



Education
Funding
Agency

16 to 19 funding for 2015 to 2016

**A field guide to the 16 to 19 FE funding
factors allocation calculation toolkit**

December 2014

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Introduction

For the 2015 to 2016 academic year (2015/16) your 16 to 19 funding is calculated in a similar way to 2014/15. We still use the data that you record to calculate your future funding, the formula remains the same but there have been changes to the way in which your students are counted within the funding bands. This is to recognise that the funding for 16 to 17 year olds in band 4 is no longer protected at the band 5 funding rate.

You can find full details on [funding for academic year 2015 to 2016](#) on our website page.

This field guide aims to explain the practical detail of how we have used your data within the 16 to 19 FE Funding Factors toolkit.

If you have any queries about this, please contact the EFA through the appropriate email address below.

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16 to 19 institutions - central and south west territory

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16 to 19 institutions - southern territory

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Business cases which relate to the data within the funding factor statement should only be made in March 2015, once institutions have received and reviewed their final allocation.

Your 16 to 19 FE funding factors allocation calculation toolkit

To show you how we have used your data to calculate your FE funding factors statement we have prepared a 16 to 19 FE funding factors allocation calculation toolkit for you. The toolkit includes five separate tabs:

Funding factors – this summarises the key elements of your 2013/14 data which we are using to calculate your 2015/16 funding (this replicates the information shared on your FE Funding Factors statement).

Aims – this shows all the individual learning aims from your 2013/14 data return and looks at whether they are eligible and identifies the student's core programme aim.

Programme – This is student level data which shows the core programme aims in 2013/14 and works out how the characteristics of what you deliver affects each part of the funding formula.

Glossary – a technical description of each column in both the Aims and Programme tabs of the workbook, including data sources used.

Student names – a tool to help you easily add student names to the data on the Aims and Programme tabs.

If we don't have a full set of 2013/14 data for your organisation, then we have not produced a 16 to 19 FE funding factors allocation calculation toolkit for you. In this case you can still see how the calculations are made by reviewing our anonymised example toolkit which is available on our website alongside this guidance.

Differences between your FE funding factors statement and your 16 to 19 allocation calculation toolkit are due to:

- small differences because of rounding
- the toolkit only including data from your ILR return

In these cases your FE funding factors statement will give you the definitive position.

Features of the 16 to 19 funding methodology

What data have we used?

ILR return: 2013/14 R14 data.

Why do we use 2013/14 data?

Your 2013/14 data is the last full-year set of data that you returned. We use this to understand the unique characteristics of your organisation and its work.

You can find a detailed description of data sources in the glossary of your FE funding factors allocation calculation toolkit.

Who counts?

The criteria for students' aims to be included in the calculation for your 2015/16 funding allocation are as follows:

- students count as valid starts in the 2013/14 dataset, when they cross the appropriate qualifying period (based on the duration of the study programme). This includes 16 to 19 students, 19 to 24 high needs students and 19+ continuing students in sixth form colleges
- the qualifying period for a student to be counted is:

Planned length of programme in-year	Minimum actual time on course
24 weeks and longer	6 weeks
2 to 23 weeks	2 weeks

Figure 1: Student qualifying period

- programmes with a planned duration of less than 2 weeks and 15 year olds in summer schools (aged 15 or under with a start date on or after 1st June 2014) are not counted

Core programme aim and study programme type

Within the 2013/14 ILR, institutions flag the core aim for each student. This is used in three ways:

- to determine whether the programme is academic or vocational
- to calculate programme cost weighting

- to calculate retention

In some instances, multiple core aims for a student are identified across the academic year; where this has occurred we take the most recent instance as the core aim for calculation purposes.

If the core aim qualification is in the following categories, the study programme is classed as academic.

- A-Level (excluding General Studies)
- GCSE
- International Baccalaureate
- Pre-U Diploma
- free standing maths qualification
- access to HE

If the student's core aim in the ILR is not one of the listed types, the student's programme is vocational.

The 16 to 19 funding formula

All institutions are funded in the same way to teach 16 to 19 year olds (and students up to the age of 24, when they have a Learning Disability Assessment (LDA) or Education, Health and Care plan (EHCP)). Funding allocations for 2015/16 are calculated using a funding formula:

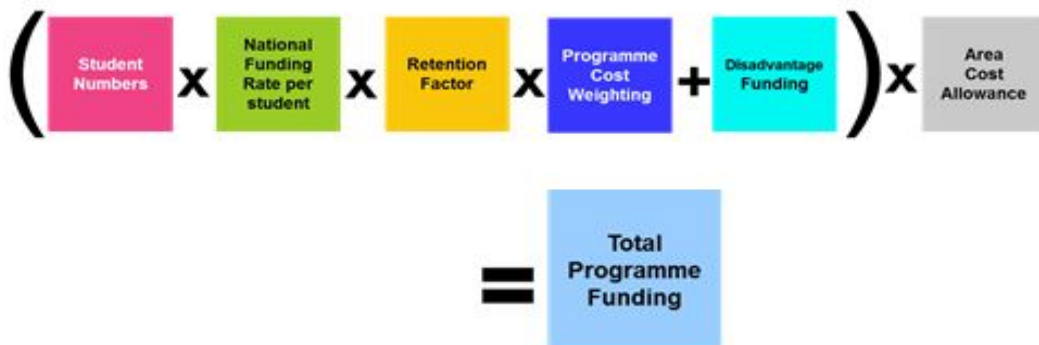


Figure 2: 16 to 19 Funding formula

There are also several additional funding elements that may or may not be relevant to your organisation:



Figure 3: 16 to 19 Additional funding elements

You can find full details of the [16 to 19 funding formula](#) on our website page.

Student numbers

We measure the learning delivered by your organisation by counting the number of students rather than the number of qualifications studied per student.

We will use your lagged student number to decide how many students should be included in your funding for 2015/16. The data sources we use in calculating 2015/16 funding allocations are detailed in the table below:

Institution Type	Method of determining number of students attracting funding
FE colleges	The starting point is the count of valid students with a census date of 1 November 2014 based on R04 for 2014/15. This is multiplied by the ratio of 1 November to all-year student numbers based on the R06 return for 2013/14 and the final R14 return for that year. We will share these with you in January 2015.
CCPs Some LAs	We have reviewed the approach used for calculating lagged student numbers for CCPs and confirmed the approach in a letter from Peter Mucklow at the end of November. We will review the figures for individual providers when we have R04 and R06 data and communicate these with allocations in March.
Higher education institutions (HEIs) Most LAs Some other FE	Where use of in-year data is not appropriate, the full year figure will be used based on: <ul style="list-style-type: none"> R14 (2013/14) or HESA data for 2013/14

Figure 4: Data sources for student numbers

Student funding bands

We fund at different rates depending on the size of the programme your students are studying. The categories are:

Band	Annual timetabled hours	Category
5	540+ hours	16 and 17 year olds Students aged 18 and over with high needs
4a	450+ hours	Students aged 18 and over who are not high needs

4b	450 to 539 hours	16 and 17 year olds Students aged 18 and over with high needs
3	360 to 449 hours	All students
2	280 to 359 hours	All students
1	Up to 279 hours	All students

Figure 5: Student funding bands

Your funding factor statement and allocation calculation toolkit contain a table showing the distribution of students by funding bands based on your 2013/14 data. The volumes are split between 16 and 17 year olds (including students aged 18 and over that are high needs) and students aged 18 and over (not high needs). Columns E, F and G in Table 1b summarise the data on the Programme sheet (the funding band is taken from column X and the age band taken from column D). The proportions calculated from these volumes will be applied to your lagged volume for 2015/16 academic year.

Retention factor

The retention rate is calculated at student level, not qualification level. For students on a vocational programme, we calculate the retention rate based on the student's core aim. For students on an academic programme we calculate the retention rate based on the student continuing to study at least one of their academic aims. It is calculated on the basis of retention for a full academic year.

Student's completion status	Percentage of funding
Student leaves before qualifying period	0%
Student leaves before planned end date and not recorded as completed	50%
Student retained to planned end date and recorded as completed	100%
Student leaves before planned end date and recorded as completed	100%

Figure 6: Retention criteria

We convert your retention rate to a retention factor. This is because we recognise that there is a cost to your organisation, and an inherent value to educating young people, even if they don't complete their course. Therefore we fix your retention factor at a higher point than your retention rate. To calculate your retention factor:

$$\text{Retention Factor} = (\text{Retention Rate} \div 2) + 0.5$$

Calculation

Your 2013/14 retention factor is used to calculate your 2015/16 funding. You can see which of your students were retained on their study programme in column G of the Programme sheet.

We've calculated your overall retention rate by taking the sum of Student Retained (column G) and dividing it by sum of Student Start (column F).

We then convert your retention rate to a retention factor (as above).

You can see the result of this calculation on the Funding Factors sheet (H21).

Programme cost weighting

This part of the funding formula reflects the fact that some courses are more expensive to teach than others.

Programme cost weighting is calculated using your student's core programme aim, but it is applied to their whole study programme. All academic and some vocational programmes will be funded at the base rate, but in addition there will be three higher weightings which provide an extra 20%, 30% or 60% above the base rate.

For example:

- the base rate includes academic courses, ICT, business admin and travel and tourism
- the medium weighting (20%) includes construction, performing arts and catering
- the high weighting (30%) includes agriculture, engineering and animal care

There is also a specialist weighting (60%) where there is a requirement to run specialist facilities such as a farm or equine stables.

Annex A shows a full list of weightings

You can see the programme cost weighting for each of your students on the Programme sheet (columns R to T).

Calculation

You can see your overall Programme Cost Weighting on the Funding Factors sheet (H22).

The calculation of the programme cost weighting uses data on the Programme sheet:

- we determine the Funding Band (column X) using the total Planned Hours in the Funding Year (column W).
for students in Funding Bands 5 to 2, we derive a base weighting value using set hours for each band, and this is recorded as the Weighting Multiplier in column Z.

Funding Band	Annual Planned Hours	Value used for calculation
5	540+ hours	600
4	450 to 539 hours	Mid-point 495
3	360 to 449 hours	Mid-point 405
2	280 to 359 hours	Mid-point 320
1	Up to 279 hours	Total hours

Figure 7: Base weighting values

The Weighting Multiplier (column Z) is multiplied by the student's programme Cost Weighting Factor Value (column S), and the result is entered in column AB, Weighted Cost Weighting Factor.

To calculate an overall programme cost weighting for your organisation we divide the sum of Weighted Cost Weighting Factor (column AB) by the sum of Weighting Multiplier (column Z).

Disadvantage funding

The disadvantage funding has two elements: how deprived your student's home area is; and their prior attainment in English and maths.

Your disadvantage funding can be found in Table 2 of the FE Funding Factors Statement and it is divided into two blocks.

- block 1: Economic Deprivation
- block 2: Prior attainment in GCSE English and maths

Block 1: Economic deprivation

We look at where your students live and check how deprived their home area is. To do this we look up their home postcode in the Index of Multiple Deprivation 2010. This is an official government statistic that tells us how deprived areas are based on official education, crime, health, employment, and income statistics. We then assign an uplift to those students that live in the most deprived areas of the country.

You can find out which of your students receive an uplift in the Programme sheet, column E (Disadvantage Uplift Factor).

Calculation

You can see your overall Economic Deprivation Factor on the Funding Factors sheet (H23).

The calculation of the disadvantage uplift uses data on the Programme sheet:

- we determine the Funding Band (column X) using the total Planned Hours in the Funding Year (column W)
- for students in Funding Bands 5 to 2, we derive a base weighting value (Table 7) using set hours for each band, and this is recorded as the Weighting Multiplier in column Z
- **the Weighting Multiplier (column Z) is multiplied by the student's Disadvantage Uplift Factor (column E), and the result is entered in column AA, Weighted Disadvantage Uplift**

The overall disadvantage factor for your organisation is the difference between the sum of Weighted Disadvantage Uplift (column AA) by the sum of Weighting Multiplier (column Z) displayed as a percentage of the sum of the Weighting Multiplier.

Care Leavers

The number of care leavers for your institution is recorded on the funding factor statement, table 2, box 2.5. This number is taken from 16 to 19 Bursary Fund claims for the 2013/14 academic year; for vulnerable students who were 'In Care' or 'Care Leavers'.

Block 2: Prior attainment

We look at what your students attained at GCSE English and maths. We check their grades at the end of Year 11, the source for this information in the Young Peoples Matched Administrative Dataset (YPMAD).

The rate for students that did not get a grade C in both English and maths are as follows:

Example	GCSE English below A*-C	GCSE English below GCSE A*-C	Funding attracted per student
Student 1	Yes		Rate x 1
Student 2		Yes	Rate x 1
Student 3	Yes	Yes	Rate x 2

Figure 8: Block 2 rate example

Calculation

Each instance of English or maths below grade C is given a value of one (thus, if a student has grades below C for maths and English, they have a value of 2). This value is then added up at organisation level and divided by the total number of students from the YPMAD, producing an organisation-level factor. You can find this in the cell named Instances attracting Funding per Student on your FE Funding Factors Statement (Table 2, 2.6).

This factor will be multiplied by the Total Funded Students for 2015/16 to obtain a total amount of Disadvantage Block 2 for your organisation. This will be shown in your final funding statement.

Additional information regarding your disadvantage block 2 and how this will be split between the funding bands will be included in your February statement.

Area cost allowance

Some areas of the country are more expensive to teach in; the area cost allowance reflects this, and is based on the location of your organisation.

Area	Uplift 2015/16	Factor
London A (Inner London)	20%	1.2
London B (Outer London)	12%	1.12
Berkshire (fringe and non-fringe)	12%	1.12
Crawley	12%	1.12
Surrey	12%	1.12
Buckinghamshire fringe	10%	1.1
Hertfordshire fringe	10%	1.1
Buckinghamshire non-fringe	7%	1.07
Oxfordshire	7%	1.07
Essex fringe	6%	1.06
Kent fringe	6%	1.06
Bedfordshire	3%	1.03
Hertfordshire non-fringe	3%	1.03
Cambridgeshire	2%	1.02
Hampshire and Isle of Wight	2%	1.02
West Sussex non-fringe	1%	1.01
Rest of England	0%	1

Figure 9: Area cost factors

The Area Cost Allowance can be found on your FE Funding Factors Statement (Table 2, 2.3).

Annex A: Programme cost weightings by sector subject area tier 2

SSA Tier 2 Code	SSA Tier 2 Description	Programme Cost Weight Banding	Programme Cost Weighting Factor
1	Health, Public Services and Care	Base	1
1.1	Medicine and Dentistry	Base	1
1.2	Nursing and Subjects and Vocations Allied to Medicine	Base	1
1.3	Health and Social Care	Base	1
1.4	Public Services	Base	1
1.5	Child Development and Well Being	Base	1
2	Science and Mathematics	Base	1
2.1	Science	Base	1
2.2	Mathematics and Statistics	Base	1
3	Agriculture, Horticulture and Animal Care	High/Specialist ¹	1.3/1.6
3.1	Agriculture	High/Specialist	1.3/1.6
3.2	Horticulture and Forestry	High/Specialist	1.3/1.6
3.3	Animal Care and Veterinary Science	High/Specialist	1.3/1.6
3.4	Environmental Conservation	High/Specialist	1.3/1.6
4	Engineering and Manufacturing Technologies	Medium	1.2
4.1	Engineering	Medium	1.3

¹ The high weighting (30%) includes non-specialist agriculture and animal care. The specialist weighting (60%) applies where there is a requirement to run specialist facilities such as a farm or equine stables.

SSA Tier 2 Code	SSA Tier 2 Description	Programme Cost Weight Banding	Programme Cost Weighting Factor
4.2	Manufacturing Technologies	Medium	1.3
4.3	Transportation Operations and Maintenance	Medium	1.2
5	Construction, Planning and the Built Environment	Medium	1.2
5.1	Architecture	Medium	1.2
5.2	Building and Construction	Medium	1.2
6	Information and Communication Technology	Base	1
6.1	ICT Practitioners	Medium	1.2
6.2	ICT for Users	Base	1
7	Retail and Commercial Enterprise	Medium	1.2
7.1	Retailing and Wholesaling	Medium	1.2
7.2	Warehousing and Distribution	Base	1
7.3	Service Enterprises	Medium	1.2
7.4	Hospitality and Catering	Medium	1.2
8	Leisure, Travel and Tourism	Base	1
8.1	Sport, Leisure and Recreation	Base	1
8.2	Travel and Tourism	Base	1
9	Arts, Media and Publishing	Base	1
9.1	Performing Arts	Medium	1.2
9.2	Crafts, Creative Arts and Design	Medium	1.2
9.3	Media and Communication	Base	1
9.4	Publishing and Information Services	Base	1

SSA Tier 2 Code	SSA Tier 2 Description	Programme Cost Weight Banding	Programme Cost Weighting Factor
10	History, Philosophy and Theology	Base	1
10.1	History	Base	1
10.2	Archaeology and Archaeological Sciences	Base	1
10.3	Philosophy	Base	1
10.4	Theology and Religious Studies	Base	1
11	Social Sciences	Base	1
11.1	Geography	Base	1
11.2	Sociology and Social Policy	Base	1
11.3	Politics	Base	1
11.4	Economics	Base	1
11.5	Anthropology	Base	1
12	Languages, Literature and Culture	Base	1
12.1	Languages, Literature and Culture of the British Isles	Base	1
12.2	Other Languages, Literature and Culture	Base	1
12.3	Linguistics	Base	1
13	Education and Training	Medium	1.2
13.1	Teaching and Lecturing	Medium	1.2
13.2	Direct Learning Support	Medium	1.2
14	Preparation for Life and Work	Base	1
14.1	Foundations for Learning and Life	Base	1
14.2	Preparation for Work	Base	1

SSA Tier 2 Code	SSA Tier 2 Description	Programme Cost Weight Banding	Programme Cost Weighting Factor
15	Business, Administration and Law	Base	1
15.1	Accounting and Finance	Base	1
15.2	Administration	Base	1
15.3	Business Management	Base	1
15.4	Marketing and Sales	Base	1
15.5	Law and Legal Services	Base	1
NA	Not Applicable/ Not Known	Default	1
U	Unknown	Default	1
X	Not Applicable	Default	1

Figure 10: Programme cost weightings



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