this document will not be updated; in the case of any changes to data, providers should instead refer to Annex A of our publication 'Recurrent funding for 2024-25', which we will update periodically.

¹ See 'Guidance to the Office for Students on the allocation of Strategic Priorities Grant funding for the 2024-25 financial year and associated terms and conditions (March 2024)', available at: www.officeforstudents.org.uk/for-providers/regulatory-resources/guidance-from-government/.

² See 'Recurrent funding for 2024-25', available at: www.officeforstudents.org.uk/publications/recurrent-funding-for-2024-25/.

Introduction

8. This publication announces allocations for funding to support the growth of Level 4 and 5 provision. These allocations are for the 2024-25 academic year (1 August 2024 to 31 July 2025). Unless otherwise stated, all years in this document relate to academic years.
9. Annex A to this document lists allocations of these funding streams for each provider registered with the OfS in the Approved (fee cap) category on 1 March 2025. The annex is available to download alongside this document as a separate Microsoft Excel file.
10. We have also updated 'Recurrent funding for 2024-25' (OfS 2024.34)³ to reflect these new funding allocations.

Background

11. The Secretary of State for Education wrote to the OfS on 4 April 2024 to announce the strategic priorities grant funding available to the OfS for the 2024-25 financial year. This guidance letter set out the government's desire to expand high quality Level 4 and 5 provision, with HTQs as flagship courses and asked us to allocate £16 million to support these qualifications.
12. In 'Funding for academic year 2024-25: OfS decisions' (OfS 2024.33),⁴ we announced details of how we would distribute the £16 million via formula methods. The funds allocated will reflect relevant student numbers reported in the 2024-25 academic year in the Higher Education Students Early Statistics 2024-25 (HESES24) survey.
13. For the purposes of this funding stream, Level 4 and 5 provision relates to undergraduate students on courses leading to qualifications that are designated at Level 4 or 5 of the sector-recognised standards.⁵ This includes:
 - Certificate of Higher Education (CertHE) and Certificate in Education (CertEd) courses
 - Higher National Certificate (HNC) courses
 - Higher National Diploma (HND) courses
 - Diploma of Higher Education (DipHE) courses
 - foundation degree courses.
14. It does not include foundation degree bridging courses or students who are undertaking credits at Level 4 or 5 without a stated qualification aim at either level.

³ See www.officeforstudents.org.uk/publications/recurrent-funding-for-2024-25/.

⁴ See www.officeforstudents.org.uk/publications/funding-for-academic-year-2024-25/.

⁵ See www.officeforstudents.org.uk/publications/sector-recognised-standards/.

Calculation method

15. Providers will receive an allocation of funding to support Level 4 and 5 provision where they have recorded students in HESES24 who are on courses leading to qualifications that are designated at Level 4 or 5 of the sector-recognised standards.

Data to inform calculations

16. In 2022-23, the designated data body (DDB) implemented the Data Futures specification for the Student record to replace the Legacy Student and Student Alternative records. Data returned under this specification is done so on a different basis to data submitted in previous years and to that submitted to the Education and Skills Funding Agency through the Individualised Learner Record (ILR).
17. As a result of these changes, the basis on which student activity is counted for HESES was changed from HESES23 to better align with the new Data Futures specification for the Student record and the ILR. We derived multiplication factors from HESES22 data to apply to data submitted in HESES23. These multiplication factors allowed the HESES23 data to be converted to FTEs that could inform funding calculations. The method for this conversion was set out in 'Changes to 2023 student data surveys to inform funding: Notification of changes' (OfS 2023.33).⁶
18. In 2023-24, multiplication factors were derived from historical data. If providers believed that the OfS-calculated factors were representative of their 2023-24 provision, then no action was required. Where providers believed that one or more of the multiplication factors were no longer appropriate, they were given the opportunity to submit representations to the OfS for consideration. The final multiplication factors used for 2023-24 were agreed as representative following the representations process in May 2024.
19. For 2024-25, we are using the finalised and agreed multiplication factors from the 2023-24 academic year. As above, where providers believed that those multiplication factors were no longer appropriate to use for the 2024-25 academic year, then they were able to submit representations to the OfS. The final multiplication factors for 2024-25 were agreed as representative following the representations process in March 2025.

Allocation method

20. Funding will be distributed pro rata to the number of 2024-25 funding FTEs for each provider for students recorded on courses leading to qualifications designated at Level 4 or 5 of the sector-recognised standards.
21. We will calculate weighted FTEs for each provider to enable us to allocate additional funding to reflect the number of Home fee OfS-fundable students at this level recorded in HESES24 who

⁶ See www.officeforstudents.org.uk/publications/changes-to-2023-student-data-surveys-to-inform-funding-notification-of-changes/.

are also on HTQ courses. The weighted FTEs will be calculated by taking the following information from HESES24:

a. For full-time and sandwich year out:

- i. The total number of OfS-fundable 'UG (Level 4 and 5)' students from Column 1+2 of Tables 1 and 2.
- ii. The total FTEs of 'UG (Level 4 and 5)' students from the 'FTEs for 2025-26 funding' column of FTE Tables 1 and 2.
- iii. The number of full-time and sandwich year out 'UG (Level 4 and 5)' students recorded as taking an HTQ in section C of Table 5.

b. For part-time:

- i. The total number of OfS-fundable 'UG (Level 4 and 5)' students from Column 1+2 of Table 3.
- ii. The total FTEs of 'UG (Level 4 and 5)' students from the 'FTEs for 2025-26 funding' column of FTE Tables 3.
- iii. The number of part-time 'UG (Level 4 and 5)' students recorded as taking an HTQ in section C of Table 5.

22. We will calculate separate weighted FTEs for full-time and sandwich year-out students (taken together) and for part-time students for each provider.

23. For each mode, we will calculate an aggregate multiplication factor by dividing the total FTEs of 'UG (Level 4 and 5)' students by the total number of OfS-fundable 'UG (Level 4 and 5)' students. We will then apply this aggregate multiplication factor to the number of 'UG (Level 4 and 5)' students recorded as taking an HTQ to determine the total HTQ FTEs. We will then combine the total HTQ FTEs with the total FTEs of 'UG (Level 4 and 5)' students to determine the total weighted FTEs.

Example

The College of North Filton records:

- 100 full-time and sandwich year out students in HESES24 at UG (Level 4 and 5) with 12 of these recorded as on HTQs. The total funding FTEs for this provision is 85.
- 50 part-time students in HESES24 at UG (Level 4 and 5), with 20 of these on HTQs. The total funding FTEs for this provision is 22.5.

The weighted FTEs for the college can be calculated as follows:

Full-time and sandwich year out weighted FTEs:

- Aggregate multiplication factor = $\left(\frac{85}{100}\right) = 0.85$
- FTEs for HTQ students = $0.85 \times 12 = 10.2$
- Full-time and sandwich year out weighted FTEs = $85 + 10.2 = 95.2$

Part-time weighted FTEs:

- Aggregate multiplication factor = $\left(\frac{22.5}{50}\right) = 0.45$
- FTEs for HTQ students = $0.45 \times 20 = 9$
- Part-time weighted FTEs = $22.5 + 9 = 31.5$

Total weighted FTE:

Therefore, the college's total weighted FTE will be $95.2 + 31.5 = 126.7$

Terms and conditions and payment

24. The full terms and conditions under which the OfS provides funding can be found in 'Terms and conditions of funding for 2024-25' (OfS 2024.36).⁷ These allocations will be paid according to the normal monthly payment profile that applies to recurrent grant for 2024-25, with the first distributed in the next available payment run.

Further information

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

⁷ See www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2024-25/.



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