



Education
Funding
Agency

Further education student number statement – academic year 2016 to 2017

**Explanatory note for further education
institutions**

January 2016

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Introduction

This explanatory note sets out the background details behind the figures in your student number statement for the 2016 to 2017 academic year (2016/17). This is the next step towards calculating your 2016/17 funding allocation, which we will communicate to you by the end of February 2016 where possible. Likely exceptions to this will be any institution where allocations are based on R06 data received by EFA in February. These allocations will be communicated in early March 2016.

Purpose

We are providing this information now so that you have an opportunity to check and comment on it, or raise any queries you may have. The information in the statement will also give you a basis on which to plan.

Policy implementation

[Peter Mucklow's letter](#) sets out the main policy for 2016/17.

Funding formula

As in previous years, your funding allocation for 2016/17 will be based on lagged student numbers. This statement confirms your lagged student numbers, except for commercial and charitable providers (CCPs) some of whom are funded using a different approach for calculating student numbers. For CCPs, we will confirm lagged student numbers in March 2016. This statement includes the other factors that affect your funding for 2016/17. A box-by-box explanation of the numbers in the statement is given in annex A.

Student funding bands

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

Band	Annual timetabled hours	Category
5	540+ hours	16 and 17 year olds Students aged 18 and over with high needs
4a	450+ hours	Students aged 18 and over who are not high needs (including those with 540+ hours)
4b	450 to 539 hours	16 and 17 year olds Students aged 18 and over with high needs
3	360 to 449 hours	All students
2	280 to 359 hours	All students
1	Up to 279 hours	All students

Programme cost weightings

Most programme cost weightings for 2016/17 are unchanged from those used in allocations for 2015/16. A list of programme cost weightings for 2015/16 is given in the [funding guidance](#) for that year.

The exception to this is the specialist weighting for land based programmes in sector subject area 3 (agriculture, horticulture, and animal care) delivered by institutions recognised as having specialist resources. This has increased from 1.6 to 1.75.

Disadvantage block 1 economic deprivation

We look at where your students live in order to determine whether disadvantage funding should be allocated. To do this we look up their home postcode in the Index of Multiple Deprivation (IMD). This year we are using IMD 2015 which is a change from the previous year where we used 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. We then assign an uplift to those students that live in the most deprived areas of the country.

Condition of funding adjustment

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 2016/17 allocation. The [details](#) of how this will be applied (including mitigation arrangements) can be found on GOV.UK.

High needs place numbers

We have used the 16 to 25 place numbers allocated to institutions in academic year 2015 to 2016 as the basis for allocating place numbers in academic year 2016 to 2017 unless a place change request, submitted by your home local authority in November 2015 following discussions with you, was supported to revise your allocation. A small number of changes have also been made where necessary to reflect the merger of institutions.

We published the high needs arrangements for 2016 to 2017 in September 2015 on [GOV.UK](#), describing how the high needs funding system and place change request process will work for all types of provision. The outcomes from the place change request process were published on the 14 January 2016 on the same webpage.

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 29 January 2016. Any agreed changes to place numbers resulting from these enquiries will be communicated directly to institutions in February 2016 and recorded in final funding statements.

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

Allocations calculation toolkit

The allocations calculation toolkit (ACT) explains how we have used your data to arrive at some of the key figures in the statement. This toolkit is available on the [document exchange](#).

Next steps

If you have any queries on any of the figures or calculations in your student number statement, please contact us by using the [online enquiry form](#).

Business cases including those that relate to the data within the funding factor statement should only be made once institutions have received and reviewed their final allocation. We will confirm the deadline for submitting cases when we send out those allocations, but we currently expect that the deadline in most or all cases will be 8 April 2016.

The next steps in the allocation process and the procedures for handling business cases will follow the timeline set out in Peter Mucklow's letter.

For FE institutions except CCPs this statement includes both your funding factors and your lagged student numbers. We will confirm funding allocations by the end of February 2016, unless there are any changes for an institution resulting from the R06 data received that month in which case the allocation will be confirmed in early March.

For CCPs, we will be reviewing student numbers based on R06 and will confirm lagged student numbers and allocation in early March 2016.

You will then have an opportunity to raise any exceptional issues with us during April, and we will respond to those by early June.

Annex A: Student number statement detailed notes

Table 1a: Student numbers

Title	Comments
2015/16 R04 total students	<p>For FE colleges, some CCPs and other FE institutions, this is the student number count as recorded on the 2015/16 R04 return, with a reference date of 1 November 2015.</p> <p>This box is not completed for commercial and charitable providers (CCPs) and most other institutions other than colleges, where a different methodology is used (see box 1.3a).</p>
2014/15 R04-R14 student ratio	<p>The ratio between R04 and R14 from 2014/15.</p> <p>This box is not completed for commercial and charitable providers (CCPs) and for most other institutions other than colleges, where a different methodology is used (see box 1.3a).</p>
Total lagged student number	<p><u>For FE colleges and some other FE institutions</u>, this figure is derived by uprating the 2015/16 R04 numbers to a full year estimate by applying the R04 to R14 ratio (box 1.1a × 1.2a).</p> <p><u>For other 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 2015 plus number of starts from February 2015 to January 2016.</i></p> <p><u>For some small institutions</u> where the above approaches are not appropriate, all year 2014/15 student numbers are used.</p>
Agreed 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 2016/17	<p>This is the total of lagged students plus exceptional variations (box 1.3a + 1.4a).</p>

Table 1b: Distribution of students by funding band

Title	Comments
Student numbers in 2014/15	<p>These columns show the student numbers for each funding band from the 2014/15 data as shown on your funding factor</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>
Proportions for 2016/17 allocation	<p>These percentages show the proportion of students to be funded in each band based on the total student numbers in 2014/15.</p>
Number of students allocated in 2016/17	<p>The percentages in each band applied to the total student numbers for 2016/17 (box 1.5a).</p> <p>The values in this column have been rounded to whole numbers, this may result in a slight difference between the sum of the rows and the total shown in box 1.7b.</p>

Table 2: Funding factors

In each case, the table shows the value used in the 2015/16 allocation (including any business cases, where applicable) and the value calculated from historical data that will be used for the 2016/17 allocation.

Title	Comments
Retention factor	<p>Retention rate = retained students ÷ all students</p> <p>Retention factor = (retention rate ÷ 2) + 0.5</p> <p>Calculated from R14 data for 2014/15.</p>
Programme cost weighting	<p>The programme cost weighting used is the average for your institution, and has been weighted by the 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 R14 data for 2014/15.</p>

Title	Comments
Area cost	<p>Some areas of the country are more expensive to teach in than others, and the area cost weights the allocation to reflect this.</p> <p>The area cost is normally based on your institution's address, except for a small number of institutions that deliver provision in different locations where it is based on the delivery postcodes for that provision.</p>
Disadvantage block 1: Economic deprivation factor	<p>The student's home postcode and the new Index of Multiple Deprivation 2015 are used.</p> <p>The factor is an average across the whole institution, weighted by the hours for each student.</p> <p>Calculated from R14 data for 2014/15.</p>
Disadvantage block 1: Care leavers	<p>This number is taken from 16 to 19 Bursary Fund claims for the 2014 to 2015 academic year; for vulnerable students who were 'in care' or 'care leavers'.</p>
Disadvantage block 2: Instances attracting funding per student	<p>The ratio of students that did not have GCSE maths and/or English based on the Young People's Matched Administrative Dataset for 2013/14.</p> <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 higher in both counts as 0 instances.</p>
Total number of block 2 instances	<p>The number of instances per student multiplied by the total student numbers for 2016/17 (box 1.5a).</p>

Title	Comments
Instances attracting the full time/part-time/FTE rate	<p>The total number of instances in box 2.7 is then split between the full-time and part-time bands according to the proportions in table 1b as follows.</p> <ul style="list-style-type: none"> • the proportion for Band 1 (converted to FTEs) will receive the higher block 2 rate • the proportions for Bands 2 and 3 combined will inform the number of instances receiving the lower block 2 rate, and • the proportions for Bands 4 and 5 combined will inform the number of instances receiving the higher time block 2 rate.

Table 3: Condition of funding

Title	Comments
Total student numbers in 2014/15	The total student numbers for each funding band from the 2014/15 data as in table 1b.
Students not meeting CoF in 2014/15	<p>The number of 2014/15 students not meeting the condition of funding criteria.</p> <p>In addition, for Band 1 the number of FTEs not meeting the condition of funding is shown on row 3.6.</p>

Table 4: High needs student funding

Title	Comments
High needs	The high needs place numbers resulting from the process described above. Showing the split by 16 to 19 and 19 to 24 age groups.



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