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University Final Funding Allocations 2024-25: Technical Guidance



University Final Funding Allocations 2024-25: Technical Guidance

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University Final Funding Allocations AY 2024-25: Technical Guidance

Purpose

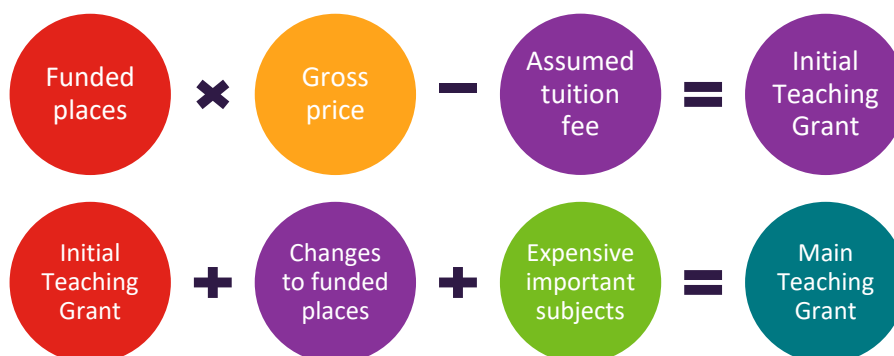
1. This document provides additional guidance on the [final university funding allocations for Academic Year \(AY\) 2024-25](#), setting out additional details on the methodologies used in calculating universities' core formula-based funding allocations. All figures in this guidance have been rounded.

Main Teaching Grant

2. The purpose of the Main Teaching Grant is to support high quality teaching and learning at Scotland's universities, to meet the needs of students and of Scotland's economy, and to support universities to deliver activity in support of the Scottish Funding Council's Outcomes Framework.

Price x volume

3. The calculation of our Main Teaching Grant is based on a 'price x volume' model, as per the diagram below:



4. Each university's funded student places are profiled across six teaching subject price groups (see Annex A of this guidance) and this distribution can be found in [Table A4](#). The funded places against each subject price group are multiplied by the relevant teaching price ([University Final Funding Allocations AY 2024-25, paragraph 22](#)) to derive a gross teaching grant. The assumed tuition fees (associated with their funded places) are removed from each university's gross teaching grant to produce an Initial Main Teaching Grant (see [Table D1](#)).

Assumed tuition fee income

5. The assumed tuition fee income is based on splitting each university's funded student places into the following categories:

- Taught postgraduate at undergraduate fee level (the full-time/part-time split is updated each year based on data from the latest Early Statistics Returns).
 - Built Environment
 - Full-time (£1,820 fee)
 - Part-time (£1,285 fee)
 - Professional Graduate Diploma in Education (PGDE)
 - Full-time (£1,820 fee)
 - Part-time (£1,285 fee)
 - In-service and other education
 - Full-time (£1,820 fee)
 - Part-time (£1,285 fee)
 - Graduate Apprenticeship (£1,820)
 - Taught postgraduate at gross price (£0 fee)
 - Other taught postgraduate (£7,000 fee)
 - Undergraduate (the split between full-time degree/other undergraduate is usually updated each year using the latest HESA Student returns. However, this split was not updated for the allocations for AY 2024-25 due to a new student return being introduced for 2022-23 and work being undertaken to assess the quality and consistency of the information returned).
 - Full-time degree (£1,820 fee)
 - Other undergraduate (£1,285 fee)
 - Graduate Apprenticeship (£1,820 fee)
6. Any changes to the undergraduate/taught postgraduate split of funded places are either the result of changes to the allocations of funded places or due to transfers of funded places. The assumed tuition fee income is then calculated by applying the percentage of full-time/part-time, etc. to the assumed allocations of funded places for each category and multiplying by the appropriate fee levels (see [Table D2](#)).

Changes to non-controlled funded student places

7. The changes made to non-controlled funded student places for AY 2024-25 are set out in [Table A2a](#) and explained in more detail in the paragraphs below.
8. As planned, we have removed the 'SQA places' (1,289 FTEs) introduced in AY 2020-21 following the revised 2020 SQA qualifications results during the COVID-19 pandemic. This has been done by removing 1,289 non-controlled funded places from institutions that have reported the highest projected levels of under-delivery in their AY 2023-24 Early Statistics Returns.
9. For any institution projected to deliver more than 4% below their allocated funded places in AY 2023-24, we have reduced their funded places for AY 2024-25 (excluding the Royal Conservatoire of Scotland due to its Small Specialist Institution status). In general, the reduction in places has been by 25% of the level of under-delivery but in

one case, where the percentage of under-delivery was significantly higher than others, we have increased this to 36%.

10. In one case, where there has been over-delivery (and evidence of increasing demand) at a regional level, we have also allocated some freed-up funded places. This allocation equates to 25% of the over-delivery.
11. The institutions affected by these changes are noted below (with the % change in non-controlled funded places shown in brackets):
 - University of the West of Scotland (-8.5%)
 - University of Aberdeen (-2.7%)
 - University of the Highlands & Islands (-2.5%)
 - Abertay University (-2.3%)
 - Queen Margaret University, Edinburgh (-2.1%)
 - Robert Gordon University (-1.7%)
 - Heriot-Watt University (-1.7%)
 - Edinburgh Napier University (-1.6%)
 - Glasgow Caledonian University (+2.1%)
12. The impact on individual universities in terms of funded places and associated Main Teaching Grant are shown in Tables [3](#) and [2](#) respectively.
13. The adjustments to non-controlled funded places have been split between undergraduate and taught postgraduate. For each university this split was based on the proportion of their overall non-controlled under-delivery attributed to each level of study.
14. The final piece of the calculation was to split the adjustment to undergraduate and taught postgraduate places between SFC's six teaching subject price groups. This was calculated in proportion to each university's existing subject price group splits of non-controlled undergraduate and taught postgraduate funded places.

Additional Articulation (Associate Student) and Innovation Centre places

15. Included within the non-controlled funded places are some additional funded places which were allocated to universities in previous years and maintain specific conditions of grant, as set out in [Annex C of the Final Funding Allocations](#). The two main examples are additional funded places associated with Articulation/Associate Student Scheme (Annex C of this guidance) and Innovation Centres (Annex D of this guidance). Following discussions with the Innovation Centres, there has been some redistribution of the Innovation Centre places for AY 2024-25.

Changes to compensation for expensive strategically important subjects

16. For students who were previously funded at SFC price groups 1 to 3 (excluding Pre-Clinical Dentistry and Pre-Clinical Medicine) we have provided compensation in recognition of the difference between the assumed tuition fees received from rest of UK (rUK) students and the SFC price groups, for each of the funded places removed between AYs 2012-13 and 2016-17.
17. There are no changes to the maximum annual tuition fee of £9,250 for rUK students or to the compensation we provide for the controlled subjects of Medicine and Dentistry, which are in price group 1 i.e. we continue to recalculate the number of funded places that would have been allocated to rUK students at clinical level if rUK students were still eligible for funding and use this figure in the compensation calculation. For AY 2024-25 we have made the following changes to the assumed number of rUK students:
- 28 FTE Medicine. This reflects the scheme to increase the number of Scottish-domiciled students eligible for funding in the intake (with an equal reduction in rUK students) and consequently increase the number of students more likely to stay and work for Scotland's National Health Service.
 - 2.6 FTE Dentistry due to updating populations.
18. For non-controlled subjects, we have previously calculated compensation based on historic assumptions about the tuition fee income that universities receive for rUK places and funded places removed between AYs 2012-13 and 2016-17. For AY 2024-25, we have introduced a new methodology using updated tuition fee assumptions and rUK student numbers:



19. We have then performed the same calculation, as above, using actual rUK enrolments (derived from the 2021-22 HESA Student returns) instead of the funded places removed.
20. When looking at tuition fees, we previously made the following assumptions:

Subject price group	SFC price (£)	Calculation	Compensation per FTE (£)
1	17,760	17,760 - 9,250	8,510.00
2	10,077	10,077 - ((9,250 * 3) / 4)	3,139.50
3	8,931	8,931 - ((9,250 * 3) / 4)	1,993.50

21. However, where universities charge rUK students £9,250 per year for the full 4 years of study, the university now receives reduced compensation for price group 2 (since there is less of a gap in funding) and no compensation for price group 3 (as the £9,250 exceeds the group 3 price). Price group 1 compensation remains the same (as these are for courses that are, typically, 5 years long throughout the UK). This determined the 'assumed tuition fee' in the calculation in paragraph 18.
22. We compared the calculations outlined in paragraphs 18 and 19. If the allocation resulting from using the actual rUK enrolments was lower, we used those numbers. Otherwise, the actual rUK enrolments were adjusted using the university's ratio of funding based on the funded places removed, to the funding based on actual enrolments.
23. The initial compensation for AY 2024-25 was then calculated by combining the compensation for controlled subjects + the compensation for non-controlled subjects (as outlined in paragraph 22) + support for 'Calman places.' This resulted in a reduction to the non-controlled element of £8.2m and we have phased this in for AY 2024-25 by implementing a reduction of £6.2m.

Changes to controlled funded student places for AY 2024-25

24. We published AY 2024-25 'intake letters' for the controlled subjects of Medicine, Dentistry, Pre-registration Nursing and Midwifery, Paramedic Education and Initial Teacher Education. These letters are available on SFC's website at the links below:
 - [Medicine](#)
 - [Dentistry](#)
 - [Pre-registration Nursing and Midwifery Education](#)
 - [Paramedic Education](#)
 - [Initial Teacher Education](#)
25. In addition to the above, Prosthetics and Orthotics (P&O) continues to be a controlled subject. There is no AY 2024-25 intakes letter for P&O as it is delivered solely by the University of Strathclyde, and there is an agreement between the University, the Scottish Government and SFC that the intake target will be held at 25 students per annum for four years, from AY 2022-23.
26. Funded places for the controlled subjects are set out in [Table A2b](#) (SFC funded), [Table A2c](#) (Scottish Government funded), and [Table A2d](#) (combined SFC and Scottish Government funded), with the overall changes in SFC funded places for each university from AY 2023-24 set out in [Table 3](#).
27. The methodology used for calculating the funded places for each of the controlled subjects is outlined in the individual sections below.

Controlled funded places – Medicine

28. SFC receives annual guidance from the Scottish Government’s Health Workforce Directorate on the recommended target student intakes for that forthcoming year. The intake target for Medicine applies to all Scottish-domiciled/’home’ fee students eligible for funding (SEFF), rUK and Republic of Ireland (RoI) students, with a separate target set for international students.
29. From AY 2019-20, we introduced a new model for allocating funded places for Medicine as a pilot. Taking account of the consistent progression rates in Medicine, it was agreed that funded places would be allocated on the basis of the previous year’s funded places, adjusted for any changes to intake targets. In common with previous years, we shared the funded places modelling with universities and asked for any feedback on their proposed allocation of places.
30. Annex B of this guidance sets out the calculation of funded places for AY 2024-25. For the purpose of this modelling, and to indicate the places and funding associated with the different routes and stages of undergraduate medical provision, we split the funded places into four categories:
 - Pre-clinical Medicine
 - Clinical Medicine
 - Pre-clinical Scottish Graduate Entry Medicine (ScotGEM)
 - Clinical ScotGEM
31. The starting point for the calculation is to look at the final funded places for AY 2023-24. These are brought forward to form the initial funded places for AY 2024-25. The initial funded places are then adjusted for any changes to intake targets - not just in the forthcoming year but also in the preceding years - until each programme reaches a steady state.
32. The changes for AY 2024-25 are set out below and the full model is included at Annex B of this guidance.
33. There has been an increase in Pre-clinical Medicine funded places for AY 2024-25 (years 1 and 2, except for the University of St Andrews where it is years 1 to 3). The factors leading to this increase are:
 - + 81
Additional core intake related to the Scottish Government commitment to increase the medical school intake by 500 over five years. This has been adjusted to reflect the forecast recruitment of SEFF and rUK students.
 - +25
Increase in the intake for the scheme to increase the number of medical students from SIMD20 or Care-Experienced backgrounds.
 - +3.7
An increase of 5 students to the HCP-Med for Health Care Professionals programme at the University of Edinburgh, as the intake target has increased from an initial 25

students per annum to 30 in AY 2022-23 and then to the current 35 students in AY 2023-24 and AY 2024-25. Years 1 to 3 of the HCP-Med programme are part-time and attract 0.75 FTE per student.

- -48.0
A reduction in funded places implemented by adjusting funded places by 50% of the projected difference between funded places and SEFF in AY 2023-24. This adjustment allows funded places to track SEFF as they fluctuate due to changes in rUK student numbers and students undertaking intercalating years (among other factors).

34. Similarly, the Clinical Medicine funded places have also increased. The factors leading to this increase are:

- + 107
Additional core intake related to the Scottish Government commitment to increase the medical school intake by 500 over five years. This has been adjusted to reflect the forecast recruitment of SEFF and rUK students.
- +25
Increase in the intake for the scheme to increase the number of medical students from SIMD20 or Care-Experienced backgrounds within the annual intake.
- +25
Increase in the intake to the GP Track scheme at the Universities of Aberdeen and Glasgow from 30 to 55.
- +28.8
An increase of 30 students to the HCP-Med for Health Care Professionals programme at the University of Edinburgh, as the intake target has increased from an initial 25 students per annum to the current 35 students. Years 1 to 3 of the HCP-Med programme are part-time and attract 0.75 FTE per student.
- +37.0
Reflecting the scheme to increase the number of SEFF in the intake, and consequently increase the number of students more likely to stay and work for Scotland's NHS.
- -6.0
A reduction in funded places implemented by adjusting funded places by 50% of the projected difference between funded places and SEFF in AY 2023-24. This adjustment allows funded places to track SEFF as they fluctuate due to changes in rUK student numbers and students undertaking intercalating years (among other factors).

35. Pre-clinical ScotGEM funded places are set according to the intake target and the Universities of St Andrews and Dundee are being asked to jointly recruit 70 students in AY 2024-25. Clinical funded places for ScotGEM are set according to actual student numbers from their Early Statistics Returns.

36. SFC shares the funded places modelling with each university, along with the Scottish Government Health Workforce Directorate. Universities are asked to comment on their proposed allocation of funded places and if they feel that the allocation does not accurately reflect the number of students who should be funded, then contextual information should be provided to SFC to support this. SFC then discusses any contextual information which has been provided with Scottish Government colleagues before confirming the number of funded places to be allocated to each university.

Pre-medical Entry Programme

37. The Scottish Government advised SFC that it would continue to fund a student intake for two Pre-medical Entry courses in AY 2024-25. 30 additional funded places have been allocated to the University of Aberdeen and 40 additional funded places have been allocated to the University of Glasgow for Pre-medical Entry courses for students from a disadvantaged background.

Controlled funded places – Dentistry

38. SFC receives annual guidance from the Scottish Government’s Chief Dental Officer (CDO) and Dentistry Division on the recommended target student intakes for the forthcoming year. The current intake targets remain the same for AY 2024-25. SFC uses those intake targets, along with information on previous actual intakes, the proportion of rUK students in the actual intakes and year-to-year progression rates derived from the most recent Early Statistics Returns, to calculate the proposed funded places for both Pre-clinical and Clinical Dentistry.
39. The intake targets for Dentistry relate to SEFF, rUK and RoI students. To calculate the proposed funded places, it is necessary to make an assumption about the number of SEFF, rUK and RoI students in the intake. This is done by calculating an rUK proportion based on the average proportion of the intake who have been rUK over the previous three years. This calculation gives the proposed number of funded places for year 1 of the course.
40. Proposed funded places for the other years of the course are derived using the minimum of the target intake/actual intake/year 1 of the programme (using the minimum of these figures helps to ensure that we do not fund a university for under or over-recruiting) for each of the previous four years and then applying assumed year-to-year retention rates (based on three-year averages), i.e.
- **Funded places for year 2** = Minimum of the target intake/actual intake/year 1 of programme for academic session AY-1 × year 1 to year 2 retention.
 - **Funded places for year 3** = Minimum of the target intake/actual intake/year 1 of programme for academic session AY-2 × year 1 to year 2 retention × year 2 to year 3 retention.
 - ...and similarly for years 4 and 5.
41. AY is the Academic Year for which the allocations of funded places are being derived, AY-1 is the previous Academic Year, and so on.

42. The proposed Pre-clinical Dentistry funded places equal the year 1 funded places. The proposed Clinical Dentistry funded places are the sum of the funded places for years 2, 3, 4, and 5.
43. Once SFC has calculated the proposed funded places, the modelling is shared with each university, along with the CDO. Universities are asked to comment on their proposed allocation of funded places and, if they feel that they do not accurately reflect the number of students who should be funded, then contextual information should be provided to SFC to support this. SFC then discuss any contextual information which has been provided with the CDO before confirming the number of funded places to be allocated to each university.

Controlled funded places – Pre-Registration Nursing and Midwifery Education

44. In AY 2023-24 SFC received guidance from the Scottish Government’s Chief Nursing Officer’s Directorate (CNOD) on the recommended target student intakes across 3 years, AY 2023-24 to AY 2025-26, (subject to annual review). SFC uses those intake targets and information on actual intakes and year-to-year progression rates, derived from the most recent Early Statistics Returns, to calculate the proposed funded places for both three year and Honours Nursing and Midwifery Pre-registration programmes.
45. SFC makes an assumption about the number of SEFF within the intake target. This is done by calculating an rUK proportion based on the proportion of the intake that were rUK in the previous years. This calculation gives the number of funded places for year 1 of the course.
46. It is then necessary to calculate the numbers of funded places for years 2 and 3 of the course, and for year 4 of the Honours courses. This is done by taking the minimum of target intake/actual intake/year 1 of the programme (using the minimum of these figures helps to ensure that we do not fund a university for under or over-recruiting) for each of the previous two years for three-year courses and for each of the previous three years for Honours courses, and then applying assumed year-to-year retention rates (based on three-year averages), i.e.
 - **Funded places for year 2** = Minimum of the target intake/actual intake/year 1 of programme for academic session AY-1 × year 1 to year 2 retention.
 - **Funded places for year 3** = Minimum of the target intake/actual intake/year 1 of programme for academic session AY-2 × year 1 to year 2 retention × year 2 to year 3 retention.
 - ...and similarly for year 4.
47. AY is the Academic Year for which the allocations of funded places are being derived, AY-1 is the previous Academic Year and so on.
48. The proposed allocation of funded places for three-year Nursing and Midwifery provision equals the sum of the funded places for years 1, 2 and 3. The proposed allocation of funded places for four-year Honours Nursing and Midwifery provision equals the sum of the funded places for years 1, 2, 3, and 4.

49. From AY 2021-22, Student Awards Agency Scotland (SAAS) took over the payment of tuition fees for Pre-registration Nursing and Midwifery to bring it into line with the vast majority of university provision. SAAS are unable to make payments to continuing European Union (EU) students for Pre-registration Nursing and Midwifery, and consequently SFC continue to include an assumed fee amount for these students within the teaching grant for Pre-registration Nursing and Midwifery. For those courses with continuing EU students who have not received a fee amount (the four-year Honours courses), universities should continue to claim the fees through the Fee Anomalies Grant. Fee compensation for these claims is provided by the Scottish Government and is therefore not affected by the pause of the SFC budget for Fee Anomalies.
50. Once SFC has calculated the proposed funded places, the modelling is shared with each university, along with Scottish Government's CNOD. Universities are asked to comment on their proposed allocation of funded places and if they feel that they do not accurately reflect the number of students who should be funded then contextual information should be provided to SFC to support this. SFC will discuss any contextual information which has been provided with CNOD before confirming the number of funded places to be allocated to each university.
51. 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, but places will be adjusted in-year to reflect universities' actual intakes, above or below the intake targets. The process which has been agreed for this is set out below:
- SFC will model funded places using the targets that were published in April 2023 and our existing methodology, as set out above.
 - These funded places have been used in our Final Funding Allocations publication.
 - SFC will adjust the funded places in-year to reflect universities' actual recruitment of Pre-registration Nursing and Midwifery students.
 - Funded places and funding will be adjusted for recruitment both below and above the existing targets (up to a maximum of the sector intake target).
 - Actual recruitment will be based on an additional SFC data collection - 'Early Intakes Collection'.
 - The Early Intakes Collection is already used to collect intakes data for Medicine and Dentistry – it will be extended to include Pre-registration Nursing and Midwifery.
 - SFC will write to universities to confirm the revised funded places, based on actual recruitment, before the end of 2024.

Controlled funded places – Paramedic Education

52. In AY 2023-24 SFC received guidance from the Scottish Government’s Chief Nursing Officer’s Directorate (CNOD) on the recommended target student intakes across 3 years, AY 2023-24 to AY 2025-26, (subject to annual review). SFC uses intake targets and information on actual intakes and year-to-year progression rates, derived from the most recent Early Statistics Returns, to calculate the proposed funded places for Paramedic Education.
53. The intake target for Paramedic Education relates solely to SEFF so there is no requirement to make an assumption on the number of rUK students. The funded places for year 1 will be equal to the intake target.
54. It is then necessary to calculate the numbers of funded places for years 2 and 3. This is done by taking the minimum of target intake/actual intake/year 1 of the programme (using the minimum of these figures helps to ensure that we do not reward a university for under or over-recruiting) for each of the previous three years, and then applying assumed year-to-year retention rates (based on three-year averages), i.e.
 - **Funded places for year 2** = Minimum of the target intake/actual intake/year 1 of programme for academic session AY-1 × year 1 to year 2 retention.
 - **Funded places for year 3** = Minimum of the target intake/actual intake/year 1 of programme for academic session AY-2 × year 1 to year 2 retention × year 2 to year 3 retention.
55. AY is the Academic Year for which the allocations of funded places are being derived, AY-1 is the previous Academic Year and so on.
56. The proposed allocation of funded places for Paramedic Education equals the sum of the funded places for years 1, 2 and 3.
57. Once SFC has calculated the proposed funded places the modelling is shared with each university, along with the CNOD. Universities are asked to comment on their proposed allocation of funded places and if they feel that they do not accurately reflect the number of students who should be funded then contextual information should be provided to SFC to support this. SFC will discuss any contextual information which has been provided with CNOD before confirming the number of funded places to be allocated to each university.

Controlled funded places – Initial Teacher Education

58. The Scottish Government Learning Directorate carries out an annual workforce planning exercise to determine how many students are required to train as teachers to meet the national need for teachers across Scotland, which is then discussed with the Teacher Workforce Planning Advisory Group (TWPAG). The Scottish Government bases its recommendations to SFC on this workforce planning exercise and the advice of TWPAG. The guidance details the recommended changes to be made to the intake of students of teacher education at a national level, as well as allocations that we should make for specific purposes, such as Gaelic medium education.

59. On the basis of the guidance from Scottish Government, we allocate a student intake target to each of the following Initial Teacher Education (ITE) routes:
 - Undergraduate Primary (including Combined degrees)
 - PGDE and other Primary
 - Undergraduate Secondary (including Combined degrees)
 - PGDE and other Secondary
60. To deliver the required teachers in different secondary subjects, we allocate some places through the undergraduate route. However, the majority are delivered through the PGDE route. The Scottish Government advises on a national intake target for each secondary subject. Universities are then allocated individual targets for each subject and asked to meet this subject target through a combination of PGDE and the other routes.
61. We use the recommended intakes for ITE courses to calculate a proposed allocation of funded places for each university for each ITE course. In deriving the proposed allocations of funded places, an assumed number of rUK students is removed from the intake target. This is because the intake target covers rUK students but the teaching of these students is not supported by SFC funding.
62. For multi-year ITE courses, funded places for the other years of the course are derived using the minimum of the target intake/actual intake/year 1 of the programme for each of the previous three years and then applying assumed year-to-year retention rates (based on three-year averages). Retention rates are calculated separately for each university based on their own data.
63. The proposed funded places are calculated and the modelling shared with each university. Universities are asked to comment on their proposed allocation of funded places and provide contextual information if they feel that these do not accurately reflect the number of students who should be funded.

Small Specialist Institutions Grant

64. SFC allocates Small Specialist Institution (SSI) Grant funding to our three SSIs – Glasgow School of Art (GSA), the Royal Conservatoire of Scotland (RCS), and Scotland’s Rural College (SRUC) – in recognition of the specialist nature of their provision and the specific challenges faced by these institutions.
65. An element of RCS’s SSI Grant reflects the additional cost of conservatoire teaching (excluding ITE), in recognition of the unique nature of teaching within a Conservatoire. Additional SSI funding is allocated for any additional funded places they receive that are related to conservatoire teaching, to reflect the difference between the current price for Price Group 3 and the former Unit of Resource for Conservatoire Provision (adjusted for increases in the teaching price since the Conservatoire Unit of Resource was discontinued). The SSI Grant associated with core funded places at RCS is not recalculated each year in line with changes in price groups but adjusted in line with the main SSI Grant.

66. The SSI Grant for AY 2024-25 is £13.8m (individual allocations are set out in [Table 4](#).) This amounts to an increase of £1.7m from AY 2023-24, with additional funding provided to GSA and RCS to mitigate changes to other elements of funding. (The SSI Grant for AYs 2023-24 and 2024-25 includes £1.5m identified for world-leading SSIs, with £0.5m allocated to GSA and £1.0m to RCS.)

Widening Access and Retention Fund

67. For AY 2024-25, £15.6m of Widening Access and Retention Funding (WARF) has been allocated to eight universities (see [Table 4](#)), all of which are expected to continue to demonstrate and maintain a significant commitment to the support, retention and successful outcomes of students from the most disadvantaged and deprived backgrounds. This budget allocation is unchanged from AY 2023-24.

Disabled Students Premium

68. The Disabled Students Premium (DSP) for AY 2024-25 has been set at £2.9m and is unchanged from AY 2023-24. The purpose of the DSP is to assist institutions with the costs that they incur in providing additional materials and services for disabled students.
69. The DSP is allocated to universities by sharing the available funds according to funded student places; with a minimum 'floor' of £54k and the Open University in Scotland (OUS) receiving a fixed allocation of £186k.
70. To calculate the individual allocations, we initially pro-rata the budget according to the number of funded places at each university. If any university's initial allocation is less than £54k then they are awarded that minimum amount, and similarly the OUS is allocated £186k. The sum of the minimum amounts that have been allocated and OUS's allocation are removed from the available budget and the remaining funds are then distributed among those universities who have not been allocated a fixed amount on a pro-rata basis. The allocations are shown in [Table 4](#).

Research and Innovation

71. Research in our universities helps drive innovation and contributes to productivity. It helps in tackling the local and global challenges that we face, such as the move to a low carbon economy, managing an ageing population and mitigating the impact of diseases. HE research in Scotland is internationally recognised, renowned for its excellence and respected for its innovative and collaborative nature.
72. SFC has allocated a budget for core research and innovation (including Research Excellent Grant, Research Postgraduate Grant, and Knowledge Exchange and Innovation Funding) of £317.2m in AY 2024-25 ([Table 6](#)). This represents an increase of £12.6m (4.2%) from AY 2023-24.

Research Excellence Grant

73. The principles of the Research Excellence Grant (REG) are:
- A sustainable and predictable framework to support ambitious and excellent research across the Scottish HEIs.
 - Robust and transparent allocation method based on clearly defined criteria and avoiding unnecessary complexity.
74. REG provides the majority of SFC's funding for research in Scotland. It is intended to support sustainable research excellence across Scotland's universities. REG has a dual purpose:
- To recognise and reward research excellence wherever it is found and in whatever discipline; and
 - To uphold the principles of the dual support system, through making a contribution toward the full economic costs of research.
75. REG provides a long-term, stable source of research funding which institutions can use flexibly to develop and support excellent research as best fits their individual circumstances, thereby supporting the diversity of the sector and their ability to respond to challenges.
76. REG supports institutions to:
- Sustain an excellent research environment and a thriving and inclusive research culture.
 - Consolidate and/or expand existing excellence to attract global investment and talent to Scotland.
 - Respond flexibly to changing priorities and invest in new and emerging areas of research ensuring that the research base is in a position to respond to the challenges of the future.
 - Support researchers in their early career stages.
 - Help meet the full economic costs of research work contributing a public good, supported by, for example, Research Councils and charities.
77. The REG budget for AY 2024-25 is £256.3m; an increase of £9.5m from AY 2023-24. REG is made up of three parts - A, B and C - all of which have received a funding uplift for AY 2024-25 (£6.6m, £1.6m and £1.2m respectively). These three parts are as follows:

REGa

78. The budget for part A of REG (REGa) for AY 2024-25 is £178.8m. This budget is split as follows, using the proportions of the three elements which informed the overall Research Excellence Framework (REF) quality profile for each Unit of Assessment (UoA) in the REF 2021: 60% for 'Outputs', 25% for 'Impact' and 15% for 'Environment'. This

results in £107.3m of the REGa budget being based on Outputs, £44.7m being based on Impact and £26.8m being based on Environment.

79. The allocation of funding within each element is calculated using volume, quality and a subject weighting. Volume measures and quality ratings are drawn from the university's results from REF 2021.
80. The volume measure is the FTE number of Category A eligible staff at each university. Category A eligible staff were defined for REF 2021 as “academic staff with a contract of employment of 0.2 FTE or greater and on the payroll of the submitting university on the census date (31 July 2020), and whose primary employment function is to undertake either ‘research only’ or ‘teaching and research’.”
81. The quality measure is derived from the REF 2021 results to which a weighting is applied e.g. 4* (world leading) is weighted by 4, and 3* (internationally recognised) is weighted by 1, as set out below:



82. Each UoA is assigned one of three subject weightings: 1.6, 1.2 and 1.0. The subject weighting assigned to each UoA is shown in [Table B1](#).
83. For each REF result, a departmental rating is derived using the following formula:



84. A percentage share of the total departmental ratings is calculated for each university's individual REF result which is applied to the budget for each element to provide a resulting allocation. A university's overall allocation is then derived from the sum of the resulting allocations for each university's REF results. [Table B2](#) shows the allocation from each element and the overall allocation from REGa for each university for AY 2024-25.

REGb and REGc

85. Part B of REG (REGb) is based on the amount of non-charity research income each university receives. The budget for REGb for AY 2024-25 is £44.2m.
86. Part C of REG (REGc) is based on the amount of charity research income each university receives through a competitive process. The budget for REGc for AY 2024-25 is £33.3m.

87. The research income used to inform the allocations of REGb and REGc for AY 2024-25 is a 4-year average of the relevant income for AYs 2018-19 to 2021-22, with the following adjustments:
- 10% of the balance of deferred capital grants taken to reserves in 2015-16 is also included.
 - The co-investment from external sources on funding council-funded projects is excluded.
88. The allocations of REGb and REGc are based on each university's proportion of the 4-year average of relevant income, with the 10% balance of deferred capital grants taken to reserves in 2015-16 factored in, e.g. if a university secures 10% of Scotland's non-charity research income it will be allocated 10% of REGb.
89. The allocations from REGb and REGc for AY 2024-25 are shown in [Table B2](#).

Research Postgraduate Grant

90. The Research Postgraduate Grant (RPG) supports institutions to i) invest in a collaborative environment for research training and development that values positive culture, inclusivity and exposure to high-quality research as central to the postgraduate research experience, and ii) secure a pipeline of skilled postgraduate researchers and support their career development in a way that meets the needs of academia, industry and society.
91. The RPG budget for AY 2024-25 has been set at £37.9m; an increase of £1.0m from AY 2023-24. Due to changes to HESA Student returns, the AY 2024-25 allocations of RPG are, again, based on AYs 2020-21 and 2021-22 data for each university.
92. The RPG is allocated pro rata to universities' two-year averages of weighted FTE numbers of research postgraduate students eligible for funding. The numbers are weighted with the weights used to inform the allocations of REGa applied to the FTE numbers of SEFF in each UoA.
93. Where the resulting allocations see a university receiving less than £79k, this university's individual allocation is made up to that amount, with the remaining amount split amongst the rest of the universities as detailed above. See [Table B3](#).
94. Universities' RPG allocations for AY 2024-25 are shown in [Table 6](#).

Knowledge Exchange and Innovation Fund

95. The split of the £23.0m allocated for the new Knowledge Exchange and Innovation Fund (KEIF) in AY 2024-25 can be found in [Table 6](#). This is a £2.2m increase to the previous University Innovation Fund (UIF) allocation for AY 2023-24.
96. A 'platform grant', set at a total of £4.8m for staffing and development, has been allocated to each university at a flat rate of £250k each.

97. Each university also received a share of the £17.9m 'outcome grant,' to incentivise and reward activity.
98. There are 4 parts to the outcome grant. The below methodology is used to calculate each university's share of each part. For each measure, the data uses a 3-year average across AYs 2020-21 to 2022-23 with a ratio of weightings (2:3:5) applied across the 3 years (2 in AY 2020-21, 3 in AY 2021-22 and 5 in AY 2022-23).

Measure	Outcome Grant	Data used
1. Weighted KE metrics	60% (£10.7m)	The university's Knowledge Exchange (KE) income as per the KE metrics return (see Annex E of this guidance for definitions of each KE metric). Once the weighted 3-year average has been calculated for each specific type of income, the resulting amounts are then multiplied by the relevant weighting for that specific type of income (as per Table 2 of the KEIF guidance) and combined to produce a total allocation.
2. Total KE income return per academic staff member (FTE)	25% (£4.5m)	The university's unweighted KE income as per the KE metrics return. Once the weighted 3-year average has been calculated, the resulting amounts are then divided by the weighted 3-year average of academic staff FTE as per the HESA Staff return.
3. Graduate start-ups that are still active and have survived at least 3 years per student FTE	10% (£1.8m)	The university's graduate start-ups still active after 3 years as per the HESA HE-BCI return. Once the weighted 3-year average has been calculated, the resulting amounts are then divided by the weighted 3-year average of student FTE as per the HESA Student return.
4. Total number of spin-outs that are still active and have survived at least 3 years per total research income	5% (£892.5k)	The university's total spin-outs that have survived at least 3 years as per the HESA HE-BCI return. Once the weighted 3-year average has been calculated, the resulting amounts are then divided by the weighted 3-year average of research income as per the HESA Finance return.
Total	100% (£17.9m)	

99. The calculations above form the basis of each university's share of each part of the outcome grant. The amounts under each part of the outcome grant are then combined to form the university's overall share of the outcome grant which is then added to each university's platform grant. In addition, £0.4m of the overall £23.0m for KEIF has been allocated for the KEIF Collaboration Manager post (£0.1m) and support for sector-wide activity (£0.3m), hosted by the University of the West of Scotland.

100. Where there was a reduction in a university's KEIF allocation from what was the UIF in AY 2022-23, the KEIF was made up to that original AY 2022-23 amount. The remaining total amount was then split amongst the remaining universities that did not see a reduction to their allocation.

Capital

101. The Scottish Government's budget bill for Financial Year (FY) 2024-25 provided a university capital budget of £5.0m. In addition, SFC has provided matched funding for the Higher Education Research Capital (HERC) Grant funding it receives from the UK Department for Science, Innovation and Technology (DSIT). Total HERC funding for FY 2024-25 is £37.6m; £18.8m from DSIT, matched with a further £18.8m from SFC ([Table 8](#)).

Capital Maintenance Grant

102. The Capital Maintenance Grant ([Table 8](#)) is allocated pro-rata to a university's share of Main Teaching Grant (as per [Table 2](#)).

HE Research Capital

103. HERC funding allocations from the UK DSIT, matched by SFC, are based on universities' five-year average Research Council income. Funding is allocated to those universities who would receive more than £0.1m on the first run of the research capital model.

Further information

104. Please contact Duncan Condie, Senior Funding Policy Officer, Tel: 0131 313 6671, email: dcondie@sfc.ac.uk.

Annex A: Allocation of Cost Centres to SFC Teaching Subject Price Groups

Price Group 1

Clinical Medicine

Clinical Dentistry

Veterinary science

Price Group 2

Pharmacy and pharmacology

Physics

Chemical engineering

Mineral, metallurgy and materials engineering

Electrical, electronic and computer engineering

Price Group 3

Pre-clinical Medicine

Pre-clinical Dentistry

Health and community studies

Agriculture, forestry and food science

Earth, marine and environmental sciences

Biosciences

Chemistry

General engineering

Civil engineering

Mechanical, aero and production engineering

Art and design

Music, dance, drama and performing arts

Price Group 4

Nursing

IT, systems sciences and computer software engineering

Archaeology

Education - Other than Initial Teacher Education

Price Group 5

Psychology and behavioural sciences

Anatomy and physiology

Sports science and leisure studies

Mathematics

Architecture, built environment and planning

Geography and environmental studies

Area studies

Education - Initial Teacher Education

Price Group 6

Anthropology and development studies

Politics and international studies

Economics and econometrics

Law

Social work and social policy

Sociology

Business and management studies

Catering and hospitality management

Modern languages

English language and literature

History

Classics

Philosophy

Theology and religious studies

Media studies

Not assigned to a price group

Continuing education

Cost centre not assignable

Annex B: AY 2024-25 Funded Student Places for Medicine

Institution	Initial Funded Places for AY 2024-25				Additional Intake Targets - not fully embedded							Minimum Scottish domiciled intake		Changes to funded places based on AY 2023-24 SEFF		Funded places for AY 2024-25				Additional AY 2020-21 Recruitment Clinical Medicine Year 5
	Pre-Clinical Medicine	Clinical Medicine	Pre-clinical ScotGEM	Clinical ScotGEM	Additional Core Intake Pre-Clinical	Additional Core intake Clinical	Additional Widening Access Places Pre-Clinical	Additional Widening Access Places Clinical	Additional GP Track Clinical	Additional HCP-Med Pre-Clinical	Additional HCP-Med Clinical	St Andrews	Others	Pre-Clinical Medicine	Clinical Medicine	Pre-Clinical Medicine	Clinical Medicine	Pre-clinical Scot GEM	Clinical Scot GEM	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Aberdeen, University of	493.3	516.3	0.0	0.0	15.0	31.0	7.0	7.0	25.0			1.0	4.0	8.0	-14.0	523.3	570.3	0.0	0.0	0.0
Dundee, University of	344.4	376.5	0.0	67.0	15.0	28.0	7.0	7.0				1.0	-1.0	-7.0	13.0	359.4	424.5	0.0	62.0	15.0
Edinburgh, University of	457.3	448.5	0.0	0.0	15.0	5.0	3.0	3.0		3.7	28.8	2.0	17.0	-14.0	9.0	465.0	513.3	0.0	0.0	4.0
Glasgow, University of	549.8	708.1	0.0	0.0	15.0	43.0	8.0	8.0	0.0			5.0	8.0	-21.0	-14.0	551.8	758.1	0.0	0.0	25.0
St Andrews, University of	272.5	0.0	70.0	38.0	21.0		0.0							-14.0	0.0	279.5	0.0	70.0	41.0	
Sector	2,117.3	2,049.4	70.0	105.0	81.0	107.0	25.0	25.0	25.0	3.7	28.8	9.0	28.0	-48.0	-6.0	2,179.0	2,266.2	70.0	103.0	44.0

Annex C: Distribution of Additional Funded Places for Articulation (Associate Student Scheme)

Institution	Articulation places (FTEs)
Aberdeen, University of	35.0
Abertay University	160.0
Dundee, University of	200.0
Edinburgh Napier University	428.0
Edinburgh, University of	-
Glasgow Caledonian University	628.0
Glasgow School of Art	86.0
Glasgow, University of	44.0
Heriot-Watt University	239.0
Highlands and Islands, University of the	-
Open University in Scotland	240.0
Queen Margaret University, Edinburgh	275.0
Robert Gordon University	300.0
Royal Conservatoire of Scotland	-
SRUC	200.0
St Andrews, University of	-
Stirling, University of	412.0
Strathclyde, University of	402.0
West of Scotland, University of the	800.0
Total	4,449.0

Annex D: Redistribution of TPG Places allocated to Innovation Centres

Innovation Centre	Host institution	Number of Taught Postgraduate places AY 2024-25	Price Group	Total funding for Taught Postgraduate places AY 2024-25
Built Environment-Smarter Transformation (BE-ST)	Edinburgh Napier University	26	5	£178,698
Digital Health and Care Innovation Centre (DHI)	University of Strathclyde	23	4	£178,825
Industrial Biotechnology Innovation Centre (IBioIC)	University of Strathclyde	30	2	£302,310
Precision Medicine Scotland Innovation Centre (PMS-IC)*	University of Glasgow	35	2	£352,695
The Data Lab	University of Edinburgh	91	4	£707,525
Total		205		£1,720,053

* This will be the last year for PMS-IC related Taught Postgraduate places.

Annex E: Current KE Metric Definitions and Guidance

- **Outreach:** Income received from KT Partnerships in the year. Should include both Government and partner company contributions.
- **Enterprise Schemes:** Currently includes High Growth Spinout Programme, Enterprise Fellowship Programme.
- **Consultancy:** expert advice and work, which while it may involve a high degree of analysis, measurement or testing, is crucially dependent on a high degree of intellectual input from the institution to the client (commercial or non-commercial) without the creation of new knowledge. Consultancy may be carried out either by academic staff or by members of staff who are not on academic contracts, such as senior university managers or administrative/support staff. All consultancy activities where there is income to the HEI should be returned irrespective of staff contract type.
- **CPD:** provision that is self-financing, developmental, meets needs of employer/workforce.
- **Research:** actual total grant and research contract income received and returned in Table 4 of the HESA Finance Return under source of income columns 4 (UK central government bodies/local authorities, health and hospital authorities) and 6 (UK industry, commerce and public corporations).

Column 5 (UK central government tax credits for research and development expenditure) should not be included.

Institutions should also return all grant and research income received from all non-UK industry, commerce and public corporations as a separate amount. This income will be split over columns 10 (EU industry, commerce and public corporations) and 13 (Non-EU industry, commerce and public corporations) of table 4 of the HESA Finance return.

- **Licensing:** income received in the year from existing or new licences granted to companies.
- **Translational:** Currently includes Wellcome Trust Translational Awards, Research Council KE follow-on funding, CRUK Discovery Funding.
- **Venturing:** Number and value of third-party risk investments (for example, venture capital, business angel, corporate investment) in companies that were created in AY 2022-23 with the involvement of your institution.

This includes companies where the institution played a role in creation, through, for example, entrepreneurial support, incubation, contribution of staff or funding. The companies may have been created with or without the direct application of institution-owned intellectual property.