UK Research and Innovation

Item TBC
Paper 2023-E018

UKRI minimum stipend for academic year 2023/24

To approve

Committee Name: Executive Committee January 2023
Previously discussed by: N/A
Author: [redacted]
Cleared by: [redacted]
SRO: [redacted]

Circulation: Executive Committee, senior leadership teams including the Talent Strategic Leadership Team

Summary

In October 2022 UKRI increased the minimum stipend level by 10% on the previously announced level in order to help maintain international competitiveness, attract talent and ensure that UKRI-funded students were able to complete their studies. We are now considering the minimum stipend for Academic Year (AY) 2023/24.

On 7 December, the Talent Team presented an information pack on student numbers and stipend levels to the ExCo Wednesday Morning Meeting (WMM). The aim of that meeting was to inform the development of options for how we could set and fund the 2023/24 minimum stipend. Executive Committee is asked to:

- **Agree:**
  - a preferred option for the stipend and the fee
  - a preferred approach for whether we should reduce student recruitment, fund any increase, or adopt a mixed approach
  - whether any of the other (i.e. not preferred) options outlined in this paper should be developed further, or if they can be ruled out at this stage

ExCo is not being asked to make a *final* decision on the level of the AY2023/24 stipend. In March 2023, the stipend level options that meet the conditions set through this current paper will be presented.

How the stipend level will be set for subsequent years (AY2024/25 onwards), will be informed by the New Deal on Postgraduate Research's long-term work. While we are not asking for input into the long-term work in this paper, we have taken into account the points made by ExCo at WMM on 7 December and will be bringing that work back to ExCo later in the year. Our approach for the longer-term is set out in Annex 1 as we appreciate that this may help contextualise current discussions.

1. **Issue**

1.1. UKRI sets a minimum stipend that is paid by Research Organisations (ROs) to students to cover their maintenance while undertaking postgraduate research training. We also set a tuition fee level that can be drawn by the RO to cover associated training costs[1]. The stipend and fee have both typically been revised each year, though there have been periods where the value was frozen.

1.2. Between Academic Years (AY) 2021/22 and 2022/23, the stipend increased by 13.2%, while the fee increased by 2.1%. This broadly increased the 2021/22 stipend in line with inflation over the preceding 24 months.

1.3. At Wednesday Morning Meeting on 7 December, ExCo members discussed trends in the minimum stipend, student numbers and international comparisons. The December WMM has informed the development of this paper. Key points from the previous discussion are summarised in Annex 2. This paper also considers ExCo's discussion of the inflation framework at WMM on 30 November, most notably, that any intervention should consider whether UKRI should act, if we can act, and if we are acting in some form already.

1.4. The Executive Committee is asked to consider the impacts of the different proposals set out for the level of the stipend and fee for AY 2023/24. Economic forecasts indicate that high inflation will continue over this period, so a change to the stipend that protects the training and maintenance costs of students will be above that profiled into, or expected to be absorbed by, training grants (2%). We present the impacts in two ways 1) the impacts of adopting a cost-neutral position (this avoids creating additional cost through a reduction in student numbers) and 2) the impact on UKRI's budget as a result of requiring additional funding to maintain student numbers in line with councils' original investment plans.

2. Timing

2.1. Grant holders are currently recruiting students and require a timely decision in order to make their final offers. We require a decision on the stipend and fee rate, and in particular any reduction in student recruitment that may be required, to enable grant holders to make timely decisions on recruitment by the end of March.

2.2. Following ExCo's steer, we will consider any additional factors raised by ExCo, test ExCo's preferred options with external stakeholders and take into account any additional economic data ahead of asking ExCo for a final decision in March.

3. Recommendations

3.1. In line with the inflation framework and the ambitions set out for student support in December, ExCo is being asked to consider the impacts of these and the extent to which they are acceptable. Where not, ExCo will need to indicate where UKRI's priorities lie and what compromises should be made. We recommend that ExCo agree its preferred option or options at this stage so that we can set out a clearer position for final decision in March.

3.2. We have set out five potential options for the stipend in AY2023/24. We recommend that ExCo adopt either Option A: forecast Consumer Price Index (CPI) or Option B: the forecast National Living Wage (NLW), whichever the higher, as CPI forecasts may be revised in March. These options are most likely to align to ExCo's steer to maintain the value of the stipend, and without them the competitiveness of the stipend is likely to be further diminished. The reputational risk for UKRI significantly increases if the stipend falls below the take-home equivalent of the NLW. We also note that colleagues in government have asked that we consult them on the stipend for

[1] Training grant holders have the flexibility to pay a higher stipend (whether with our funding or through co-funding) in certain circumstances, e.g. to attract scare talent, however the majority our students receive the minimum stipend. ROs can charge a higher fee to the training grant but we do not have robust data on how many do this.

2023/24 and our current thinking is that aligning to forecast NLW is most likely to align to existing government priorities.

3.3. Our preferred option for the fee is to increase this in line with the Option G: HMT GDP Deflator, as this has been our historic practice and not doing so may be perceived as seeking to reduce costs. The increase has only a marginal impact on the total cost of studentships.

3.4. We are not making a specific recommendation on whether this should be funded by adopting a cost-neutral approach (i.e. reducing student recruitment), or fully funding or partially funding the increase at this stage.

4. **Should we? - Analysis**

Stipends

4.1. As outlined in Annex 2, ExCo advised that UKRI should seek to maintain the value of the stipend if possible and that our approach needs to consider volatility in inflation rates. With these in mind, we have explored the following uprating mechanisms for stipends:

- **Option A: Forecast Consumer Price Index (CPI) (6.9%).** This approach is closest to our approach to date and uses the Office of Budget Responsibility (OBR) 12-month CPI forecast to Q3 2023 from November 2022. This measure is most likely to maintain the value of the stipend for students in real-terms, though all economic forecasts are subject to uncertainty. Note that the OBR is likely to publish a revised forecast at the 2023 Spring Budget, scheduled for 15 March, and hence we may be able to provide a more up-to-date figure to ExCo ahead of a final decision.

- **Option B: Forecast National Living Wage (NLW) increase to April 2024 (6.3%).** The Low Pay Commission is mandated by the government to consult on the rate of the NLW each year, with a remit to put the NLW on a path to reach two-thirds of median hourly pay by 2024. While it has not yet opened its consultation for 2024, it estimates its target rate from 1 April 2024 will be £11.08, but here too there remains uncertainty (it provides a range between £10.82 and £11.35). The stipend is not a wage, but ensuring that the stipend does not fall below the take-home equivalent of NLW (i.e. the annualised rate less UK tax and national insurance) is consistent with emerging findings of the New Deal for PGR work that the stipend should, at a minimum, be competitive with real-wages. As with the previous approach, it is dependent on forecasts. Note that the current UKRI stipend (£17,668) is above the current annualised take home equivalent of NLW (£16,547)[2], but will be slightly below the rate as of 1 April 2023 when NLW increases (£17,841).

- **Option C: NLW increases 5-year rolling average (5.9%).** The mean year-on-year increase to NLW. This measure reflects increases over a period where the government has had a policy of increasing NLW above labour market average to reach two-thirds of median hourly pay, a target due to be met in 2024. As it is based on historical data, the 5-year average is not subject to a future Low Pay Commission consultation. Setting the stipend based on the average trajectory of the 5 years immediately prior could help overcome volatility, but it may not fully reflect increases in the cost of living between October 2022 and October 2023, so be a below-inflation increase that may present additional reputational risks. It could also result in a stipend that is higher or lower than the actual NLW and adopting it may lead stakeholders to query why we had not used actual contemporary rates of NLW.

[2] The figures assume a 37.5 hour working week for 52 weeks a year and are net of current UK rates of income tax and National Insurance. The gross figure is £18,525 from 1 April 2022 rising to £20,319 from 1 April 2023.

- **Option D: CPI 5-year rolling average (3.5%).** Based on ONS actual 12-month CPI increases to Q3 between 2018 and 2022. This measure avoids using forecasts and would smooth out both any above average or below average inflation. Adopting this approach in a period of high-inflation will necessarily lead to a below-inflation increase and would not satisfy the requirement to keep pace with inflation this year. It may therefore also present additional reputational risks.

- **Option E: Grant indexation figure (2.48%).** This is the figure ratified by PFO on 8 December for new research grants and is based upon a 4-year average of the November 2022 HMT GDP deflator forecasts (for FY22/23, 23/24, 24/25 and 25/26 - 4.9%, 3.2%, 1.3% and 0.5% respectively). It is presented in the paper for completeness, but we strongly recommend that this approach is not adopted and have not produced estimates for Option E. For the 2021/22 stipend, UKRI agreed to move away from setting the stipend relative to the GDP deflator because this measure does not accurately reflect the changes in the types of costs that the stipend supports. This was why CPI was adopted.

- **Option F: Do nothing (baseline assuming 2%).** When training grants are profiled, councils tend to either consider contemporary forecasts for inflation, or else 2%. We could therefore increase the stipend by 2% without incurring additional costs or significant changes to student numbers. The analysis below assumes that we would at least increase the stipend by 2% and all changes are on that basis.

Tuition fees

4.2. The fee contributes to ROs' overall costs for training each student, albeit, unlike most other costs in grants, we set the fee and uprate it annually. In the past the fee has been increased in line with the forecast HMT GDP deflator. The HMT GDP deflator effectively measures inflation across the whole economy and is therefore a reasonable measure to use for fee, which pays for a range of services[3]. We therefore propose only two uprating mechanisms. As with stipends, an increase below 2% is likely to be met from within the grant, whereas anything above 2% is likely to incur addition costs.

- **Option G: GDP deflator (3.2% as at November 2022).** The fee level has traditionally been updated by the HMT GDP deflator forecast, at a fixed point in time, each year and therefore this option represents our business-as-usual approach for the fee. The GDP deflator would currently mean uprating training grants by more than is profiled or than increases to other grants. Note that the OBR is likely to publish a revised forecast at the 2023 Spring Budget, scheduled for 15 March.

- **Option H: Grant indexation figure (2.48%).** As in option E, the figure ratified by PFO for new grants on 8 December and based on the four-year GDP deflator forecast. The grant indexation figure will be profiled into FEC grants for four years – this is not the case for the tuition fee, where we are only seeking to set the rate for 2023/24 and future rates may be subject to work from the New Deal and Collective Working. As above, this option would currently mean uprating training grants by more than is profiled into those grants. While

[3] The Treasury Green Book notes that the HMT GDP Deflator is generally the default measure of inflation to use, but also that "For some goods or services … the movement of a specific price index may differ significantly from the general inflation. Where there is historical evidence and an expectation this will continue in the future, different rates of inflation can be used to reflect the relative difference." The fee then differs from the stipend, as the stipend is to pay for the students' maintenance, and CPI is the most accurate available measure of their cost of living.

consistent with profile for other grants, we note that cost recovery for PGR is thought to be less than for other forms of research.

4.3. For the purposes of this paper, we have assumed continued use of the HMT GDP deflator (Option G / 3.2%). We have done so both as that is our business as usual and because the difference between the two options is modest.

5. **Can we? Implications for total number of students supported**

5.1. On 7 December, members of ExCo discussed a desire to limit any requirement to reduce student numbers. We estimate that even under the baseline assumptions the total population of UKRI funded students would fall around 4% in AY2023/24 compared on the previous year. This reflects a number of decisions made across councils and the ending of support for studentships through National Productivity Investment Funding (NPIF). Even before the 2022/23 stipend uplift, some fall in student numbers was expected to continue over the spending review with the planned increase in studentship spend between Financial Years (FY) 2023/24 and 2024/25 (0.52%; £423m and £426m respectively (paper 2022-E190; WMM 16 November)) being insufficient to meet rising studentship costs.

5.2. However, we also note that if we do not associate with Horizon Europe there is funding for an additional 800-1000 students starting in 2023/24; and a further 800-1000 students starting in 2024/25. To deliver the 2023/24 studentships we will need a decision on association by the end of March/early April so have identified the 2023/24 studentships as a priority for any pre-decision spend in response to the recent commission from BEIS.

5.3. Increasing the stipend is likely to reduce the number of students through the following mechanisms:

- **Direct**: UKRI may elect to reduce the number of students that we support.
- **Indirect co-funded:** Increasing stipends may reduce ROs' and third parties' ability to co-fund UKRI students, meaning we leverage fewer students.
- **Indirect non-UKRI**: Many ROs voluntarily peg the stipend they pay to the students they fund to UKRI's minimum stipend. An increase in UKRI minimum may therefore reduce the number of students funded by them or through them by third parties (e.g. direct university-business sponsorships); however, in previous engagement many ROs have noted that this should not be a reason for UKRI to not increase the stipend.

6. **Adopting a cost-neutral approach**

6.1. A cost-neutral approach means that the studentship budget does not change but that we reduce the number of students we fund. We estimate that Research Councils have allocated £345.6m to cover stipends and fees in the 2023-24 academic year. If we increased the stipend by the forecast CPI to April 2024 (6.9%) and tuition fees by the GDP Deflator (3.2%) and the total recommended change to stipend and fee were to be implemented from existing studentship budgets, this would result in a reduction in the total population of UKRI-funded students of 4% against the baseline assumption (7% between 2022-23 and 2023-24[4]). Figures for other options are set out in Table 1.

6.2. A reduction in student numbers would be implemented by reducing recruitment for the 2023/24 academic year. The effect is that increases to costs for people *in all years of study* are paid for by having fewer *first year* students. Hence the above reduction in the total population of UKRI

[4] Our modelling estimates the total population of UKRI funded students under this stipend level would be approximately 18,600 in the 2023/24 academic year. This compares to an estimated 20,050 active studentships reported by Research Councils for 2022/23.

funded students of 4% translates into a reduction in recruitment in 2023/24 of 13% against Research Councils' assumed planning baseline.

		Change against Research Councils' planning baseline if no change in budget 2023/24 (AY):		
Fees option	**Stipend option**	**to total population of UKRI funded students**	**to number of new students recruited**	**Indicative range across Research Councils of change to new students recruited**
Option G: GDP deflator (3.2% as at November 2022).	Option A: Forecast Consumer Price Index (CPI) (6.9%)	-4%	-14%	-9% to -22%
	Option B: Forecast National Living Wage (NLW) increase to April 2024 (6.3%)	-3%	-13%	-8% to -20%
	Option C: NLW increases 5-year rolling average (5.9%)	-3%	-12%	-8% to -18%
	Option D: CPI 5-year rolling average (3.5%)	-1%	-5%	-3% to -8%

Table 1: Change to student numbers for options against Research Councils' planning baseline (2% increase) if no change to budget.

6.3. As Table 1 illustrates, without any other adjustments, the impact on the number of students funded in individual councils could vary significantly. The variation reflects differences in the financial data provided by each council; there is no change to how students are distributed between councils (that is, the council impacted least would be impacted least in all above options). To some degree this may also reflect councils' different planning assumptions, for example, when they think existing studentships will end or the amount of headroom within their existing allocations to stipends. If ExCo's preferred option is to reduce the number of students, we would need further work with councils before being able to provide robust council-level figures.

6.4. Working with the Talent Strategic Leadership Team, we would also recommend seeking to find a mechanism that means any reduction to students is equitable across UKRI's portfolio, with all reductions within a much smaller range. Alternatively, we could profile based on existing allocations and allow greater fluctuation between councils. In either scenario, councils could still be given the option of mitigating any decrease through their core budgets, in line with the reprofiling that followed the 2022/23 stipend uplift.

7. Financial implications of fully funding the change to stipend and fee

7.1. If ExCo decided to increase the stipend and fee level above 2% without any reduction in student numbers, then grants would need to be increased, and we would need to find the savings from elsewhere within the UKRI allocation.

7.2. Using the same example as above, if we increased the stipend to the forecast CPI (6.9%) and tuition fees by the GDP Deflator (3.2%) we would incur additional costs of around £7.7 million in FY2023/24 and £15.1 million per financial year thereafter. Costs of other options are set out in Table 2. The costs for all options are around half in FY2023/24 than in subsequent years, as half of the academic year falls within UKRI's next financial year.

		Total additional cost of option if no adjustment to planned student numbers		
Fees option	**Stipend option**	**2023/24 (FY) (million)**	**2024/25 (FY) (million) (1)**	**2025/26 (FY) (million) (1)**
Option G: GDP deflator (3.2% as at November 2022).	Option A: Forecast Consumer Price Index (CPI) (6.9%)	£ 7.7	£ 15.1	£ 14.5
	Option B: Forecast National Living Wage (NLW) increase to April 2024 (6.3%)	£ 6.9	£ 13.5	£ 13.0
	Option C: NLW increases 5-year rolling average (5.9%)	£ 6.3	£ 12.4	£ 11.9
	Option D: CPI 5-year rolling average (3.5%)	£ 2.8	£ 5.4	£ 5.2

Table 2: Change to studentship budget required for options if no change to student recruitment
Notes: (1) estimates for 2024/25 and beyond assume a return to the baseline of a 2% increase

7.3. In mitigation, we have included funding to support a stipend uplift as a priority in the submission we are making for Horizon Europe pre-decision spend, making clear that the stipend level is subject to ExCo’s decision. The proposal for an increased stipend for all UKRI students from October 2023 is to enhance the international competitiveness and, if accepted in full, would fully reconcile any of the above options. At the time of writing we do not have a decision.

8. **Current UKRI financial situation**

8.1. Following reprofile requests and other budget moves at Quarter 3, we are currently over-profiled by 3.3% in FY2023/24 and have reached our over-profiling limit of 3.5% in FY2024/25. This includes adjustments for reductions to the Strategic Themes budget of £15.1m and £29m in 2023/24 and 2024/25 now that preferred profiles have been confirmed, and a substantial reprofiling of underspends from 2022/23 into 2024/25 for a number of council programmes. Therefore, we could go slightly further on over-profiling in 2023/24 using up to c.£15m of remaining over-profiling space to support these costs, but this will not be possible in 2024/25 as there is no headroom. There is still significant uncertainty about the size of the QR reprofile this year, which could also free up more budget in 2023/24. Similarly there are also indications of emerging underspend in Interdisciplinary Responsive Mode in 2023/24 and 2024/25.

8.2. Overall this means central budgets could cover these options in 2023/24 but not in 2024/25 so we would need to either reduce student numbers to some extent, fund from wider council allocations or wait for underspends to emerge in other programmes in 24/25. It is worth noting however that the use of the remaining space in our over-profiling limits also increases our financial risks in 2023/24 and reduces our flexibility to approve other reprofiles and manage other pressures and slippages as they emerge.

9. **Alternative options for a mixed approach**

9.1. We could adopt a mixed approach, for example:

- increasing studentship funding but by a lesser degree, combined a smaller reduction in the number of students that we recruit.
- Increasing studentship funding but by a lesser degree, then allowing individual councils to decide whether to make up the difference by reducing student numbers or reprioritising their core funding.

10. **Other implications**

10.1. Equality, diversity and inclusion. Feedback from ROs last year indicated that some students were responding to the rise in the cost of living in a variety of ways, including increasing the amount of paid work they take on (at the expense of time dedicated to their doctorate), through commercial loans, through support from parents, and contemplating leaving their programme. Evidence collected in responses to our Call for Input on the New Deal for PGR indicates that many students have no access to additional work, finance or parental support, examples including people with dependants or people from certain socio-economic backgrounds. These groups are more likely to be dependent on the stipend for their entire income and more adversely effected by the rise in the cost of living.

10.2. Reducing student numbers may also have an impact on EDI, for example, if reducing the total number of students leads ROs to focus recruitment on less diverse groups. However, this has not been fully assessed. Work on the New Deal is focussing on access and routes into postgraduate research, which will allow us to better assess potential, and how these balance against students from diverse backgrounds not entering or exiting PGR because of low stipend and other factors.

11. **Risks**

11.1. As stated in paragraph 8.2, if we allocate remaining space in our over-profiling limits to stipend it may increase our financial risks in 2023/24 as it reduces our flexibility to approve other reprofiles and manage other pressures and slippages as they emerge.

11.2. If the stipend does not maintain its value there is a material risk of impact on students' ability to complete their degree, for instance, because they cannot afford to continue or because they take on additional work that limits their ability to complete. There is also a reputational risk if students and those who support students feel the stipend undervalues their contribution.

12. **Conflicts of interest**

12.1. [redacted] has two family members who are in receipt of a UKRI stipend. [redacted] has a family member in receipt of a UKRI stipend.

13. **Annexes**

- Annex 1: Approach to setting the stipend in the long term
- Annex 2: Key points from WMM on 7 December
- Annex 3: Financial Support for Students - Data pack for ExCo WMM 7 December 2022 (see separate document)

Annex 1: Approach to setting the stipend in the long term

This annex sets out the work to support development of the stipend in the longer-term work on the New Deal for Postgraduate Research.

14. **Long-term stipends**

14.1. When the Talent Team presented a slide pack to WMM on 7 December, ExCo raised a number of points that we are considering as part of our longer-term work on the stipend. This included:

- Whether there should be a link to graduate salaries.
- Whether there should be one stipend or if it is acceptable to vary levels of support.
- The impact of stipends on Equality, Diversity and Inclusion (EDI).
- The impact of changing the number of students on the wider private and public sector.
- Whether less expensive training (e.g. masters) can support sectors' training needs.
- Whether the UK's PGR offer remains internationally competitive.

14.2. Our longer-term work intends to fully review the policy underpinning the stipend. In line with best practice, we are aligning the work to the Treasury's Green Book, which provides government bodies with advice on how to appraise policies, programmes and projects. As part of that approach, we have established a set of Critical Success Factors (CSFs). CSFs are the attributes that any successful proposal must have if it is to achieve successful delivery of its objectives.

14.3. The full set of CSFs are set out in Figure 1. For example, where the Green Book suggests "strategic fit" is likely to be a critical success factor, we have linked this to UKRI's three priorities for world class people as set out in *UKRI Strategy 2022-2027: Transforming Tomorrow Together.* This allows us to assess how likely a particular option is to support UKRI's strategy, and then to balance this against other factors such the sustainability of the wider sector or affordability to UKRI. In this way we will be better able to provide an unbiased analysis and highlight any required trade-offs.

14.4. In accordance with the Green Book, as well as CSF we will also have consider other obligations for example the public sector equality duty or the family test.

14.5. Last summer, colleagues from councils participated in workshops where we took an initial look at different options' likely alignment with the CSFs. While helpful, the workshop highlighted that further work is needed in some areas to provide a robust assessment. Much of that work is already happening through work that is part of or closely aligned to the New Deal. For example:

- **Call for Input (CFI).** The CFI was a tier-one commitment in the government's R&D People and Culture Strategy. Though delivered by UKRI, it was an opportunity for anyone in the sector to contribute views. Over 430 responses were received from students, supervisors, grant holders, university management, representative bodies and others, with a range of views expressed about stipends. Analysis of the CFI is now largely complete. When we publish this alongside our response in March, we will be able to bring transparency to work UKRI is doing, bringing a number of strands of work together including some of the analysis of the stipends that ExCo asked us to publish when we presented to them in December. Further engagement, with funders and representatives of universities (including research intensives, teaching intensives and specialist intuitions) and other key stakeholders is planned for the next six months.

- **UKRI commissioned analysis of training grant terms and conditions (T&Cs).** The analysis will provide an equality impact assessment of our T&Cs and make recommendations of where they could be reviewed. The work is being conducted by

AdvanceHE and a final report is due end-January. The analysis will principally help us address gaps in the current UKRI T&Cs but changes to our T&Cs may also inform our assessment of changes required to stipend, e.g. to supporting diverse people. It may also inform the sector's "single offer" and wider cost-benefit work of employment status, if required.

- **Best practice in recruitment.** In 2022 RICN agreed that it would apply NERC best-practice guidance on EDI to all UKRI research councils. Many councils are also leading their own work in this area, for example Research England's Widening participation in postgraduate research and NERC's Equator project.

- **Global mobility.** UKRI's Global Mobility team are actively gathering evidence to map gaps and issues regarding international student mobility and are commissioning work to build our understanding of why international students chose the UK.

14.6. A final decision on stipend for the next academic year (2023/24) in March will enable us to prioritise the longer-term work from this point, with a view to engaging stakeholders on more specific proposals and returning to ExCo in Autumn 2023 with options for stipend policy in the long term.

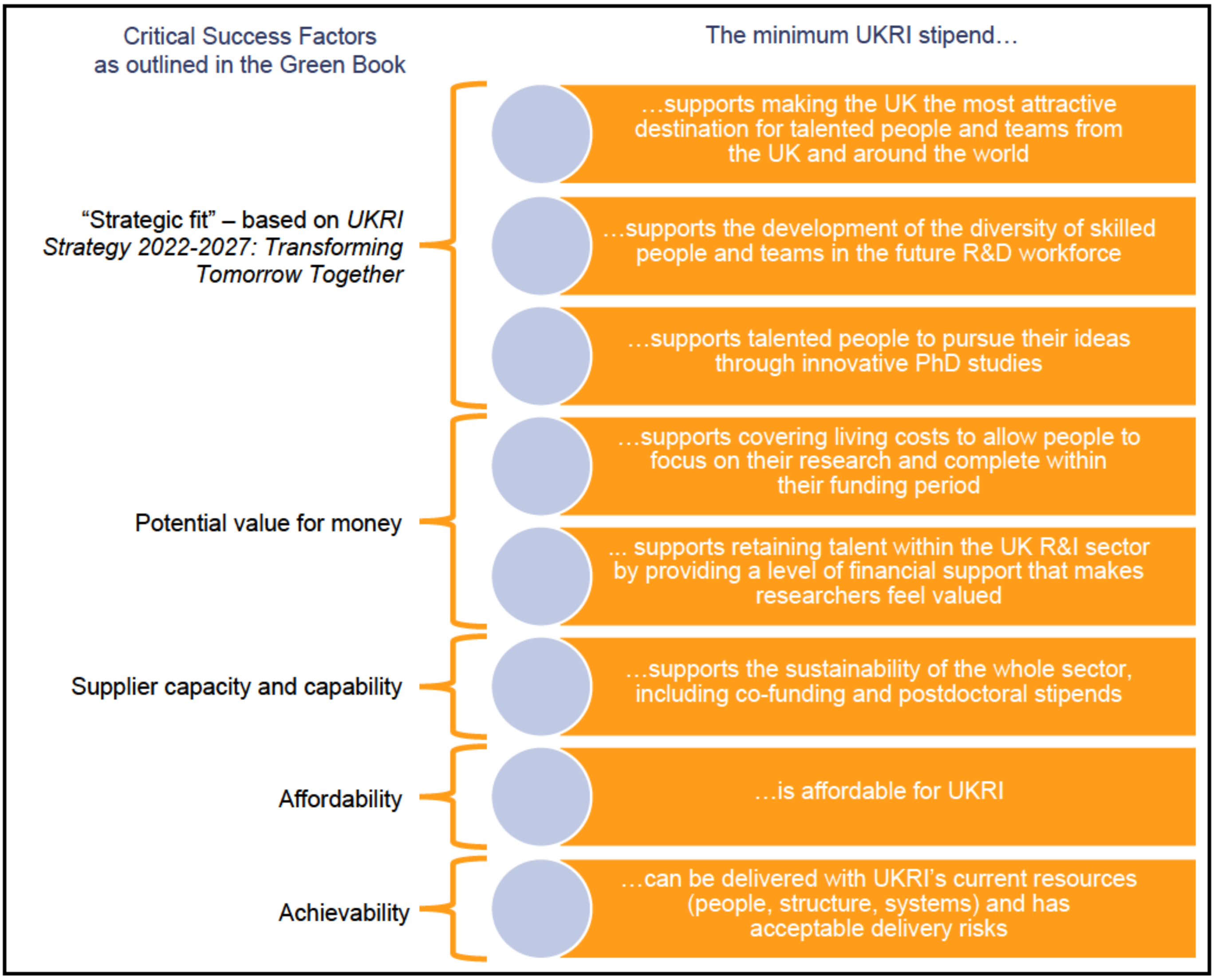

Figure 3: Critical Success Factors for the stipend in the long-term

Annex 2: Key points from WMM on 7 December
At Wednesday Morning Meeting on 7 December, ExCo members discussed trends in the minimum stipend, student numbers and international comparisons. The slide pack presented to ExCo is in Annex 3.

14.7. Factors considered included:

- that the value of the minimum stipend had already fallen significantly over the course of two decades – it would have lost 20% value in real terms since 2003 had we not increased the stipend in October 2022; even with the increase it has lost 11% of its value.
- The take-home equivalent of the minimum wage had increased by 24% in real terms over the same period.
- Prior to the 1 October 2022 increase, the stipend had fallen in comparison to the salary spine points used in most university pay scales. The minimum stipend is now equivalent to spine point 7, but the 2022 spine points remain under industrial dispute. Employers are likely to conclude negotiations for 2023 spine points in May and implement them from August.
- Internationally, UKRI's offer appears to be increasingly uncompetitive. This is an issue frequently raised by research organisations and supported by our own analysis, recognising the complexity of such comparisons.

14.8. Key points expressed by ExCo that we have considered in this paper include:

- That UKRI should seek to maintain the value of the stipend if a financially sustainable approach can be found.
- That it would take time to more fully understand the impact of changing the number of students on different sectors, but that there was a risk of reducing capacity to train students that would be challenging to rebuild quickly.
- That UKRI should adopt a robust rationale for any decision that would align to government priorities (including HM Treasury).
- ExCo suggested that it may still be desirable to have a mechanism that would be resilient to further economic uncertainty in the future, such as potential deflation, which current OBR forecasts project as a possibility from Q3 2024. While we have reflected this below, we note that it is our intention to set the stipend for 2024/25 based on the fuller analysis of the New Deal for Postgraduate Research, which aims to be more resilient to volatility in price inflation.