



Education & Skills
Funding Agency

16 to 19 further education revenue funding allocation guide: 2019 to 2020

**Explanatory note for further education
institutions**

February 2019

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Introduction

This explanatory note helps you understand how the Education and Skills Funding Agency (ESFA) has calculated your 16 to 19 revenue funding allocation for academic year 2019 to 2020.

The note supports your 16 to 19 revenue funding allocation statement. It explains how we have calculated your funding allocation and the factors that have been applied.

For 2019 to 2020, we'll continue to use the national funding formula for 16 to 19 funding allocations.

How to use the explanatory note

We have produced the note in a format that allows you to easily access the specific parts that interest you, or areas where you require more detailed information. You can use the note, along with other useful information, to understand how we used your data to calculate your 16 to 19 revenue funding allocation.

The '[What's new?](#)' section shows the changes to 16 to 19 funding in academic year 2019 to 2020 at a glance, and where the change is reflected in your allocation statement.

Who is the note for?

This note is for further education institutions. [Separate guidance](#) is available for school and academy sixth forms and special and alternative provision academies.

Further information

Further information about [16 to 19 revenue funding allocations](#) is available. In addition, you can access [on-line presentations](#) about 16 to 19 funding in academic year 2019 to 2020.

What's New?

We publish these notes each year and have thoroughly updated this document to reflect the allocations methodology for 2019 to 2020. This year we have

- amended table 1a of annex A to include the new row on your statement that shows the 'student number methodology used' in your allocation. The references for this table have been removed because the information displayed on statements differs depending on the methodology used
- retitled the capacity and delivery fund as industry placements capacity and delivery funding to match the table on your statement
- added a new section on advanced maths premium
- clearly identified the section on business cases
- simplified the guide and used more plain English in response to customer feedback
- included links between sections of this guide to help you find what you are looking for quickly and easily

Business Cases

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 data underlying your allocation calculation
- significantly affect 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.

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](#). The deadline for submitting a business case is 30 April 2019.

We will apply standard minimum thresholds to decide whether a case is taken forwards for consideration or not.

- for cases affecting lagged student numbers, full time/part time split, other funding factors and for the condition of funding (CoF) an overall impact of 5% on total funding or £100,000, whichever is lower
- for other cases not covered above we will review the cases individually with the exception of high needs place funding, for which [arrangements are published on GOV.UK](#)

We will take into consideration cases where a combination of data errors has a combined overall funding impact of 5% on total funding or £100,000, whichever is lower.

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 to complete the investigation.

The head of organisation must submit and sign the business case. If the head of organisation has delegated the responsibility to another colleague, you need to send an email confirming this with the business case.

We have produced templates suitable for some business cases. This makes it easier for you to provide your information and helps us get an answer back to you more quickly. If a template is required, we will email you and tell you that we have uploaded a template to [document exchange](#).

We expect the business cases to be returned by the deadline. Incomplete business cases or those received after the deadline will, if successful, be treated as an adjustment and will take place from September 2019.

Overall approach

We published a [funding letter](#) setting out the key decisions and information relating to 16 to 19 allocations for 2019 to 2020.

As in previous years, we will base your funding allocation for 2019 to 2020 on [lagged student numbers](#) plus any agreed exceptions where relevant. The statement includes student numbers and other factors that affect your funding for 2019 to 2020. We explain the numbers in each box in [annex A](#).

It's important that you also refer to our [16 to 19 funding guidance](#) for 2019 to 2020. The guides will help you to understand your allocation statement and how we have calculated your funding allocation for 2019 to 2020. We publish these guides on GOV.UK before the start of the academic year.

National funding rates

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 2017 to 2018 full year data to determine the proportion of students to be funded in each band in the 2019 to 2020 allocations. The maximum funding rate for 18 year olds without high needs 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 2019 to 2020 are unchanged from those used in allocations for 2018 to 2019. A list of programme cost weightings for 2018 to 2019 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 block 1 funding should be allocated.

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.

Disadvantage block 2

Disadvantage block 2 provides funds to support students with additional needs including moderate learning difficulties and disabilities. It is based on low prior attainment in maths and English.

We use data from the 2017 to 2018 individualised learner record (ILR) to calculate the average block 2 instances per student to be used in the calculation of your funding. This was introduced for allocations in 2017 to 2018 and is now the permanent method; previously we used Young Peoples Matched Administrative Database (YPMAD) data.

This will be the third year of change for this area, if you identify a large decrease between 2018 to 2019 and 2019 to 2020 you might want to review the data within your ACT file to identify any data recording issues. We will be contacting a small number of institutions that have seen either a significant increase or decrease from 2018 to 2019.

Retention

When calculating the retention factor, we first calculate a retention rate at student level. We use different criteria to calculate the rate, depending on the programme.

- vocational programmes: students must complete or be continuing to study their core aim
- academic programmes: students must complete or be continuing to study at least one of their academic aims
- traineeship programmes: students must complete or be continuing to study their programme aim

When students are on a 2 year programme and they complete the first year, they will be counted as retained in that academic year. Completing the first year is defined as still being in learning on the last working day in June. Previously, the whole programme would determine their retention status and therefore students who completed the first year but did not return in the second year would have been treated as withdrawn which had a negative impact on the retention factor. We will review retention for 2 year programmes as part of the [introduction of T levels](#), and may change the retention rules.

High needs students

We have based allocations of high needs place funding on the outcomes of the 2019 to 2020 local authority place change notification process. Where institutions have an allocation of high needs place funding this 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 published details on how the 2019 to 2020 place change notification process would work in October 2018 and local authorities submitted any changes to place numbers for FE colleges and ILPs for academic year 2019 to 2020 in November 2018. We published the outcomes from the 2019 to 2020 place change notification process in January 2019.

Institutions were able to submit any enquiries regarding the outcome of the place change process to the ESFA by 8 February 2019. Where enquiries have resulted in changes to the published outcomes then institutions will already be aware of these and revised place numbers will be reflected in the final allocation statement. In a very small number of instances, some of these enquiries require further consideration and any changes to place numbers will be communicated separately and confirmed by a revised funding statement.

The high needs place change notification process is now complete and we will not accept any further requests to revise place numbers. All of the high needs information we have referred to above, including the place change notification process and the outcomes of that process, [is available on GOV.UK](#).

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 Technical Baccalaureate (TechBacc)

The uplift for 2019 to 2020 will be calculated using data from 2016 to 2017. 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

Students who do not hold a GCSE grade 9 to 4, A* to C or equivalent qualification in these subjects must study maths and/or English as part of their study programme in each

academic year. There will be an impact on your allocation when these students are not enrolled on either maths and/or English GCSE or stepping stone qualifications (where applicable), and are not recorded as exempt.

Full time students starting their study programme on or after 1 August 2015 who have prior attainment of a grade 3 or grade D GCSE or equivalent in maths and/or English language must only be enrolled on a GCSE qualification. Enrolment on a stepping stone qualification will not meet the condition of funding for these students.

We have decided to continue to apply the tolerance level of 5% from academic year 2019 to 2020 allocations (based on 2017 to 2018 data) until further notice.

We will apply funding reductions for non-compliance with the condition of funding to institutions where more than 5% of students without a GCSE grade 9 to 4 or A* to C in maths and/or English did not enrol on an approved qualification. The funding reductions for these institutions will be applied at half the national funding rate above the tolerance. More details on the tolerance are on [GOV.UK](https://www.gov.uk).

There is still progress that needs to be made in achieving full compliance and institutions should plan to be fully compliant each academic year. We expect any school, college or provider that is not fully compliant with the condition of funding to have a robust plan in place for achieving full compliance. We 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) was introduced from academic year 2013 to 2014 for institutions subject to significant decreases in funding as a result of the introduction of funding per student in that year. As set out in [the funding letter](#) in January 2016, FPF is being phased out over 6 academic years: the final year in which any FPF will be payable will be academic year 2020 to 2021.

For those institutions that still receive FPF, in 2019 to 2020 we will continue to reduce FPF per student based on the same trajectory as we applied in 2018 to 2019. [Details of the calculation](#) are on GOV.UK.

Industry Placement Capacity and Delivery Funding

Industry placement Capacity and Delivery Funding (CDF) will help institutions prepare to deliver substantive industry placements for students on vocational and technical study programmes at levels 2 and 3. The rate of funding for 2019 to 2020 is £250 per qualifying student. The eligibility criteria may change in future years to line up with developing [Tech Level](#) policy.

The funding is additional to the mainstream allocation, which already funds work experience for all students through the planned hours for qualifications and employability, enrichment and pastoral (EEP) activity.

Changes from academic year 2018 to 2019 to academic year 2019 to 2020

There are no major changes to the principles and eligibility criteria of the CDF for academic year 2019 to 2020. This gives stability in funding for providers so they can build on their capacity building in academic year 2018 to 2019 and increase the number of students accessing and completing industry placements.

Data used to calculate student numbers

For academic year 2018 to 2019 allocations we identified a proxy for students that were in scope for a substantial industry placement. We used academic year 2015 to 2016 end-year data from the ILR, school census and HESA. For academic year 2019 to 2020 we have taken the student numbers from your 2017 to 2018 end-year data.

For some institutions eligible for CDF, the number of students included in the calculation of this funding in your allocation is lower than the figure that was shown earlier in your allocation calculation toolkit (ACT). This is because we have updated the list of qualifications in scope to exclude some older applied general qualifications (AGQs) that were previously included in the ACT data as eligible for CDF. This is to ensure consistency with previous years' data. A full list of AGQs excluded from the CDF calculation will be available on the CDF pages of GOV.UK.

Qualifying students

For 2019 to 2020 we are increasing the proportion of qualifying students for whom we are requiring an industry placement to be provided. For academic year 2018 to 2019, this was based on 10% of qualifying students. For 2019 to 2020, the minimum is 20% of qualifying students.

Qualifying students:

- students that are full time, that is those with total planned hours recorded as above 540 if aged 16 or 17 and 450 hours for an 18 year old. This includes high needs students (HNS) that have met the qualifying start period for their study programme
- students aged 16, 17 and 18
- students aged 19 – 25 with an education health and care plan (EHCP) are included (students who are 19 – 25 years old at the beginning of their 2-year programme are not included)
- students who are enrolled on a [level 2 or level 3 programme](#), with a vocational core aim, which might be included in the [technical education routes](#) planned for introduction from academic year 2020 to 2021. It should be noted that General Vocational Qualifications are included but [Applied General Qualifications](#) (AGQs) are not

For institutions that have small numbers of qualifying students, we will fund either

- 10 students, if you have 1 to 10 students, or
- 20 students, if you have 11 to 20 students

Institutions that have more than 20 qualifying students will be funded for all their qualifying students.

The CDF allocation includes additional student support funding, to recognise that some placements will incur extra costs for students and that institutions may want to offer them financial support.

Distribution of funding

For institutions with a CDF allocation in 2018 to 2019 to be eligible for a CDF allocation in 2019 to 2020 you need to have submitted a mandatory monitoring form by October 1 2018 and February 1 2019. Failure to submit either monitoring forms could mean that your 2019 to 2020 allocation is at risk. Assessment of your monitoring form may result in us asking you for additional information against some questions to demonstrate that you are making sufficient progress against your implementation plan. If further progress is not demonstrated, this may also put your 2019 to 2020 allocation at risk.

For institutions that were not in receipt of a 2018 to 2019 allocation and we have confirmed that your implementation plan is complete, you will see the number of funded students and the amount of CDF funding on your funding statement. A small number of institutions that resubmitted plans that we subsequently assessed as complete will get a revised allocation statement by the end of April 2019.

We have published [further information](#) on CDF, including information for institutions that

- [also received CDF in academic year 2018 to 2019](#)
- [are receiving CDF for the first time in academic year 2019 to 2020](#)

Advanced maths premium

We will issue payments to institutions in the academic year 2019 to 2020 for the advanced maths premium for the first time.

This funding is for any additional students taking a Level 3 maths qualification when compared with the baseline figures for 2015 to 2016 and 2016 to 2017. The payment will only apply to students who already have prior attainment equivalent to GCSE grade 9 to 4 or A* to C in maths.

We will base the payment in academic year 2019 to 2020 on additional eligible students undertaking study programmes in academic year 2018 to 2019 above the baseline.

In summer 2018 we sent indicative baseline information for the advanced maths premium to funded institutions for information. Since then we have reviewed and finalised the methodology for the premium for 2019 to 2020 allocations and have made some minor changes to the methodology as a result to include some additional students in scope. We have also applied these changes to the baseline figures for consistency, so some institutions may find small differences between the baseline in the 2019 to 2020 allocation statement compared to the indicative baselines sent out in 2018.

As this is the first year of the new premium, we will continue to review the data and calculation to ensure it is accurate and meets the premium's policy aims.

Student numbers – lagged numbers and exceptions

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The 16 to 19 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 ILPs and other FE institutions

- we base the lagged student numbers on the number of students funded in academic year 2018 to 2019 as at 1 November (students must have at least one ESFA-funded aim that starts on or before this date to count) taken from the ILR R04 or R06 return (where R06 has been used this will be referred to as R46 on your statement). As the student numbers are taken part way through the year, we look at the previous year's data (2017 to 2018 ILR) to find out by what proportion student numbers change from 1 November (using either the ILR R04 or R06 return) to the end of the year (ILR R14). This proportion is used to work out the projected student numbers by the end of 2018 to 2019 and is shown as a ratio.
- in some cases the number of students funded as at 1 February 2019 (ILR R06) 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 ILPs 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 2018, plus the number of funded students starting between February 2018 and January 2019 (using 2017 to 2018 R14 and 2018 to 2019 R06 returns). Some ILPs where neither approach is appropriate on its own are funded through a hybrid of this approach and the FE approach

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 2017 to 2018 (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 ESFA and the institution
- new institutions with ESFA funding for high needs students only: the number of places commissioned by the local authority

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

Institutions must inform ESFA of any material changes to the volume of provision that could affect their 16 to 19 revenue funding allocation.

When an institution closes, or stops delivering ESFA 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 stopping 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 must notify the ESFA 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 of provision, 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 show that no students have been enrolled for the academic year, we 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. A similar approach will apply where there is a phased withdrawal or transfer of provision.

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 an ongoing sub-contracting arrangement, we expect the sub-contractor to be given sufficient notice of the end of that arrangement (this must be at least 3 months, but may 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.

When a sub-contracting arrangement ceases, we 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. Institutions should therefore inform the ESFA if they plan to stop a significant volume of sub-contracted provision.

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.

16 to 19 Bursary Fund and free meals in further education

In 2019 to 2020, 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 16 to 19 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. To address this overlap, we adjust 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 only receive 16 to 19 Bursary Fund allocations for discretionary bursaries, as in previous years. The funding for bursaries for vulnerable groups (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 group bursaries later in the year. Institutions must ensure they only draw down the funding when they have seen evidence to verify a student's eligibility.

For the majority of institutions, 16 to 19 Bursary Fund allocations for discretionary bursaries in 2019 to 2020 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' 2019 to 2020 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 2019 to 2020 allocated student numbers. A minimum allocation amount of £500 has been applied.

Institutions receiving funding from the [CDF](#) in 2019 to 2020 will also receive additional 16 to 19 Bursary funding. This will be based on 20% of the number of placements set out in

an institution's CDF implementation plan. This is the minimum number that should undertake an industry placement in 2019 to 2020. A rate of £100 per student will be applied. This represents a third of the standard £298 funding rate, since the extended industry placement element of 12 weeks is equivalent to a third of a student's year in 'normal' full time provision. The funding has then been potentially uplifted by the application of a disadvantage factor, based on disadvantage block 1.

We will calculate the additional Bursary funding as follows.

$$\begin{array}{r} 20\% \text{ of qualifying} \\ \text{students} \end{array} \times \text{£100} \times \begin{array}{r} \text{double the uplift of} \\ \text{disadvantage block 1} \end{array} = \begin{array}{r} \text{additional funding} \\ \text{(or minimum of £100)} \end{array}$$

This CDF bursary funding is not ring-fenced for students undertaking an industry placement in 2019 to 2020 but is part of their overall 16 to 19 Bursary Fund allocation. Institutions must ensure the funding is used in line with the bursary fund rules and not guidance related to CDF.

Institutions must ensure that they take no more than 5% of the total 16 to 19 Bursary allocation plus the total of the Free Meals in FE allocation for administration purposes.

Free meals in further education

In 2019 to 2020, most institutions will receive an allocation of funding for free meals based on their full year 2017 to 2018 ILR R14 data returns and their lagged student number for 2019 to 2020. That is, the proportion of students they have assessed as eligible for and in receipt of free meals in 2017 to 2018 at R14. This proportion will be applied to the number of students funded in 2019 to 2020 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 full time equivalents (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 2017 to 2018 R14 data return, we have instead used the previous set of full year data: namely, 2016 to 2017 R14. Institutions should not assume that the ESFA 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. We may reconcile 2019 to 2020 allocations that have been generated based on zero free meals students in the 2017 to 2018 R14 data return where subsequent data returns show that the institution has been allocated too much funding.

Institutions that were not in position to return either 2016 to 2017 or 2017 to 2018 R14 data (for example, because they were newly funded in 2018 to 2019) have had their allocation based on the average proportion of 'fundable free meals students' used in the 2019 to 2020 allocations process, within the Local Authority in which they are based.

Institutions must ensure that they take no more than 5% of the total 16 to 19 Bursary allocation plus the total of the Free Meals in FE allocation for administration purposes.

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

To make the adjustment, we have calculated each institution's share (the percentage) of all students supported with free meals who have been used in calculating 2019 to 2020 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 2019 to 2020 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 2019 to 2020 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 2018 to 2019, 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 2019 to 2020 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

We will make a residential bursary fund (RBF) allocation for 2019 to 2020 where appropriate.

RBF allocations for academic year 2019 to 2020 have been generated using this methodology:

- for institutions that spent their 2017 to 2018 allocation in full or to within £15,000 of it, 5% growth has been added to their 2018 to 2019 allocated amount to generate the 2019 to 2020 allocation.
- for institutions that underspent against their 2017 to 2018 allocation by more than £15k, a 5% reduction has been applied to their 2018 to 2019 allocated amount to generate the 2019 to 2020 allocation.
- an exception has been made where the outcome of the calculation generates an allocation that is greater than both 2017 to 2018 actual spend and the 2018 to 2019 allocation. In this instance, the 2019 to 2020 allocation is the same as the 2018 to 2019 allocation.

The methodology disregards any spend by institutions that is outside policy guidelines (inappropriate use of RBF for travel for non-resident students, for example).

Institutions may use up to 5% of their RBF allocation to cover administrative costs. The 5% should be taken from the allocation total; it is not an additional 5% on top of the total allocation.

Institutions should use the funding allocated to them for RBF solely to support eligible students with residential costs in line with RBF policy.

A small number of institutions will receive a residential support scheme (RSS) allocation for 2019 to 2020.

We have only calculated an allocation for institutions that had students verified as eligible for support from the scheme in academic year 2018 to 2019. The allocation provides funding for the actual students receiving RSS. It does not make any assumptions about demand in 2019 to 2020 and the ESFA will release any additional funding that is needed to institutions (both those given an initial allocation and any that approach us in-year with eligible students) as and when required.

[More information on RSS](#) is available on GOV.UK.

Annex A: Allocation statement 2019 to 2020 – detailed notes

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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 2019/20	As set out in table 1a.
National funding rate per student	As set out in table 1b.
Retention factor	Retention rate = retained students ÷ total funded students Retention factor = (retention rate ÷ 2) + 0.5 Calculated from ILR return R14 for 2017 to 2018.
Programme cost weighting	The programme cost weighting used is the average for your institution, and has been weighted by the funded hours for each student. Programme cost weighting is based on the sector subject area (SSA) classification for each student's core aim. Calculated from ILR return R14 for 2017 to 2018.
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 delivery location of the institution's provision and is normally based on delivery postcodes from the ILR.

The values on your statement are rounded to various numbers of decimal places. However, we calculate your funding 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)

As not all of these options are relevant to all providers, and thus not shown on all statements, reference numbers have not been used for this table.

Title	Comments
Students	<p>Student number taken from the data return shown in this row (1.1a) on your statement.</p> <p>For some institutions, we have used a different student number methodology.</p>
Ratio	<p>If shown, this is the ratio used to uplift the student number in 1.1a. The ratio is based on 2017 to 2018 data using the student number at the reference date of 1st November 2017 (taken from either the R04 or R06 return) and the full year student number at R14. Where we've used R06 it's referred to as R46.</p>
Total lagged student number	<p>If a ratio is shown, this figure is calculated by multiplying the student number by the ratio.</p>
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.</p>
Total student numbers for 2019/20	<p>This is the 'total lagged student number' plus 'exceptional variations to lagged student number'.</p> <p>If your statement doesn't display a 'total lagged student number' row it is the student number shown in row 1.1a plus 'exceptional variations to lagged student number'.</p>
Student Number Methodology Used	<p>The methodology used to calculate your total student number to be funded in 2019 to 2020.</p>

Table 1b: Breakdown of funding by funding band

Title	Comments
1.1b - 1.5b Student numbers 2017/18	<p>The student numbers for each funding band as recorded in your 2017 to 2018 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 split into 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 16 to 19 ESFA funded students with timetabled hours 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 used in 2019/20 allocation	<p>Proportions of students to be funded in each band based on the total student numbers in 2017 to 2018. The detail behind these proportions can be found in your allocation calculation toolkit.</p>
1.1b - 1.6b Number of Students allocated in 2019/20	<p>The percentages in each band applied to the total student numbers for 2019 to 2020 (Table 1a: Total student numbers for 2019/20).</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 + 1.5b</i></p>

Table 1c: Condition of funding (CoF)

Title	Comments
1.1c - 1.6c National Funding Rate	National funding rates.
1.1c - 1.6c Total Students (2017/18 R14)	The total number of students in 2017 to 2018 as recorded in your 2017 to 2018 ILR R14 return, split by each funding band.
1.1c - 1.6c National Funding Rate applied to Total Students (2017/18 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 (2017/18 R14)	The number of students not meeting the condition of funding in 2017 to 2018 as recorded in your 2017 to 2018 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 condition of funding. <i>Students (FTEs for band 1) not meeting the CoF × 2019 to 2020 national funding rate</i>
1.7c Total	This shows the total funding for all students and for those students not meeting the condition of funding. <i>1.1c + 1.2c + 1.3c + 1.4c + 1.5c</i>
1.8c 5% of National Rate Funding for Total 2017/18 R14 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 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 condition of funding 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 block 1 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 2017 to 2018.</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 2017 to 2018 for vulnerable students who were 'in care' or 'care leavers', at a rate of £480 per student.</p>
2.3a Total Block 1 Funding	<i>2.1a + 2.2a</i>

Disadvantage Block 2	
2.4a Total 2019/20 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 2017 to 2018 ILR data to provide the number of instances per student.</p>
2.5a Total Funded Instances for 2019/20	<i>Instances per student applied in 2019 to 2020 (2.4a) × total student numbers 2019/20 (Table 1a)</i>
2.6a - 2.9a Students attracting the Higher Rate, the Lower Rate, or the 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	<i>2.6a + 2.7a + 2.9a</i>
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	<i>2.3a + 2.10a + 2.11a</i>

Table 2b: Large programme uplift

Title	Comments
2.1b and 2.2b Students meeting Large Programme Uplift criteria	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 2016 to 2017.
2.1b and 2.2b Funding Uplift per student per year	This is 10% or 20% of the national funding rate.

Title	Comments
2.1b to 2.2b Total Large Programme Uplift (2 years)	2.1b and 2.2b show the total uplift for the 2 years – that is double the funding uplift per year. <i>students meeting criteria × funding uplift per student per year × 2</i>
2.3b Total large programme uplift	<i>2.1b + 2.2b</i>

Table 3: Care standards

Title	Comments
3.1 Care Standards Funding	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: Formula protection funding (FPF)

Title	Comments
4.1 2018/19 FPF per student	From your 2018 to 2019 allocation statement (box 4.3).
4.2 Reduction applied to 2018/19 FPF	From your 2018 to 2019 allocation statement (box 4.2).
4.3 2019/20 FPF per student	This is the 2018 to 2019 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>
4.4 Number of Students receiving 2019/20 FPF	The number of students receiving FPF in 2019 to 2020 is capped at the number of funded students in 2015 to 2016. <i>The lower of Total Lagged Student Number (Table 1a) and the 2015/16 funded students</i>
4.5 2019/20 Total Formula Protection Funding	The amount of FPF funding to be allocated in 2019 to 2020. <i>4.4 × 4.3</i>

Title	Comments
4.6 2019/20 Total Programme Funding plus FPF per Student	The programme funding per student (the total programme funding from the summary table on page 1, divided by the number of students) plus the FPF per student. <i>(programme funding ÷ Total Student Numbers for 2019/20 (Table 1a)) + 4.3</i>

Table 5: High needs funding

Title	Comments
5.1 High Needs Element 2 for 2019/20	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 Number of Funded Students	This number of students is based on the total student numbers for 2019/20 as shown in table 1a.
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 number of funded students to determine the number of bursary funded students attracting the standard funding rate.
6.1a Standard Funding Rate	This is the unit cost that has been used to calculate the total funding. The rate for 2019 to 2020 is £298.

Title	Comments
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 2018 to 2019, and • no institution has a 16 to 19 Bursary Fund allocation of less than £500
6.1c Industry Placements: Student Support Funding	20% of the qualifying students in 7.1.
6.1c Double Disadvantage Block 1 Uplift (2019/20 Allocated)	Double the block 1 uplift allocated in 2019 to 2020 (2.1a).
6.1c Rate per Student	The rate per student for 2019 to 2020 is £100.
6.1c Student Support Industry Placements with Minimum Funding Applied	<i>20% of the qualifying students × disadvantage block 1 uplift × rate per student</i>
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.
6.2c Residential Funding Total	<i>6.2a + 6.2b</i>
Free Meals Funding	

Title	Comments
6.3a Total Students	This is the total number of 16 to 19 year olds recorded on the 2017 to 2018 ILR R14.
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 2019/20 funded for Free Meals	This is the total number of students that will attract free meals funding in 2019 to 2020. It is calculated by applying the proportion of students on free meals to the total student numbers for 2019 to 2020 (Table 1a).
6.3b - 6.3d Free meals Higher Rate, Lower Rate and FTE Rate	The total number of 2019 to 2020 free meals students in box 6.3 split between the higher rate, lower rate and FTE rates according to the proportions in table 1b. <i>Number of free meals students × free meals funding rate = free meals funding</i>
6.3e Free Meals Administration	Funding for administration is allocated at 5% of the free meals funding.
6.3f Total Free Meals Funding	$6.3b + 6.3c + 6.3d + 6.3e$
6.4 Total Student Support Funding	Total student support funding. The sum of all student support funding. $6.1d + 6.2c + 6.3f$

Table 7: Industry Placements: Capacity And Delivery Funding (CDF)

Title	Comments
7.1 Number of Qualifying Students	The number of qualifying students in your 2017 to 2018 R14 data.

Title	Comments
7.1 Number of Funded Students	The number of funded students. This number may differ from the number of qualifying students. If you have 1 to 10 qualifying students, we will fund you for 10 students. If you have 11 to 20 qualifying students, we will fund you for 20 students.
7.1 Rate per Student	The rate of funding per student for 2019 to 2020 is £250.
7.1 Industry Placement: Capacity and Delivery Funding (CDF)	<i>Number of funded students × rate per student</i>

Table 8: Advanced Maths Premium

Title	Comments
8.1 Baseline Students	Average number of students studying an eligible level 3 maths qualification in academic years 2015 to 2016 and 2016 to 2017 (ILR R14)
8.1 Eligible Students	Number of students studying an eligible level 3 maths qualification in academic year 2018 to 2019 (ILR R04)
8.1 Eligible minus Baseline	<i>Eligible students - baseline students</i> If this results in a negative figure this will be shown as 0.
8.1 Rate per Student	The rate of funding per student for 2019 to 2020 is £600.
8.1 Advanced Maths Premium Funding	<i>Eligible minus Baseline x rate per Student</i>



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