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University Final Funding Allocations 2024-25



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University Final Funding Allocations 2024-25

Purpose/background

1. I am writing to announce the Scottish Funding Council's (SFC) final funding allocations for universities for the forthcoming Academic Year (AY) 2024-25.
2. SFC published [indicative funding allocations](#) on 18 April 2024 to help universities plan for the forthcoming AY. **This final announcement confirms funding allocations for AY 2024-25 and sets out the changes from the indicative announcement.** Any other updates on policy or other budgets since the indicative publication are set out in this announcement.
3. The final funding allocations set out in this announcement are based on the [Scottish Government's Financial Year \(FY\) 2024-25 Budget](#), which was approved by the Scottish Parliament on 27 February 2024.

Scottish Budget 2024-25

4. The Scottish Government's 2024-25 Budget set a university resource (revenue) budget for Financial Year (FY) 2024-25 of £760.7 million (m). Excluding the £20.0m transitional funding, which was initially part of the FY 2023-24 budget, this represents a decrease of £28.5m (-3.6%) from FY 2023-24.
5. The University capital budget, including research and innovation funding, has been set at £356.9m; an increase of £16.2m (4.8%) from FY 2023-24. This budget includes funding for Innovation Centres, the detail of which is not included in this announcement.

Overview

6. This is a challenging funding settlement, which necessitates difficult choices. We have sought to balance a range of priorities for universities – fulfilling our statutory mission and duties, aligning with the Scottish Government's stated priorities, and taking into account sector and stakeholder feedback, including the need to:
 - Continue to secure opportunities for Scottish-domiciled students and ensure that any reduction in funded student places does not disadvantage first year Scottish applicants, taking into account the Scottish Government's guidance that no additional non-controlled funded places should be removed in AY 2024-25 beyond the 1,289 places that were introduced in AY 2020-21 to support learners following changes to the SQA assessment process in the wake of the COVID-19 pandemic.
 - Continue to promote widening access to higher education, in line with Scottish Government policy.
 - Continue to embed Graduate Apprenticeships and other work-based learning opportunities within our core provision, in line with Scottish Government expectations.

- Maintain the ‘unit of resource’ for publicly funded student places (i.e. the amount of teaching funding - ‘the price’ - per funded place) to protect the quality of the student’s teaching and learning experience and to support them to succeed in their studies.
 - Enhance investment in research and innovation.
 - Take account of the impact of changes in funding allocations to an institution’s viability, with particular attention on Scotland’s world-class small specialist institutions.
7. The **key points** in this final funding announcement are:
- **Teaching funding for AY 2024-25 has reduced by £28.5m (-3.8%), in line with the reduction in the Scottish Government’s budget for FY 2024-25.**
 - **Research and innovation funding has increased by £12.6m (4.2%).**
 - **Capital funding has increased by £2.6m (10.2%).**

Updates/changes from indicative funding announcement

8. Updates and changes to the final funding allocations from the [indicative announcement](#) are set out below.

Controlled subjects

9. Due to the timing of the indicative announcement, for SFC controlled funded student places we always use the current AY (2023-24) funded places to calculate the indicative funding allocations for the controlled subjects. Final funded places have now been updated following the issuing of AY 2024-25 intake targets and the sharing of our funded places modelling with individual universities. For Paramedic Education and Pre-registration Nursing and Midwifery, intake targets to be used in funded places calculations have been discussed with the Scottish Government and will be confirmed following this announcement. The resultant changes to SFC controlled places for AY 2024-25 can be seen in Table 3 (and Table A2b).
10. In modelling our controlled funded places we use intake targets for AY 2024-25, actual intake figures and retention data. For AY 2024-25, there has been a slight reduction in the number of SFC controlled places and the changes to funding are shown in Table 2.
11. As in previous years, additional ring-fenced places funded by the Scottish Government are not included in the indicative funding announcement. These are now shown in Table A2c. ‘Consolidation’ student numbers for controlled subjects are shown in Table 5 (and Table C2b).
12. In response to the challenges that universities face in recruiting students to Pre-registration Nursing and Midwifery programmes, SFC has agreed with the Scottish Government an approach which allows universities the opportunity to recruit to the three-year intake targets set in AY 2023-24. Funded places for Pre-registration Nursing and Midwifery have been modelled based on the previously set intake targets. It is our

intention, subject to confirmation in the annual intake announcement, to adjust funded places in-year to reflect universities' actual intakes, above or below the intake targets.

13. In AY 2023-24 the core intake target for Medicine was increased by an additional 75 students. It was intended that in AY 2024-25 the additional 75 students would all be Students Eligible for Funding, and our funded places modelling reflects this assumption. We recognise the ongoing challenges in recruitment to Medicine however, and we will adjust funded places in-year to reflect universities' actual recruitment to these additional places.

Innovation Centre TPG places

14. SFC continues to provide additional funded student places (205 FTEs) for Masters-level courses to be delivered under the Innovation Centre (IC) programme. These places put particular emphasis on the development of provision to help address the skills needs of the IC's relevant industry. This involves close industry engagement, often in the form of a student placement at an IC's industrial partner. While there has been no change to the number of funded places, distribution between institutions has been amended following the indicative funding announcement. The changes to funding and funded places are shown in Tables 2 and 3.

Research and innovation funding

15. There have been some minor changes to the distribution of Knowledge Exchange and Innovation Funding following updates to some of the metrics provided by universities (see Table 6). Confirmed funding for Innovation Centres is also included in this announcement.

Research capital

16. In our indicative funding announcement, we set out our expectation of receiving £18.8m of Higher Education Research Capital (HERC) grant funding from the UK Department for Science, Innovation & Technology (DSIT) for FY 2024-25, which will be matched by SFC. This funding has been confirmed and individual grant allocations are shown in Table 8.

Overall funding allocated for AY 2024-25

17. This announcement focuses on the final allocation of funding to universities for AY 2024-25. In line with this approach, Table 1 provides a summary of the institutional funding announced in this publication.

Teaching funding

18. **The teaching funding budget for universities for AY 2024-25, has been set at £715.2m, a reduction of £28.5m (-3.8%).** This includes the Main Teaching Grant and other teaching grants/funding elements. The budget released by changes to controlled funded places and Innovation Centre TPG places has been shown in Table 1 as 'to be allocated'.

We will consider the most effective use of this budget following the final funding announcement. Final funding allocations for individual universities are shown in Table 4.

19. We have paused setting a budget for the Fee Anomalies Grant at this stage and will liaise with the sector about our future approach.

Main Teaching Grant

20. Main Teaching Grant (MTG) for AY 2024-25 has been set at £681.9m, a reduction of £17.6m (-2.5%). Final funding allocations for individual universities are shown in Table 2.
21. We have removed funded places from some institutions in response to under-delivery against allocated funded places. In doing so we have continued to protect opportunities for Scottish students - see section below on non-controlled funded student places.

Teaching subject prices

22. As indicated above, teaching subject prices for AY 2024-25 are unchanged from AY 2023-24 as set out below.

Subject Price Group	1	2	3	4	5	6
AY 2023-24 price (gross)	£17,760	£10,077	£8,931	£7,775	£6,873	£5,601
AY 2024-25 price (gross)	£17,760	£10,077	£8,931	£7,775	£6,873	£5,601

23. Our gross subject prices for AY 2024-25 include the following assumed level of tuition fees for 'home fee' students:
- Full-time First Degree: £1,820
 - Other Undergraduate: £1,285
 - **Taught Postgraduate: £7,000 (see below)**
24. In November 2022, Student Awards Agency Scotland (SAAS) announced that the maximum tuition fee loan rate for postgraduate students would increase from £5,500 to £7,000 from AY 2023-24. This announcement was made after many universities had set tuition fee rates for AY 2023-24. Therefore, for AY 2023-24 teaching funding allocations, SFC made no change to its postgraduate tuition fee rate assumption, and we indicated at the time that we would **match the new SAAS fee loan rate in our tuition fee assumptions from AY 2024-25**. In subject groups five and six, where our price is less than the taught postgraduate fee assumption, the assumed tuition fee will be the subject group price.

Compensation for Expensive Strategically Important Subjects

25. We have made changes to the compensation we provide to universities delivering expensive, strategically important (non-controlled) subjects involving students from the rest of the UK (rUK). Our current model assumes that Scottish universities need to be compensated because, to remain competitive, they will charge rUK students an annual

fee of £9,250 for three years of a four-year degree. However, a recent review shows that some universities are now receiving four sets of fees. We have updated our modelling to reflect this and the most recent distribution of rUK students.

26. If fully implemented, the proposed changes would reduce the part of this funding element related to non-controlled activity by £8.2m. This would have a significant impact for some institutions. The available budget has allowed us to mitigate the impact to some extent by phasing the change, **reducing it instead by £6.2m for AY 2024-25**. The overall allocation is also varied from the indicative funding allocations, as the element relating to rUK medical and dental students is updated to reflect changes as part of the confirmation of controlled funded places for AY 2024-25. Funding allocations for individual universities are shown in Table 2.

Widening Access and Retention Fund

27. The Widening Access and Retention Fund (WARF) for AY 2024-25 is **£15.6m, which is unchanged from AY 2023-24**. Final WARF allocations for individual universities are shown in Table 4.

Small Specialist Institutions

28. The Small Specialist Institution (SSI) Grant for AY 2024-25 is **£13.8m, an increase of £1.7m from AY 2023-24**. (This includes specific funding identified for world-leading SSIs.) Additional funding for Glasgow School of Art and the Royal Conservatoire of Scotland has been provided to mitigate changes to other elements of teaching funding. Final SSI Grant allocations for individual institutions are shown in Table 4.

Disabled Students Premium

29. The Disabled Students Premium (DSP) for AY 2024-25 is **£2.9m, which is unchanged from AY 2023-24**. Final DSP allocations for individual universities are shown in Table 4.

Pensions contribution

30. **This funding (£4.8m in AY 2023-24) has been removed for AY 2024-25**. This funding contribution was introduced in 2019 to recognise an increase in Scottish Teachers' Superannuation Scheme (STSS) contributions. It was initially time-limited up to March 2023, but we were able to maintain this funding contribution for AY 2023-24. However, it is no longer affordable within this current funding envelope.

Upskilling

31. **Funding for Upskilling (£7.0m in AY 2023-24) has been removed for AY 2024-25**. Universities should continue to develop their curriculum to respond to employer needs and should consider how best to deliver course material developed for the Upskilling Fund.

Non-controlled funded student places

32. As planned, **we have removed the additional 'SQA places' (1,289 FTEs)** introduced in AY 2020-21 following the revised 2020 Scottish Qualifications Authority (SQA) qualification results. This has been achieved by removing funded student places from universities that have reported the highest levels of projected under-delivery in their AY 2023-24 Early Statistics returns. Generally, for those institutions we have removed around a quarter of the unfilled funded places.
33. All reductions made are in proportion to the distribution of funded places across subject price groups and are applied to undergraduate and postgraduate places, in line with the reported under-delivery in the AY 2023-24 Early Statistics.
34. We have not made any changes to non-controlled consolidation numbers as a result of changes to funded places (Table 5). We plan to consider how these changes should impact on consolidation numbers with individual institutions.
35. Given that we are removing some funded places that have not been filled, and that European Union students are graduating from the system, this will not reduce places or opportunities for Scottish students. In addition, as we are not removing the full level of under-delivery, universities that have had funded places removed will need to increase their intake for AY 2024-25 to fill their overall number of funded places.
36. Final SFC funded student places for individual universities are set out in Table 3.

Graduate Apprenticeships

37. We remain committed to supporting Graduate Apprenticeships (GAs) and the expectation is that the sector will deliver an intake of 1,378 GA places in AY 2024-25. As in AY 2023-24, we have not identified separate funded student places for GAs in AY 2024-25 and discussions are in train with GA providers to determine volumes and frameworks.

Additional funded places for articulation

38. Streamlining the learner journey by encouraging articulation between colleges and universities remains a priority for SFC and the Scottish Government. SFC's additional articulation places ('associate student') scheme continues to support this priority area, and there are no changes to the scheme for AY 2024-25.
39. Universities (and colleges) should continue with current arrangements to meet Ministerial priorities to expand articulation and ensure support continues for disadvantaged learners to progress to degree level study. SFC continues to expect at least 75% of additional articulation/associate student funding for those years in which activity is delivered in colleges, to be transferred from universities to colleges.

Access to free period products

40. The Scottish Government has advised that a further year's funding for the provision of free period products will be provided for universities (and colleges) in 2024-25. Funding for universities is expected to be at the same level as 2023-24 (£0.9m). Specific guidance confirming the totality of funding for 2024-25, along with a breakdown of allocations for individual universities, will be published separately.

Research and innovation funding

41. We have increased core Research and Innovation grants by £12.6m (4.2%) to £317.2m for AY 2024-25. We have allocated the uplift as follows:
 - £9.5m to the Research Excellence Grant (REG) to support world-leading research, increasing the Grant to **£256.3m for AY 2024-25**.
 - £1.0m for the Research Postgraduate Grant (RPG) for postgraduate research training and support, increasing the Grant to **£37.9m for AY 2024-25**.
 - £2.2m increase to the new Knowledge Exchange and Innovation Fund (KEIF) to support university-business interactions (a total of **£23.0m for AY 2024-25**).
42. This approach will support Scotland's competitive position on discovery research and economic strategy ambition on innovation. Final funding allocations are shown in Table 6.
43. The REG and RPG have been allocated on the same basis as AY 2023-24. Universities are encouraged to use the additional funding allocated through these grants to support their research culture ambitions. SFC has restated the principles of the RPG and this is set out on SFC's website [here](#).
44. The Knowledge Exchange and Innovation Fund (KEIF) has replaced the University Innovation Fund (UIF). KEIF will use the latest Knowledge Exchange data and set a trajectory for delivery aligned to Scottish Government priorities around commercialisation and entrepreneurship. In deriving the KEIF allocations for AY 2024-25, we have put in place a mitigation which ensures that no institution has fallen below their AY 2022-23 UIF allocation given the one-off uplift in AY 2023-24. Further information on KEIF is available on our [website](#).

Innovation Centres

45. The total funding for Innovation Centres for 2024-25 is £8.0m. The institutional split of this funding is shown below:

Innovation Centre	Admin hub institution ¹	Funding
Built Environment – Smarter Transformation (BE-ST)	Edinburgh Napier University	£2.0m
Digital Health & Care Innovation Centre (DHI)	University of Strathclyde	£2.0m
Industrial Biotechnology Innovation Centre (IBioIC)	University of Strathclyde	£2.0m
The DataLab	University of Edinburgh	£2.0m

Capital funding

46. SFC's university capital budget (excluding R&I funding) for FY 2024-25 is £28.4m; an increase of £2.6m (10.2%) from the FY 2023-24 budget of £25.8m. A breakdown of capital grants from this budget is shown below:

Capital grants for FY 2024-25	Allocation
Capital Maintenance Grant	£5.0m
Edinburgh Medical School	£4.6m
HE Research Capital Grant - SFC match	£18.8m
Total SFC University Capital	£28.4m
HE Research Capital Grant - DSIT	£18.8m

Capital maintenance

47. The Capital Maintenance Grant for FY 2024-25 has increased by £1.2m from FY 2023-24 to **£5.0m**. Final funding allocations for individual universities are shown in Table 8.

Research capital

48. As set out earlier in this announcement, we will receive £18.8m of HE Research Capital (HERC) grant funding from the UK Department for Science, Innovation & Technology

¹ Whilst Innovation Centres are hosted by one institution, their focus remains Scotland-wide across all universities and colleges.

(DSIT) for FY 2024-25, which will be matched by SFC, **providing a total of £37.6m**. Grant allocations for individual universities are shown in Table 8.

Digital poverty

49. In FY 2023-24 universities received £1.6m of the £5.0m earmarked in the published college capital budget to support digital poverty (resulting in an overall capital budget for universities of £27.4m). The Scottish Government's budget for FY 2024-25 does not include any specific capital funding to support digital poverty and accordingly **there is no separate budget provision for digital poverty in our funding allocations for FY 2024-25**.

Funding transfer to SAAS

50. SFC anticipates a transfer of funding to Student Awards Agency Scotland (SAAS) totaling £22.8m, which is unchanged from 2023-24.

Tables and Annexes

51. We have attached the following annexes/tables for AY 2024-25:
- [Annex A - Summary of university funding allocations](#)
 - [Annex B - Summary of university funded places and student number targets](#)
 - [Annex C - Conditions of funding](#)
 - [Annex D - Profile of monthly payments for main grants](#)
 - [Table 1 - Summary of announced funding for university sector](#)
 - [Table 2 - Main Teaching Grant](#)
 - [Table 3 - Funded student places](#)
 - [Table 4 - Summary of Teaching grants](#)
 - [Table 5 - Consolidation numbers](#)
 - [Table 6 - Summary of Research and Innovation grants](#)
 - [Table 7 - Teaching, Research and Innovation funding compared to AY 2023-24](#)
 - [Table 8 - Capital grants \(FY 2024-25\)](#)
52. We have also provided the following additional tables:
- [Table A1 - Main Teaching Grant](#)
 - [Table A2a - Non-controlled funded student places](#)
 - [Table A2b - Controlled student places \(funded by SFC\)](#)
 - [Table A2c - Additional student places funded by Scottish Government](#)
 - [Table A2d - All controlled funded student places](#)
 - [Table A3 - Breakdown of changes to non-controlled funded student places](#)
 - [Table A4 - Funded student places by teaching subject price group](#)
 - [Table B1 - Unit of Assessment \(subject\) weightings for REG\(a\)](#)

- [Table B2 - Breakdown of REG allocations](#)
- [Table B3 - Breakdown of RPG allocations](#)
- [Table B4 - Breakdown of REG\(a\) allocations by unit of assessment](#)
- *There is no Table C1*
- [Table C2a - Consolidation numbers for non-controlled subjects](#)
- [Table C2b - Consolidation numbers for controlled subjects](#)
- [Table D1 - Derivation of Main Teaching Grant for initial funded student places](#)
- [Table D2 - Assumed tuition fees](#)

Fair Work First

53. The Scottish Government expects that all public bodies, and those in receipt of public funds, should be exemplars of [Fair Work](#) and that they should be able to demonstrate practices of Fair Work. Please refer to the Fair Work section in the University Conditions of Funding (Annex C).

Further information

54. If you require any additional information, please contact Richard Maconachie, Director of Finance, email: rmaconachie@sfc.ac.uk or Gordon Craig, Deputy Director, Tertiary Education Funding, email: gcraig@sfc.ac.uk, in the first instance.



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