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Guidance

Explanatory note: Special post-16 institution and non maintained special school allocation statement - academic year 2016 to 2017

Updated 31 March 2016

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1.

Introduction

This explanatory note sets out the background details behind the figures in the special post-16 institution (SPI) and non maintained special school (NMSS) funding allocation statements for the 2016 to 2017 academic year and directs SPIs to refer to specific sections of the [Explanatory note: Further education institutions allocation statement - academic year 2016 to 2017](#) for more information.

Local authorities have a role in funding high needs students in SPIs and NMSSs as a commissioner of special education provision for these students. This means that SPIs and NMSSs receive funding for pupils with high needs from both Education Funding Agency (EFA) (place funding) and local authorities (top-up funding). The allocation statement includes place funding only.

Top-up funding is based on the assessed needs of the student and the cost of meeting these in the education setting and should be agreed between the commissioning local authority and the SPI or NMSS. Top-up funding is paid for the period that the student is actually occupying the place in the institution. It is paid directly to the SPI or NMSS on a monthly basis unless a different payment frequency is agreed with the local authority.

Further information regarding the high needs funding system is available in the [High needs funding: operational guide 2016 to 2017](#) published on GOV.UK.

2.

Summary of the 2016 to 2017 funding allocation

We wrote to all SPIs and NMSSs on 4 February 2016 to confirm the methodology for allocating high needs place funding to SPIs and NMSSs for

2016 to 2017 academic year:

- SPI allocations will be based upon the individualised learner record (ILR) data and 16 to 19 average funding factors, with high needs place numbers (element 2) taken from the 2014 to 2015 R14 ILR return and lagged student numbers (element 1) from the 2015 to 2016 R04 ILR return. New institutions will be allocated student and high needs place numbers on the higher of their 2015 to 2016 allocated numbers or their 2015 to 2016 R04 ILR data
- NMSS allocations will be based on the pupil number data from the January 2015 school census

For SPIs, the total high needs place number allocation is described in table 5 of the funding statement. Element 1 is funded on a lagged basis using the national funding formula and element 2 is the second component of place funding and provides the first £6,000 of additional support costs for high needs students.

For NMSSs the total high needs place number allocation (inclusive of pre-16 and post-16 places) is described in table 2 of the funding statement. These places are funded at a rate of £10,000 per place.

3.

Special post-16 institution funding allocation

The first 2 tables below provide an explanation of how your student numbers (Table 1a) and breakdown of funding by funding band (Table 1b) have been derived for your 2016 to 2017 funding allocation.

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

Title	Comments
1.1a 2015 to 2016 R04 total students	For SPIs, this is the student number count as recorded on the 2015 to 2016 R04 return, with a reference date of 1 November.
1.2a 2014 to 2015 R04-R14 student ratio	The ratio between the student number count at R04 from 2014 to 2015 and the student number count at R14 from 2014 to 2015.
1.3a Total lagged student number	This figure is derived by uprating the 2015 to 2016 R04 numbers to a full year estimate by applying the R04 to R14 ratio from 2014 to 2015 (box 1.1a x 1.2a). For SPIs funded directly by the EFA in 2015 to 2016 for the first time, total student numbers have been derived from the higher of the roll over of the numbers allocated in 2015 to 2016 or the the student number count as recorded on the 2015 to 2016 R04 return. The full year estimate is then compared with the 2015 to 2016 R06 numbers and whichever is the higher number becomes the total lagged student number. Where necessary, the total lagged student number is then increased to be equal to the total number of high needs students recorded in the 2014 to 2015 R14 ILR return (box 5.1).
1.4a Exceptional variations to lagged student number	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 student numbers based on the R06 return.
1.5a Total student numbers for 2016 to 2017	This is the total of lagged students (box 1.3a + 1.4a).

3.2 Table 1b: Breakdown of funding by funding band

We have applied an assumption that all students in SPIs should be funded in band 5.

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

3.3 Table 1c: Condition of funding (CoF)

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 2014 to 2015, and is not recorded as exempt will have an impact on your 2016 to 2017 allocation. The [details of how this is applied](#) (including mitigation arrangements) can be found on GOV.UK.

Title	Comments
1.1c - 1.6c Total students (2014 to 2015 R14)	The total number of students in 2014 to 2015 as recorded in your 2014 to 2015 ILR R14 return, split by each funding band.
1.1c - 1.6c National funding rate applied to total students	The student funding associated with the total students. Total students (FTEs for Band 1) multiplied by national funding rate
1.1c -1.6c Students not meeting the CoF (2014 to 2015 R14)	The number of students not meeting the condition of funding in 2014 to 2015 as recorded in your 2014 to 2015 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. Students (FTEs for Band 1) not meeting the CoF multiplied by national funding rate
1.7c Total funding	This shows the total funding for all students and for those students not meeting condition of funding. 1.1c + 1.2c + 1.3c + 1.4c + 1.6c
1.8c 5% of national rate	This is a tolerance that is allowed before any adjustment will be

funding for total 2014 to 2015 R14 students	applied. 5% of national funding rate applied to total students (1.7c)
1.9c Funding for non-compliant students less 5% of total student funding	The resulting adjustment following the 5% tolerance national funding rate applied to CoF non-compliant students (1.7c) less 1.8c
1.10c Final condition of funding adjustment (at 50%)	In order to mitigate the effect of the CoF adjustments for the first year the final adjustment will be at 50% of 1.9c

3.4 Programme funding formula

The following table describes the approach taken to derive other elements of the 16 to 19 funding formula that are specific to SPI funding allocations with the exception of area cost allowance which applies across all of further education.

Title	Comments
Retention factor	We have applied the 2016 to 2017 national average factor for SPIs - 0.987
Programme cost weighting	We have applied the 2015 to 2016 average factor for high needs students in FE Colleges - 1.054
Disadvantage funding – block 1	We have applied the 2016 to 2017 national average of all institution types of 1.036
Disadvantage funding – block 2	We have applied two instances per student which attract the £480 funding rate
Large programme funding	Not applicable to SPIs
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 is normally based on your institution’s address, except for a small number of institutions which

deliver provision in different locations where it is based on the delivery postcodes for that provision.

Formula protection funding	Not applicable to SPIs
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3.5 Table 3: Care standards

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

3.6 Table 5: High needs funding

Title	Comments
5.1 High needs element 2	Total number of high needs students recorded in the 2014 to 2015 R14 ILR return × rate per student (£6,000) = funding.

3.7 16 to 19 Bursary Fund and free meals in further education

In 2016 to 2017, the EFA is removing the ring fence between the free meals in further education allocation and the 16 to 19 Bursary Fund discretionary bursary allocation. The two 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 further education. 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 further education 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 data in the independent evaluation of the Bursary Fund enabled us to estimate that this represented over £15m of discretionary bursary spend annually. Provision of free meals is now established and in its second year of implementation. Consequently in 2016 to 2017 the EFA is removing £15m from the budget in respect of this double funding by reducing 16 to 19 Bursary Fund discretionary allocations to take account of this for those institutions also in receipt of an allocation for free meals.

3.8 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 2016 to 2017 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' 2016 to 2017 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 2016 to 2017 allocated student numbers. A minimum allocation amount of £500 has been applied.

3.9 Free meals in further education

In 2016 to 2017 institutions will receive an allocation of funding for free meals based on their 2015 to 2016 ILR R06 data returns and their lagged student number for 2016 to 2017, ie the number of students they have assessed as eligible for, and in receipt of, free meals in 2015 to 2016 at R06 combined with the number of students funded in 2016 to 17 to provide an all-year number. 2016 to 2017 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 an institution's 2015 to 2016 R06 data return had 0 students flagged as eligible for, and in receipt of, free meals, we have based the allocation on the number of fundable free meals students for 2015 to 2016, (which was based on information from the 2014 to 2015 R06 data return). Institutions should not assume that the EFA will follow this approach 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 2016 to 2017 allocations that have been generated based on 0 free meals students in the 2015 to 2016

R06 data return where subsequent data returns show that the institution has been allocated too much funding.

3.10 £15m adjustment

To help institutions understand the adjustment that has been made, please find below some overall figures:

Item	Comment
46.1%	This is the percentage that £15m represents of the total Free Meals in FE allocation for the academic year 2016 to 2017
£102m	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
14.6%	This is the average percentage reduction to institutions' Discretionary Bursary allocation once the institution's share of the £15m is removed (pre-protection)
13.8%	This is the average percentage reduction to institutions' Discretionary Bursary allocation once protection has been applied
10.4%	This is the average percentage reduction in the combined Discretionary Bursary and Free Meals in FE allocations once reduction and protection has been applied

To arrive at the adjustment, we have calculated each institution's share (percentage) of the total amount of free meals allocations. This percentage is then applied to the £15m adjustment for double funding (set out above) to calculate the amount that needs to be subtracted from the institution's discretionary bursary allocation. As an illustration:

- institution A has a free meals allocation of £240,000. The total value of free meals in FE allocations is £32,000,000. Their share of the national budget is therefore 0.75% ($\frac{£240,000}{£32,000,000}$).

therefore their provisional deduction from the discretionary bursary

budget is $0.75\% \times \pounds 15,000,000 = \pounds 112,500$.

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 and no institution has a 16 to 19 Bursary Fund allocation of less than £500.

If institutions require a detailed breakdown of how their allocation has been generated, they should contact the EFA.

Title	Comment
6.1a Discretionary Bursary Fund – 2016 to 2017 number of funded students	This number of students is based on the 2016 to 2017 funded student numbers as in box 1.5a
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 2016 to 2017 student numbers 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 2016 to 2017 is £298
6.1a Funding	2016 to 17 student numbers x percentage applied x funding rate. The standard funding rate is multiplied by the number of bursary funded students (rounded to the nearest pound).A minimum allocation of £500 has been applied
6.1b Bursary adjustment in respect of free meals	Refer to the 16 to 19 Bursary Fund and free meals in further education section on page 7 of this document. = 2016 to 17 Free Meals allocation (6.3e) / total free meals allocation x £15,000,000. Protection is then applied so that no institution experiences a reduction of greater than 25% for their 16 to 19 Bursary Fund allocation and no institution has a 16 to 19 Bursary Fund allocation of less than £500

6.2a Residential bursary fund	Not applicable to SPIs
6.2b Residential support scheme	Not applicable to SPIs
6.3a Total students (R46)	This is the total number of 16 to 19 year olds recorded on the 2015 to 2016 ILR R46 (R06 with a reference date of 1 November)
6.3a Free meals students (R46)	This is the number of students recorded on R46 as accessing free meals
6.3a Proportion of students on free meals	Free meals students (R46) divided by Total Students (R46)
6.3a Total students in 2016 to 2017 funded for free meals	This is the total number of students that will attract free meals funding in 2016 to 2017
6.3b – 6.3d Free meals higher rate, lower rate and FTE rate	The total number of 2016 to 2017 free meals students in box 6.3 is then split between the higher rate, lower rate and FTE rates according to the proportions in table 1b. For each of the three rate. Number of free meals students x free meals funding rate = free meals funding
6.3e Total free meals funding	Total of free meals funding for all rates. This total also includes funding for administration of 5%
6.4 Total student support funding	Total student support funding. The sum of all student support funding. 6.1a - 6.1b + 6.2a + 6.2b + 6.3e

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.

3.11 Next steps - business cases

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

EFA reserves 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 50 students, whichever is lower
- for cases affecting the full time/part time split and other funding factors including programme cost weightings, retention and disadvantage funding - an overall impact of 5% on total funding or £250,000, whichever is lower
- for other cases not covered above - reviewed on a case by case basis

EFA 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, please do so as soon as possible and no later than 22 April 2016 using:

EFA enquiries

Contact form

<https://form.education...>

For all enquiries for the Education Funding Agency

Business cases will be reviewed during April/May and you will receive a response to your case by 31 May 2016.

4.

Non maintained special school funding allocation

The tables below provides an explanation of your 2016 to 2017 high needs funding allocation.

4.1 Table 1: Summary of 2016 to 2017 funding allocation

Title	Comments
1.1 Total high needs place funding	This figure is taken from Table 2: High needs breakdown, row 2.1 – place funding.
1.2 Student financial support funding	Allocations will be confirmed shortly. This figure will be taken from Table 3 when available.
1.3 Total funding allocation	This is the total of the funding recorded in 1.1 and 1.2.

4.2 Table 2: High needs breakdown

Title	Comments
2.1 Place funding	High needs place funding calculation.
Total places (all age groups)	The total of pre-16 and 16 to 18 pupil numbers recorded in the January 2015 census data. The total number of post-16 places will be shown in Table 3, row 3.1 when available.
Rate per place	This is the unit cost that has been used to calculate the total funding. For NMSS this is £10,000 per place
Total funding	2016 to 2017 total high needs place numbers x rate per place. The £10,000 funding rate is multiplied by the number of high needs places (rounded to the nearest pound).

4.3 Table 3: Student financial support funding

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. 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.

Students' individual needs should be assessed for discretionary bursaries and awarded an appropriate level of financial support.

Title	Comments
3.1 16 to 19 Discretionary bursary fund	This funding calculation is based upon the number of post-16 places allocated for the 2016 to 2017 academic year.
2016 to 2017 number of post-16 funded places	The total of 16 to 18 pupil numbers recorded in the January 2015 census data.
Percentage applied	For the majority of institutions, the 16 to 19 Bursary Fund allocations for discretionary bursaries in 2016 to 2017 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' 2016 to 2017 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 2016 to 2017 allocated student numbers.
Standard funding rate	This is the unit cost of £298 that has been used to calculate the total funding as explained in the percentage applied box.
Funding	2016 to 2017 place numbers x percentage applied x funding rate. The standard funding rate is multiplied by the number of bursary funded places (rounded to the nearest pound). A minimum allocation of £500 has been applied.

4.4 Next steps - business cases

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

EFA reserves 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 50 students, whichever is lower
- for other cases not covered above - reviewed on a case by case basis

EFA 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, please do so as soon as possible and no later than 22 April 2016 using:

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