



Education
Funding
Agency

16 to 19 allocation statement – academic year 2017 to 2018

**Explanatory note for further education
institutions**

March 2017

v1.1

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Changes in version 1.1

- We have added the deadline for CCP business cases.

Introduction

This explanatory note sets out the background details behind the figures in your 16 to 19 allocation statement for the 2017 to 2018 academic year.

Purpose

The figures in the statement are your final funding allocation, which under normal circumstances will not be changed.

We reserve the right to reduce or withdraw your allocation at any stage should issues arise, through audit or other processes, which significantly affect the underlying data in relation to contract compliance, or if we believe that by making an allocation we will be putting public funds at risk.

By exception, we will consider evidenced and credible business cases from institutions where there has been a significant error in the data returned by the institution. We will apply standard minimum thresholds to decide whether a case is taken forwards for consideration or not, as shown below.

- For cases affecting lagged student numbers, 5% of students or a minimum of 50 students, whichever is lower.
- For large programmes uplift must affect 5 students or above.
- For cases affecting the full time/part time split and other funding factors including programme cost weightings, retention, area cost, disadvantage block 1 funding and for the condition of funding (threshold introduced for 2017 to 2018), an overall impact of 5% on total funding or £250,000, whichever is lower.
- For other cases not covered above including business cases relating to disadvantage block 2, we will review the cases individually with the exception of [high needs place funding](#).

We will take into consideration cases where a combination of data errors has a combined overall funding impact of 5% on total funding or £250,000, whichever is lower.

Should you wish to raise any queries or put forward a business case as set out above, please do so by using our [online enquiry form](#).

Please do not include any personal or sensitive data about your students when submitting your case.

Personal data is information relating to a living individual who is or can be, identified from the data provided. Personal data can be information about the individual, their families or circumstances. This may include:

- names,

- contact details,
- gender,
- date of birth,
- other characteristics such as educational activities.

When investigating queries from institutions, we will limit requests for data to that which is absolutely necessary for completion of the investigation.

Your business case should be submitted by the head of organisation. If the head of organisation has delegated the responsibility to another colleague, the business case must be sent with a supporting email confirming that the head of organisation has agreed the business case can be submitted.

Depending on the nature of your business case, we may require a completed template. If a template is required, we will contact you via email to inform you that a template has been uploaded to the document exchange.

The deadlines for submitting business cases are:

- FE institutions: 7 April 2017
- CCPs: 21 April

We expect to review all business cases in April and May 2017 and share outcomes by the end of June 2017.

Overall approach

We have published a [funding letter](#) setting out the key decisions and information relating to allocations for 2017 to 2018.

We have streamlined the process this year in consultation with key provider associations and this has reduced the number of separate documents we have sent to institutions during January and February 2017.

As in previous years, your funding allocation for 2017 to 2018 will be based on lagged student numbers plus any agreed exceptions where relevant. This statement includes student numbers and other factors which affect your funding for 2017 to 2018. A box by box explanation of the numbers in the statement is given in annex A.

In relation to delivery for 2017 to 2018, you should also refer to [EFA funding guidance](#) for 2017 to 2018, which will be published on GOV.UK before the start of the academic year.

National funding rates

The national funding rates have been confirmed as follows.

Band	Category	Planned hours	National funding rate per student	Block 2 disadvantage rate (per instance)
5	- 16 and 17 year olds - Students aged 18 and over with high needs	540+ hours	£4,000	£480
4	- Students aged 18 and over without high needs	450+ hours	£3,300 (see below)	£480
	- 16 and 17 year olds - Students aged 18 and over with high needs	450 to 539 hours		
3	All students	360 to 449 hours	£2,700	£292
2	All students	280 to 359 hours	£2,133	£292
1	All students	Up to 279 hours	£4,000/FTE	£480/FTE

In a similar way to last year, we have used 2015 to 2016 full year data to determine the proportion of students to be funded in each band in the 2017 to 2018 allocations. The maximum funding rate for 18 year olds without high needs in 2017 to 2018 has been set as £3,300, so any 18 year olds without high needs in bands 4 and 5 have been funded at band 4 rate.

Programme cost weighting

Programme cost weightings for 2017 to 2018 are unchanged from those used in allocations for 2016 to 2017. A list of programme cost weightings for 2016 to 2017 is given in the [funding guidance](#) for that year.

Disadvantage block 1

We map deprivation data from the indices of multiple deprivation (IMD) to each student's home postcode to determine whether disadvantage funding should be allocated. From 2016 to 2017 we updated the indices to IMD 2015 from IMD 2010.

IMD 2015 is the latest version of this index, released in September 2015. IMD is an official government index that tells us how deprived areas are based on official education, crime, health, employment, and income statistics. Based on this data we assign an uplift to those students that live in the top 27% most deprived areas of the country.

Note that we have used an updated version of postcode data to calculate your disadvantage block 1 factor in your 2017 to 2018 allocation statement compared to the version used in your allocation calculation toolkit (ACT). This may result in a slight increase from the disadvantage block 1 factor in your 2017 to 2018 ACT file. The postcode data used in ACT did not reflect some boundaries that had changed between the 2001 and 2011 censuses; the postcode data used for your allocation statement has been updated to use the 2011 census boundaries.

Disadvantage block 2

In previous years we have calculated disadvantage block 2 funding using matched administrative data with a 3 year lag. From 2017 to 2018 onwards we will be using information collected in the individualised learner record (ILR) enabling us to use data from the same year (2 year lag) as other factors. For 2017 to 2018 we are mitigating the impact on institutions where the block 2 funding as a result of using their data is reduced, by moving half way towards the ILR-driven factor. Where the impact is an increase in funding, the ILR-driven factor is being used.

Large programme funding

The [large programme uplift](#) reflects that some study programmes are necessarily much larger than 600 hours. An uplift will be applied for [achievement of high grades](#) on specific large programmes:

- 4 or 5 A levels or Pre U qualifications,
- International Baccalaureate,
- large TechBacc.

The uplift for 2017 to 2018 will be calculated using data from 2014 to 2015. There are 2 levels of uplift: 10% and 20% of the national rate per student. Institutions will receive the uplift for 2 years giving them either £800 or £1,600 additional funding per student.

Condition of funding

Any student that does not have a maths and/or English GCSE at grades A*-C, is not enrolled on either an approved maths and English GCSE or stepping stone in academic year 2015 to 2016, and is not recorded as exempt will have an impact on your 2017 to 2018 allocation.

Full time students starting their study programme on or after 1 August 2015 who have prior attainment of a grade D GCSE or equivalent in maths and/or English language must be enrolled on a GCSE qualification only. Enrolment on a stepping stone qualification will not meet the condition of funding for these students. The details of how this is applied (including mitigation arrangements) can be found in the [maths and English condition of funding guidance](#).

For students that were not compliant with the maths and English condition of funding in the 2015 to 2016 academic year Ministers have decided not to impose the full funding reductions to 2017 to 2018 funding allocations. This was in recognition of the continued progress by post-16 providers in delivering the 16 to 19 English and maths policy. We communicated this to the sector in the EFA e-bulletin published on 17 November 2016.

There is still progress that needs to be made in achieving full compliance and institutions should plan to be fully compliant each academic year. The EFA expects any school, college or provider not fully compliant with the condition of funding to have a robust compliance plan in place for achieving full compliance. We will not ask institutions to submit their compliance plan to the EFA, or for institutions to complete an online survey as we did last year. We do however expect the plans to be documented and available on request. We expect the plan to be shared with and reviewed by the institution's governing body and that progress towards full compliance is monitored.

Formula protection funding

Formula protection funding (FPF) shields institutions from significant decreases in funding per student resulting from the changes to the funding formula in 2013 to 2014. [We confirmed in January 2016](#) that FPF will be phased out over 6 years. We made the first reduction in 2016 to 2017 and the last payments will be made to institutions in 2020 to 2021.

We have published [detailed information](#) including examples on how FPF will work in academic year 2017 to 2018.

19+ continuing students

From 2017 to 2018 onwards, all 19+ continuing students will be funded by EFA. For institutions where funding for these students currently sits with SFA, we are transferring the funding from SFA to EFA as part of the calculation of your 2017 to 2018 allocations.

The amount of programme funding transferred and the associated student numbers is shown in table 7 on your EFA allocation statement and the same funding amount will also be shown as a deduction on your SFA allocation. The amount of student support funding related to these students is shown in table 6 of your EFA allocation statement.

The calculation of the funding and student numbers for 19+ continuing students is based on your R06 data for 2016 to 2017 for those students. We have counted the number of students and programme funding recorded against the funding line type 'Adult Skills Funded EFA Model' for students who pass the funding qualifying period and who were on programme by the R06 reference date (1st February 2017). A small number of students in EFA funded institutions are recorded against the funding line type '19+ Traineeships (Non-EFA)' and these have also been included.

In future years this funding will then be embedded in EFA allocations on a lagged basis and no longer shown separately.

High needs students

We published the [high needs arrangements for 2017 to 2018](#) in September 2016, describing how the high needs funding system and place change notification process will work for all types of provision.

At the end of November 2016, local authorities submitted any changes to place numbers for FE colleges and commercial and charitable providers (CCPs) for the 2017 to 2018 academic year. Some changes have also been made where necessary to reflect the merger of institutions.

We published the outcomes from the [place change process](#) on the 31 January 2017.

Following the publication of the place change request outcomes, institutions and local authorities were able to submit any enquiries regarding their place numbers to the EFA by the 14 February 2017. Any agreed changes to place numbers resulting from these enquiries were communicated directly to institutions in February 2017 and recorded in final allocation statements.

We have also informed institutions directly where their enquiries require our further consideration. Any changes to place numbers arising from this process will be communicated separately and confirmed by a revised funding statement.

The high needs place allocations process is now complete and we will not be accepting any further requests to revise place numbers.

Your high needs place number allocation, where appropriate, is described in [table 5](#) of your funding statement which shows the number of high needs places funded at the element 2 rate of £6,000.

We have published further information about the [high needs funding system](#).

16 to 19 Bursary Fund and free meals in further education

In 2017 to 2018, there is again no ring fence between the free meals in FE allocation and the 16 to 19 Bursary Fund discretionary bursary allocation. The 2 allocations have been calculated separately (as set out in this note), and are presented separately on your funding statement, but institutions have the flexibility to treat this funding as a single overall allocation and use it for both 16 to 19 Bursary Fund and free meals in FE. Institutions must ensure they manage the single allocation appropriately to promote the availability of free meals and to ensure all eligible students who apply for free meals are provided with them.

Additional funding for free meals for post-16 students attending FE funded institutions was introduced in 2014 to 2015 to provide parity with those young people attending school sixth forms. Prior to 2014 to 2015, institutions had been supporting the cost of meals for students who needed them on a discretionary basis from the 16 to 19 Bursary Fund. The independent evaluation of the Bursary Fund allowed us to recognise this funding overlap and we addressed it in 2016 to 2017 allocations. We will again address this overlap in 2017 to 2018 allocations by adjusting 16 to 19 Bursary Fund discretionary allocations for those institutions also in receipt of an allocation for free meals.

16 to 19 Bursary Fund

Institutions will receive 16 to 19 Bursary Fund allocations for just discretionary bursaries, as in previous years. The funding for vulnerable student bursaries (students in one or more of the defined vulnerable groups) is held centrally by the Student Bursary Support Service and institutions should draw down this funding on demand, whenever they need it, throughout the academic year. This enables institutions to plan their discretionary schemes with much greater confidence, because bursary allocations will not come under pressure to pay unforeseen vulnerable student bursaries later in the year.

For the majority of institutions, the 16 to 19 Bursary Fund allocations for discretionary bursaries in 2017 to 2018 have been calculated based on the number of students in 2009 to 2010 who were in receipt of Education Maintenance Allowance (EMA) at £30 per week as a percentage of the 2010 to 2011 allocated student numbers. We have applied this percentage to institutions' 2017 to 2018 student numbers and multiplied the resultant number by the rate of £298 (based on the overall budget available and number of students to be funded) to give the allocation for the institution. Where an institution had no EMA students in 2009 to 2010 or where the provision was new in 2011 to 2012 or later, allocations have been based on 36% of the institution's 2017 to 2018 allocated student numbers. A minimum allocation amount of £500 has been applied.

Institutions will also receive 16 to 19 Bursary funding for their newly funded 19+ continuing students in 2017 to 2018. This will be calculated using the same approach used for the 16 to 19 aspect of the Bursary allocation.

Free meals in further education

In 2017 to 2018, most institutions will receive an allocation of funding for free meals based on their full year 2015 to 2016 ILR R14 data returns and their lagged student number for 2017 to 2018. That is, the proportion of students they have assessed as eligible for and in receipt of free meals in 2015 to 2016 at R14. This proportion will be applied to the number of students funded in 2017 to 2018 to provide an all-year number of students who are expected to require free meals in FE support. These mainstream 'fundable free meals students' have been apportioned across the funding bands, using the same methodology as for mainstream allocations. Band 5, band 4 and band 1 FTEs are full-time students. Band 3 and band 2 are part-time students. Two funding rates have been applied, one for full-time students and one for part-time students, equivalent to £2.41 per student per meal.

Where we were not able to generate a credible free meals in FE allocation by using an institution's 2015 to 2016 R14 data return, we have instead used the previous set of full year data: namely, 2014 to 2015 R14. Institutions should not assume that the EFA will exercise such flexibility in future years and are strongly recommended to make data returns showing the number of students they have assessed as eligible for and in receipt of free meals on an ongoing basis. The EFA may reconcile 2017 to 2018 allocations that have been generated based on 0 free meals students in the 2015 to 2016 R14 data return where subsequent data returns show that the institution has been allocated too much funding.

Institutions will also receive free meals in FE funding for their newly funded 19+ continuing students in 2017 to 2018. This will be calculated using the same proportion used for the 16 to 19 aspect of the free meals in FE allocation to determine how many 19+ continuing students might be eligible for free meals in FE. Funding for these 19+ students will be based on the full-time free meals in FE funding rate.

16 to 19 Bursary Fund: adjustment based on Free Meals in FE funding

To help institutions understand the adjustment that has been made, there are some overall figures in the table below.

Item	Comment
circa 39.3%	This is the percentage that the deduction amount represents of the total Free Meals in FE allocation for the academic year 2016 to 2018.
circa £101m	This is the overall amount (pre-adjustment) of the discretionary bursary fund allocated to those institutions in receipt of a Free Meals in FE allocation.
circa 14.9%	This is the average percentage reduction to institutions' discretionary bursary allocation once each institution's share is removed (before any protection).
circa 12.8%	This is the average percentage reduction to institutions' discretionary bursary allocation once all protection has been applied.
circa 9.7%	This is the average percentage reduction in the combined discretionary bursary and Free Meals in FE allocations once reduction and all protection has been applied.

To arrive at the adjustment, we have calculated each institution's share (the percentage) of all students supported with free meals who have been used in calculating 2017 to 2018 free meals in FE allocations. This percentage is also each institution's share of the total amount of deduction; to be subtracted from the institution's discretionary bursary allocation.

- For example, institution A has had their 2017 to 2018 free meals in FE allocation calculated based on their support of 1,000 students with free meals, as returned at R14. The total number of students supported with free meals who have informed the 2017 to 2018 allocations process is 100,000. Their share of the overall deduction is therefore 1% ($1,000 / 100,000$).

We have built protection levels into this process so that:

- no institution experiences a reduction of greater than 25% for their 16 to 19 Bursary Fund allocation,
- no institution experiences a reduction that is greater than the reduction applied in 2016 to 2017, and
- no institution has a 16 to 19 Bursary Fund allocation of less than £500.

In applying these rules, we have excluded the 19+ continuing students element of 2017 to 2018 16 to 19 Bursary Fund allocations.

If you require a detailed breakdown of how your allocation has been generated, please contact us using our [online enquiry form](#).

Residential bursaries

Where appropriate, a residential bursary fund (RBF) or residential support scheme (RSS) allocation will be made for 2017 to 2018.

RBF allocations for 2017 to 2018 have been generated based on the average actual spend over the previous 3 academic years: 2013 to 2014, 2014 to 2015 and 2015 to 2016 (using data returned by institutions in the annual October RBF data returns), or the 2016 to 2017 allocation. Once a base allocation has been provided by the model we have agreed to increase by 5% allocations to institutions that:

- have spent all their 2015 to 2016 allocation
- have spent over their 2015 to 2016 allocation
- have spent within £15,000 of their 2015 to 2016 allocation

This increase is to help cover any in-year growth in demand for residential support for those institutions where recent demand has been very close to or has exceeded the allocation.

The methodology disregards any spend by institutions that is outside policy guidelines and has made adjustments to reflect any significant fluctuations between spend across the 3 years.

RSS allocations for 2017 to 2018 have been generated only for institutions that had a new student verified as eligible in 2016 to 2017. The allocations have been generated using the information submitted by institutions on the RSS 2016 to 2017 course verification pro-forma. The methodology uses the number of eligible students who received RSS support and who will be returning in 2017 to 2018 multiplied by the maximum permitted funding amount per student. An amount of funding is then added to this total to make funds available for any eligible new students in 2017 to 2018.

Student numbers – lagged numbers and exceptions

The funding formula measures the volume of delivery through student numbers and the size of their programmes. Funding allocations normally use a lagged approach, and take student numbers from the number of young people participating in the previous year and programme size from the year before that (that is, the last full year's data return).

Lagged student numbers are calculated in different ways for different types of institutions.

For FE colleges, and some CCPs and other FE institutions.

- We base the lagged student numbers on the number of students funded in 2016 to 2017 as at 1 November (students must have at least one EFA-funded aim that starts on or before this date to count). As the student numbers are taken part way through the year, we look at the previous full year's data (2015 to 2016) to find out by what proportion student numbers increased from 1 November to the end of the year. This proportion is used to work out the projected student numbers by the end of 2016 to 2017.
 - In some cases the number of students funded in February 2017 will be higher than the number calculated by the above method. When this happens, the number of funded students in February will normally be used as the lagged student number.

For CCPs which continue to have significant year round enrolment.

- We base the lagged student numbers on the number of funded students carrying into the programme in February 2016, plus the number of funded students starting between February 2016 and January 2017. Some CCPs where neither approach is appropriate on its own are funded through a hybrid of this approach and the FE approach, as set out in the ['Funding rates and formula'](#) guidance.

For special post-16 institutions (SPIs).

- Student numbers: the total student numbers recorded in the 2016 to 2017 academic year ILR R04 data return, uplifted using the 2015 to 2016 academic year ILR R04 to R14 ratio.
- High needs place numbers (element 2): taken from the number of high needs students recorded in the 2016 to 2017 R04 ILR return uplifted using the 2015 to 2016 academic year ILR R04 to R14 high needs student ratio.

For some other institutions (mainly smaller ones), the above approaches may not be appropriate. In these cases, we use the number of funded students from 2015 to 2016 (the latest year for which a full year's data is available).

The default position is that allocations are based on lagged numbers in order to give an appropriate allocation for each institution for the current year. It is therefore described as an allocation based on lagged numbers, rather than lagged funding or funding in arrears or a guarantee of a lagged allocation. This lagged approach applies in most, but not all circumstances – it applies where there is a reasonably consistent level of delivery over time.

The lagged approach does not apply where there is a material change in the volume of provision offered by an institution. For example new 16 to 19 provision, closing or wind-down of 16 to 19 provision or transfers of provision between institutions (including where this relates to significant changes resulting from sub-contracting). In those cases, the institution is removed from the lagged approach and the funded student numbers are calculated as described below.

Student numbers for new institutions

Student numbers for new institutions are also derived in different ways for different types of institutions.

- New school sixth forms: one-third of the sixth form's full capacity. In the second year, student numbers will be double the first year's actual recruitment, and in the third year we will use lagged student numbers.
- New free schools, university technical colleges (UTCs), and studio schools with sixth forms: the estimated number of students to be recruited in the first year, as agreed between the EFA and the institution.
- New institutions with EFA funding for high needs students only: the number of places commissioned by the local authority.
- New SPIs: we will base student and high needs place numbers on either the 2016 to 2017 allocated numbers or the 2016 to 2017 R04 ILR data, whichever is higher.

In all cases, we may consider waiving the standard approach when an institution makes an evidenced case based on exceptional circumstances.

Student numbers for closing institutions or provision

When an institution closes, or stops delivering EFA-funded 16 to 19 provision, we will remove or reduce the lagged numbers to reflect the expected decline in student numbers. We will not allocate 16 to 19 funding to any institution that is completely ceasing 16 to 19 provision, and there will also be a reduction in funding before that if the change in delivery is material (for example, a rundown of provision over 2 years).

Where institutions are planning to close all or a significant part of their delivery to young people they are expected to notify the EFA before the start of the academic year. In such cases the institution will be taken out of the lagged approach and any allocation made for

that academic year will be reduced or withdrawn.

Late notification of closure, after the start of the academic year will result in withdrawal of the allocation and a recovery of funds. Where an institution has not planned to close their provision for young people but does not recruit or data returns reveal that no students have been enrolled in for the academic year, the EFA will withdraw the allocation and will also action recovery of funds where payments have already occurred.

Transfers of provision and sub-contracted provision

Where students are transferred between 2 institutions on an agreed basis, then the funding for those students will also transfer. This will also be the case where a funded institution (the 'prime') ceases a sub-contracting arrangement with a sub-contractor and that sub-contractor then transfers the provision to a different prime contractor; the funding will follow the learner

When a prime contractor ceases a sub-contracting arrangement, it is important to ensure there is continuity of provision for those students already on the programme and that there is not a gap in provision created as a result. Prime institutions are reminded that students on sub-contracted provision are their responsibility, and in particular they have a responsibility to ensure that existing students are funded to the end of their programme either by a phased withdrawal from the relationship or transferring funded numbers to another institution which has agreed to pick up the continuing students.

If an institution is planning to cease a sub-contracting arrangement, we would expect the sub-contractor to be given sufficient notice of the end of that arrangement (this must be at least three months, but may well need to be longer). The prime institution must work with the sub-contractor to put plans in place to ensure that students who are part way through their programme are supported to complete.

Where a sub-contracting arrangement ceases, the EFA will decide whether to remove the former prime from the lagged approach to reflect this, and if so, will adjust their allocation to remove the sub-contracted numbers. The decision on whether to make an adjustment to lagged numbers will depend on the scale of the sub-contracted provision, the timing and process followed in ceasing the contract, and the nature of any gap that has resulted.

If an adjustment is made to the allocation for the former prime, the funding for continuing students would usually transfer to the new prime institution. We would then consider an evidence-based business case from the new prime to fund any planned new starts. As set out in the sub-contracting controls guidance, we normally expect sub-contracted provision to be local and distant sub-contracted provision to be the exception.

Annex A: Allocation statement 2017 to 2018: detailed notes

Programme funding formula

This section shows the various elements of the funding formula and the resulting funding from the application of each.

Title	Comments
Student numbers for 2017 to 2018	As set out in table 1a.
National funding rate per student	As set out in table 1b.
Retention factor	<p><i>Retention rate = retained students ÷ total funded students</i></p> <p><i>Retention factor = (retention rate ÷ 2) + 0.5</i></p> <p>Calculated from ILR return R14 for 2015 to 2016.</p>
Programme cost weighting	<p>The programme cost weighting used is the average for your institution, and has been weighted by the funded hours for each student.</p> <p>Programme cost weighting is based on the sector subject area (SSA) classification for each student's core aim.</p> <p>Calculated from ILR return R14 for 2015 to 2016.</p>
Disadvantage funding	As set out in table 2a.
Large programme funding	As set out in table 2b.
Area cost allowance	Some areas of the country are more expensive to teach in than others, and the area cost weights the allocation to reflect this. The area cost reflects the location of delivery of the provision, and is normally based on delivery postcodes from the ILR.

Note that the values on your statement are shown rounded to various numbers of decimal places. The calculation of your funding however is done using un-rounded values. This may result in some slight differences when you work through the calculation yourselves.

Table 1a: Student numbers (including students aged 19 to 24)

Title	Comments
1.1a 2016/17 R04 total students	<p>For FE colleges and some other FE institutions, this is the student number count as recorded on the 2016 to 2017 R04 return, with a reference data of 1 November.</p> <p>This box is not completed for some CCPs and some other institutions, where a different methodology is used (see box 1.3a below).</p>
1.2a 2015/16 R04 - R14 student ratio	<p>The ratio between R04 and R14 from 2015 to 2016.</p> <p>This box is not completed for some CCPs and for some other institutions, where a different methodology is used (see box 1.3a below).</p>
1.3a Total lagged student number	<p><u>For FE colleges and some other FE institutions</u>, this figure is derived by uprating the 2016 to 2017 R04 numbers to a full year estimate by applying the R04 to R14 ratio (box 1.1a × 1.2a).</p> <p><u>For some CCPs</u> a variant of the lagged approach will be applied taking a simple student number count:</p> <p style="text-align: center;"><i>number of students carrying into the programme in February 2016 + number of starts from February 2016 to January 2017</i></p> <p><u>For some small institutions</u> where the above approaches are not appropriate, all year 2015 to 2016 student numbers are used.</p>
1.4a Exceptional variations to lagged student number	<p>An increase or decrease to be applied to the lagged student numbers. This is where an exceptional case has been agreed or where there have been any changes resulting from reviewing college student numbers based on the R06 return.</p>
1.5a Total student numbers for 2017/18	<p>This is the total of lagged students plus exceptional variations (box 1.3a + 1.4a).</p>

Table 1b: Breakdown of funding by funding band

Title	Comments
1.1b - 1.5b Student numbers 2015/16	<p>The student numbers for each funding band as recorded in your 2015 to 2016 R14 data return.</p> <p>Band 5 students are all students with annual timetabled hours of 540 and over, except students aged 18+ who are not high needs.</p> <p>Band 4 students are shown split in 2 categories.</p> <ul style="list-style-type: none"> • 4a is those students who are aged 18+, not high needs and timetabled for over 450 hours per year. • 4b is 16 and 17 year olds and students aged 18+ with high needs who are timetabled for between 450 and 540 hours per year. <p>Bands 1 to 3 show all post-16 EFA funded students with timetabled hours falling in that band.</p> <p>In addition, for students in band 1 (up to 279 hours), row 1.6b shows the total FTEs for the student numbers shown on row 1.5b.</p>
1.1b - 1.5b Proportions for 2017/18 allocation	<p>Proportions of students to be funded in each band based on the total student numbers in 2015 to 2016. The detail behind these proportions can be found on your student number statement.</p>
1.1b - 1.6b Number of students allocated in 2017/18	<p>The percentages in each band applied to the total student numbers for 2017 to 2018 (box 1.5a).</p>
1.1b -1.6b National funding rate	<p>The base amount of funding for each student in the band. The funding rates for Bands 2, 3 and 4 are derived from the Band 5 rate, proportioned according to the midpoint of the hours range.</p>
1.1b - 1.6b Student funding	<p>This is the total student funding for each band.</p> <p><i>Number of students (or the number of FTEs in 1.6b) × national funding rate.</i></p>
1.7b - Total student funding	<p>The total student funding for all bands.</p> <p><i>(1.1b + 1.2b + 1.3b + 1.4b + 1.6b)</i></p>

Table 1c: Condition of funding

Title	Comments
1.1c - 1.6c National funding rate	National funding rates as shown in table 1b
1.1c - 1.6c Total students (2015/16 R14)	The total number of students in 2015 to 2016 as recorded in your 2015 to 2016 ILR R14 return, split by each funding band.
1.1c - 1.6c National funding rate applied to total students (2015/16 R14)	The student funding associated with the total students. <i>Total students (FTEs for band 1) × national funding rate</i>
1.1c -1.6c Students not meeting CoF (2015/16 R14)	The number of students not meeting the condition of funding in 2015 to 2016 as recorded in your 2015 to 2016 ILR R14 return, split by each funding band.
1.1c -1.6c National funding rate applied to CoF non-compliant students	The student funding associated with the students not meeting the CoF. <i>students (FTEs for band 1) not meeting the CoF × national funding rate</i>
1.7c Total funding	This shows the total funding for all students and for those students not meeting condition of funding. <i>1.1c + 1.2c + 1.3c + 1.4c + 1.6c</i>
1.8c 5% of national rate funding for total students	This is a tolerance that is allowed before any adjustment will be applied. <i>5% of national funding rate applied to total students (1.7c)</i>
1.9c Funding for non-compliant students less 5% of total student funding	The resulting adjustment following the 5% tolerance <i>National funding rate applied to CoF non-compliant students (1.7c) minus 1.8c</i>
1.10c Final condition of funding adjustment (at 50%)	In order to mitigate the effect of the CoF adjustments, the final adjustment is at 50%. <i>50% of 1.9c</i>

Table 2a: Distribution of disadvantage funding

Title	Comments
Disadvantage block 1	
2.1a Economic deprivation funding	<p>The student's home postcode and the Index of Multiple Deprivation (IMD) 2015 are used.</p> <p>The factor is shown as a percentage and is an average across the whole institution, weighted by the funded hours for each student.</p> <p>Calculated from ILR return R14 for 2015 to 2016.</p> <p>This block 1 factor is applied to the programme funding total as shown above up to and including programme cost weighting but before area costs.</p>
2.2a Care leavers	<p>The number of successful 16 to 19 Bursary Fund claims for 2015 to 2016 for vulnerable students who were 'in care' or 'care leavers', at a rate of £480 per student.</p>
2.3a Total block 1 funding	<p>The total of funding for economic deprivation and care leavers.</p>

Disadvantage block 2	
2.4a Total 2017/18 instances attracting funding per student	<p>The factor is based on the number of instances when a student does not have at least a C grade in GCSE maths or English at the end of year 11. A student without a C in maths and English counts as 2 instances, a student without a C in either maths or English counts as 1 instance and a student with Cs (or above) in both counts as 0 instances.</p> <p>We are now using 2015 to 2016 ILR data to provide the number of instances per student. Previously this was based on the Young People's Matched Administrative Dataset (YPMAD). Both figures are shown on your statement and for 2017 to 2018 we are mitigating any negative impact of the change in data source by only moving half way towards the new ILR based figure.</p> <p>The value applied for 2017/18 is either the ILR value where it is higher, or halfway between that and the number of instances from YPMAD where the ILR value is lower.</p>
2.5a Total funded instances for 2017/18	<i>Total funded instances for 2017/18 = instances per student applied in 2017/18 (2.4a) × total student numbers (1.5a)</i>
2.6a to 2.9a Total funded instances, funded instances attracting the full time/part-time/FTE rate	<p>The total number of instances in box 2.5a split between the full-time and part-time bands according to the proportions in table 1b.</p> <p><i>Number of funded instances in each band (2.6a to 2.9a) × block 2 funding rate = block 2 funding</i></p>
2.10a Total block 2 funding	Total of block 2 funding for students in all bands.
2.11a Minimum top up if applicable	If the total disadvantage funding (block 1 + block 2) for an institution is less than £6,000, disadvantage funding will be topped up to £6,000.
2.12a Total disadvantage funding	The total of block 1, block 2, and the minimum top-up if applicable.

Table 2b: Large programme uplift

Title	Comments
2.1b and 2.2b Students meeting large programme uplift criteria	This shows the number of students meeting the large programme uplift criteria for the 10% uplift and 20% uplift respectively. Numbers are based on the Young People's Matched Administrative Dataset (YPMAD) for 2014 to 2015.
2.1b and 2.2b Funding uplift per year	This is 10% or 20% of the national funding rate.
2.1b to 2.3b Total large programme uplift	2.1b and 2.2b show the total uplift for the two years, that is double the funding uplift per year multiplied by the students meeting large programme criteria for the 20% uplift rate and 10% uplift rates respectively. The total at 2.3b is then the sum of 2.1b and 2.2b

Table 3: Care standards

Title	Comments
3.1 Care standards	Care standards funding is paid as a lump sum of £12,252 per institution, plus £817 per eligible care standards student for those institutions eligible for this funding.

Table 4: Breakdown of formula protection funding

Title	Comments
4.1 2016/17 FPF per student	From your 2016 to 2017 allocation statement (box 4.11).
4.2 Reduction applied to 2016/17 FPF	From your 2016 to 2017 allocation statement (box 4.10).
4.3 2017/18 FPF per student	This is the 2016 to 2017 FPF per student minus the same reduction applied in that year, with a minimum of zero. <i>4.1 minus 4.2, or zero, whichever is higher</i>

Title	Comments
4.4 Number of students receiving 2017/18 FPF	The number of students receiving FPF in 2017 to 2018 is capped at the number of funded students in 2015 to 2016. <i>The lower of 1.3a and the 2015/16 funded students</i>
4.5 2017/18 Total formula protection funding	The amount of FPF funding to be allocated in 2017 to 2018. 4.4×4.3

Table 5: High needs funding

Title	Comments
5.1 High needs element 2 for 2017/18	This shows the number of high needs students split by age groups. <i>Total number of high needs students × rate per student (£6,000) = funding</i>

Table 6: Student financial support funding

Title	Comments
6.1a 2017/18 number of funded students	The number of post-16 students that an institution is receiving EFA funding for.
6.1a Percentage applied	The percentage applied is the number of students in 2009 to 2010 in receipt of EMA at £30 per week as a percentage of 2010 to 2011 funded numbers. Where the provision was new in 2011 to 2012 or later, the percentage used is 36% (the national average percentage of students claiming £30 per week in 2009 to 2010). This percentage is multiplied by the 2017 to 2018 student numbers to determine the number of bursary funded students attracting the standard funding rate.

Title	Comments
6.1a Standard funding rate	This is the unit cost that has been used to calculate the total funding. The rate for 2017 to 2018 is £298.
6.1a Funding	<p>The standard funding rate is multiplied by the number of bursary funded students (rounded to the nearest pound).</p> <p>A minimum allocation of £500 has been applied.</p>
6.1b Bursary adjustment in respect of free meals	<p>Refer to the 16 to 19 Bursary Fund and free meals in further education section on page 11 of this document.</p> <p>Each institution's percentage share of the deduction is calculated, proportionally, from R14 data.</p> <p>Protection is then applied so that</p> <ul style="list-style-type: none"> • no institution experiences a reduction of greater than 25% for their 16 to 19 Bursary Fund allocation, • no institution experiences a reduction that is greater than the reduction applied in 2016 to 2017, and • no institution has a 16 to 19 Bursary Fund allocation of less than £500.
6.1c 19+ Continuing students discretionary bursary fund	<p>The discretionary bursary funding for 19+ continuing students is calculated using the national average percentage of 36% applied to the number of 19+ continuing learners shown in table 7.</p> <p><i>36% of 7.1 × £298</i></p>
6.1d Discretionary bursary fund total	<i>6.1a + 6.1b + 6.1c</i>
6.2a Residential bursary fund	This is the total funding allocation for the residential bursary fund.
6.2b Residential support scheme	This is the total funding allocation for the residential support scheme.
6.3a Total students	This is the total number of 16 to 19 year olds recorded on the 2015 to 2016 ILR R14.

Title	Comments
6.3a Free meals students	This is the number of students recorded on R14 as accessing free meals.
6.3a Proportion of students on free meals	Free meals students (R14) divided by Total Students (R14)
6.3a Total students in 2017/18 funded for free meals	This is the total number of students that will attract free meals funding in 2017 to 2018. It is calculated by applying the proportion of students on free meals to the total student numbers for 2017 to 2018 (1.5a).
6.3b - 6.3d Free meals higher rate, lower rate and FTE rate	<p>The total number of 2017 to 2018 free meals students in box 6.3 split between the higher rate, lower rate and FTE rates according to the proportions in table 1b.</p> <p><i>Number of free meals students × free meals funding rate = free meals funding</i></p>
6.3e 19 plus continuing students free meals	<p>We apply the proportion of students on free meals (from 6.3a) to the number of 19+ continuing students from table 7, and fund them at the higher free meals rate.</p> <p><i>Number of 19+ continuing free meals students × proportion of students on free meals × free meals higher funding rate = funding</i></p>
6.3f Free meals administration	Funding for administration is allocated at 5% of the free meals funding.
6.3g Total free meals funding	<i>Total free meals funding for all rates + administration funding</i>
6.4 Total student support funding	<p>Total student support funding. The sum of all student support funding.</p> <p><i>6.1d + 6.2c + 6.3g</i></p>

Table 7: 19+ continuing learners

Title	Comments
7.1 Programme funding for 19+ continuing students; 2017/18 number of students	<p>This shows the number of 19+ continuing students based on your 2016/17 R06 data, and the associated funding.</p> <p>This has been agreed between the Skills Funding Agency and the Education Funding Agency and is described in more detail on pages 9 and 10 above.</p>



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