Education & Skills Funding Agency

16 to 19 further education allocation calculation toolkit: 2020 to 2021

A guide

January 2020

Contents

Introduction

We have published details of the [funding arrangements for the academic year 2020 to 2021](#) for students aged 16 to 19 and students aged 19 to 25 with an Education, Health and Care (EHC) plan on GOV.UK. This includes details of changes in 2020 to 2021 as a result of

- the policy changes for calculating Discretionary Bursary funding
- the additional funding as a result of the Spending Review in relation to
  - funding rates
  - programme cost weighting
  - level 3 programme maths and English payments and
  - high value courses premium
  - T level funding

We calculate 16 to 19 funding allocations using data that you returned previously. In this case, we are using primarily 2018 to 2019 data to calculate funding elements affecting your allocation for 2020 to 2021.

The allocation calculation toolkit (ACT) shows you the data we have used to calculate your funding elements. You can use it to check that the data is calculating the factors and other values used in your funding allocation as you expect it to. This may show you where there are errors in your data returns, and therefore highlight instances where you might want to submit a business case. You should submit a business case relating to the data within the ACT after you have received and reviewed your allocation statement. The deadline for submitting cases is 30 April 2020, as published in the [allocations timeline](#) on GOV.UK.

This guide explains the practical detail of how we have used your data within the 16 to 19 further education (FE) ACT to calculate the various elements of the funding formula for your institution. When we refer to an FE institution in this guide it includes general FE colleges, sixth-form colleges, local authority providers, independent learning providers and higher education institutions.

If you have any queries about the information in this guide, please contact us using our [online enquiry form](#).

Your 16 to 19 FE allocation calculation toolkit

To show you how we have used your data to calculate the funding elements used in your 2020 to 2021 allocation, we have prepared a 16 to 19 FE ACT for you. The ACT includes 5 separate sheets.

Funding elements – a summary of the key elements calculated from your 2018 to 2019 R14 data that we will use to calculate your 2020 to 2021 funding.

Aims – the individual learning aims from your 2018 to 2019 R14 data return, identifying for each student which learning aim is the core/programme aim.

Programme – student-level data that shows information such as age, funding band, condition of funding status, and programme information such as programme type and core aim in 2018 to 2019.

Glossary – a technical description of each column in both the Aims and Programme sheets of the workbook. You can use this sheet to identify the specific data fields we have used when looking at your data.

Comments – a tool to enable you to add notes to the data on the Aims and Programme sheets when reviewing the information shown.

If we do not have a full set of 2018 to 2019 data for your institution, then we have not produced an ACT file for you. In this case, you can still see how we make the calculations by reviewing our example ACT which is available on GOV.UK alongside this guidance.

What's new in ACT

We have added new information to ACT this year:

- the Funding Elements sheet (previously Funding Factors) includes new elements:
  - Level 3 programme maths and English payment - 1 and 2 Year Programme Instances per Student (Spending Review change)
  - High Value Courses Premium (HVCP) Qualifying Students (Spending Review Change)
  - Discretionary Bursary (Policy change):
    - element 1 – Financial Disadvantage Instances per Student
    - element 2a – Student Costs, Travel Instances per Student
    - element 2b – Student Costs, Industry Placement Disadvantage Instances

- o proportion of students on Free Meals (first year that ACT has contained this data)

- the Programme sheet now includes new columns to support the calculation of the elements described above, it has also been re-ordered to group information together in an improved format

- the new programme cost weighting values relating to the Spending Review change can be seen in the data

Features of the 16 to 19 revenue funding methodology

What data have we used in ACT?

Individualised Learner Record (ILR) return: 2018 to 2019 R14 data.

Why do we use 2018 to 2019 data?

Your 2018 to 2019 R14 data is the last full-year set of data that you returned. We use it to understand the characteristics of your institution and its delivery.

You can find a detailed description of data sources in the glossary sheet of your ACT.

Who counts?

We fund students aged 16 to 19, students aged 19 to 25 who have an EHC plan and 19+ continuing students. We include students' 16 to 19 funded learning aims in the calculation of funding factors for your 2020 to 2021 funding allocation when the students count as valid starts in the 2018 to 2019 dataset. Students count as starts when they complete the appropriate qualifying period, which is based on the duration of the study programme.

Table 1: Student qualifying period

Study programme planned hours and planned length in-year		Qualifying period
450 hours or more		6 weeks (42 days)
Fewer than 450 hours	24 weeks or longer	6 weeks (42 days)
	2 to 24 weeks	2 weeks (14 days)

Programmes with a planned duration of less than 2 weeks and students who are in summer schools (aged 15 or under with a start date on or after 1 June 2019) are not counted.

Core/programme aim and study programme type

In the 2018 to 2019 ILR institutions record a core aim for every 16 to 19 funded student and, for traineeship students, a programme aim. We use this information to:

- determine whether the programme is academic or vocational

- determine whether a programme is a Traineeship

- calculate programme cost weighting

- calculate retention

Where a student has multiple core or programme aims recorded across the academic year, we use the most recent instance for calculation purposes.

If the core aim qualification is one of these types, the study programme is academic:

- A level (excluding General Studies or Critical Thinking)

- GCSE

- International Baccalaureate

- Pre-U Diploma

- Free Standing Maths Qualification (FSMQ)

- Access to HE

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

The 16 to 19 revenue funding formula

All institutions are funded in the same way to teach 16 to 19 year olds and high needs students up to the age of 25. Funding allocations for 2020 to 2021 are calculated using a funding formula.
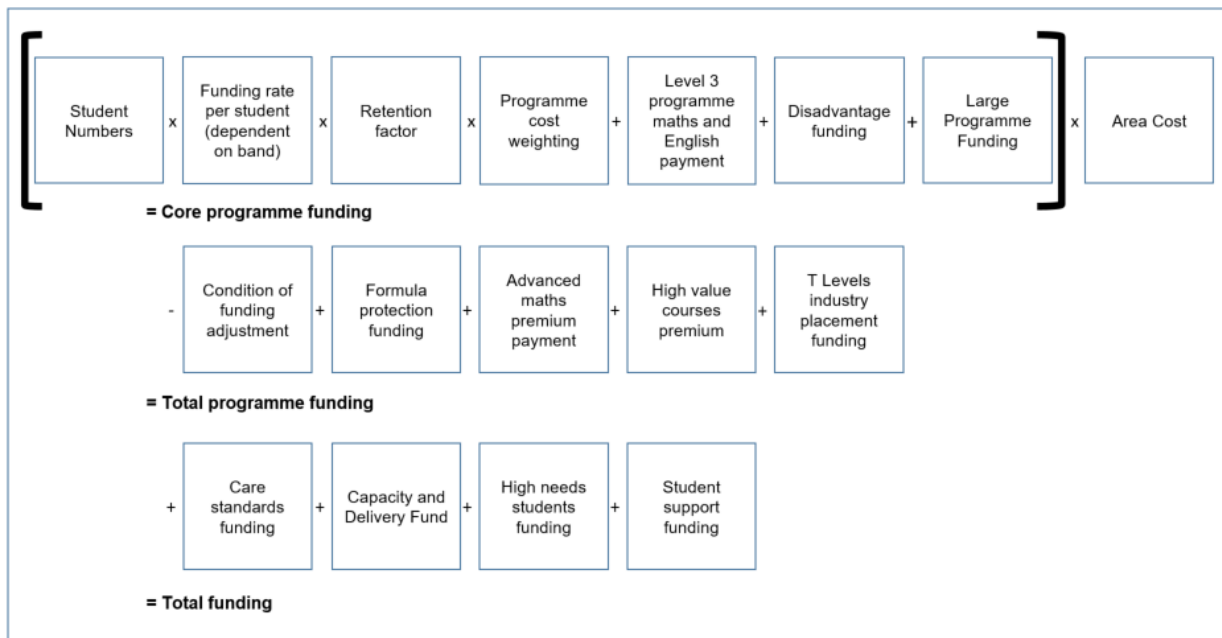
Figure 1: 16 to 19 funding formula

Please note that it is likely that not all of the funding elements are relevant to your institution. An overview of 16 to 19 funding is available on GOV.UK.

This guidance document has been simplified to only include detailed chapters for the elements of the funding formula above that have corresponding data in your ACT file. The areas not covered are listed below with links to further details on GOV.UK.

- Large Programme Funding
- Advanced Maths Premium Funding
- Formula Protection Funding
- High Needs Student Funding
- T Level Funding

Student numbers

We measure the learning delivered by your institution by counting the number of students and looking at the size of their programmes.

We start by calculating your lagged student numbers to decide how many students should be included in your funding for 2020 to 2021. We have published the data sources and methods we will use to calculate your lagged student number on Gov.UK.

Your lagged student number is not included in your ACT, it will be confirmed on your allocation statement.

Student funding bands

We fund at different rates depending on the size of the programme your students are studying, and in some cases their age and high needs status.

Table 2: Student funding bands

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

* For these purposes, the definition for an 18+ high needs student is where the ILR indicates that a local authority has paid element 3 'top-up' funding for the student (learner funding and monitoring (FAM) type = HNS and learner FAM code = 1). There is a column on the programme sheet 'High Needs Student' (column H) that shows which students are classified as high needs students.

Your ACT contains a table showing the distribution of students by funding bands based on your 2018 to 2019 data. We use data from the programme sheet (column Q shows the funding band) to calculate these volumes.

We will apply the proportions calculated from these volumes (also shown in table 1 on the funding elements sheet) to your lagged student numbers for the 2020 to 2021 academic year.

For institutions delivering T Levels in 2020 to 2021 your funding statement will show students funded in higher bands than displayed in the ACT file. ACT shows delivery in 2018 to 2019 only, we will remove the number of T level students attracting funding from band 5 and fund them at the appropriate higher band.

Retention factor

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 have to have completed or be continuing to study their core aim.
- academic programmes: students have to have completed or be continuing to study at least one of their academic aims.
- traineeship programmes: students have to have completed or be continuing to study their programme aim.

Students on a 2 year programme who complete the first year, will count as retained in that academic year. We define completing the first year as still being in learning on the last working day of June, that is 28 June 2019 in this case.

Your ACT file shows the retention status for each student on the programme sheet (column W). Cell F21 on the funding elements sheet shows the overall retention factor for your institution.

Table 3: Retention criteria

Student's completion status	Percentage of annual funding earned
Student leaves before qualifying period	0%
Student leaves and is not recorded as completed	50%
Student retained and is recorded as completed	100%

We use these values to convert your retention rate to a retention factor. This is because we recognise that there is a cost to your institution, and an inherent value to educating young people, even if they do not complete their course.

Calculation

We use your retention factor based on 2018 to 2019 data to calculate your 2020 to 2021 funding. You can see which of your students were retained on their study programme in the column 'retention' (column W) on the programme sheet.

$$\text{Overall retention rate} = \frac{\text{Sum of students flagged 'Yes' in Retention (column W) where Funded student (column I) is marked as 'Yes'}}{\text{Sum of students marked 'Yes' in Funded student (column I)}}$$

We then convert your retention rate to a retention factor.

Retention factor $=$ (Retention rate $\div$ 2) $+$ 0.5

You can see the result of this calculation on the funding elements sheet in table 2 (cell F21).

Programme cost weighting (PCW)

This part of the funding formula reflects the fact that some courses are more expensive to teach than others. We use sector subject areas (SSA) to determine weightings.

We determine whether to apply a weighting, and if so what the value should be, using the core aim for vocational programmes.

Academic programmes are base weighted except where the programme contains 2 or more science A levels. Where this is the case we give a weighting of 10%, this is a change in 2020 to 2021 as a result of the recent Spending Review.

There are 5 weightings which provide an extra 10%, 20%, 30%, 40% or 75% above the base rate.

We have introduced the 10% and 40% weightings in 2020 to 2021 and some subject areas have had their PCW increased as a result of the recent Spending Review. We have published [full details of the changes](#) on GOV.UK.

Columns X to Z on the programme sheet show the programme cost weighting for each of your students.

Calculation

You can see your overall programme cost weighting on the funding elements sheet in table 2 (cell F22).

The calculation of the overall programme cost weighting uses data on the programme sheet to weight the factors for individual students based on their programme size:

- we determine the funding band (column Q) using the total planned hours in the funding year (column P), the age of the student (column B) and whether the student is a high needs student (column H)

- for students in funding bands 5 to 2, we derive a weighting value using set hours for each band, and we record this as the weighting multiplier in column S.

Table 4: Base weighting values

Funding band	Annual planned hours	Weighting value used for calculation
5	540+ hours	600
4a	450+ hours	495
4b	450 to 539 hours	Mid-point 495
3	360 to 449 hours	Mid-point 405
2	280 to 359 hours	Mid-point 320
1	Up to 279 hours	Total hours

We calculate a weighted student-level programme cost weighting factor.

$$\text{weighted cost weighting factor (column Z)} = \text{weighting multiplier (column S)} \times \text{cost weighting factor value (column Y)}$$

We then use the weighted student-level programme cost weighting factors to calculate the overall programme cost weighting factor for your institution.

$$\text{programme cost weighting factor} = \frac{\text{sum of weighted cost weighting factor (column Z) where Funded student (column I) is marked as 'Yes'}}{\text{sum of weighting multiplier (column S) for all students who meet the funding eligibility criteria (funded student = Yes in column I)}}$$

Disadvantage funding

Disadvantage funding has 2 elements: one based on the home postcode of your students, the other based on prior attainment of your students in English and maths GCSE at age 16.

Your disadvantage factors are on the funding elements sheet in table 2:

- block 1: economic deprivation
- block 2: prior attainment in GCSE English and maths

Block 1: economic deprivation

We determine whether to allocate disadvantage funding based on where your students live. To do this we look up their home postcode in the Index of Multiple Deprivation (IMD) 2015. The IMD is an official government index that uses education, crime, health, employment, and income statistics to tell us how deprived areas are. We assign an uplift to those students who live in the 27% most deprived areas of the country.

The Ministry of Housing, Communities and Local Government produced and updated the IMD in autumn 2019. We are reviewing the impact of the new index across ESFA funding streams, with the expectation of introducing the new index for 16 to 19 funding in 2021 to 2022. This will result in changes to the disadvantage factors used for allocations from that year.

Column AA in the programme sheet shows the disadvantage uplift factor for each student. If a student is not eligible for block 1 disadvantage funding, this column shows 1.0000.

Calculation

You can see your overall economic deprivation factor on the funding elements sheet (cell F23).

The calculation of the overall economic deprivation factor uses the data on the programme sheet to weight the factors for individual students based on their programme size:

- we determine the funding band (column Q) using the total planned hours in the funding year (column P)
- for students in funding bands 5 to 2, we derive a weighting value (see table 4) using set hours for each band, and record this as the weighting multiplier in column S

We calculate a weighted student-level disadvantage uplift.

$$\text{weighted disadvantage uplift (column AB)} = \text{weighting multiplier (column S)} \times \text{student's disadvantage uplift factor (column AA)}$$

We then use the weighted student-level disadvantage uplift to calculate the overall block 1 disadvantage factor for your institution.

$$\text{block 1 disadvantage/ economic deprivation factor} = \frac{\text{sum of weighted disadvantage uplift (column AB) minus sum of weighting multiplier (column S) where Funded student (column I) is marked as 'Yes'}}{\text{sum of the weighting multiplier (column S) for all students who meet the funding eligibility criteria, (funded student = Yes in column I)}}$$

Block 2: prior attainment

Disadvantage block 2 provides funds to support students with additional needs including moderate learning difficulties and disabilities. We base disadvantage block 2 funding on low prior attainment in maths and English.

We use data from the 2018 to 2019 ILR to calculate the average block 2 instances per student to be used in the calculation of your funding.

Calculation

We look at the grades your students attained in GCSE English and maths by the end of year 11. We take this information from the ILR FAM field eligibility for EFA disadvantage funding (EDF).

We calculate for each student the number of instances where English and/or maths was not achieved by year 11. A student can therefore be worth a maximum of 2 instances.

Table 5: Block 2 instance example

Example	GCSE English below A*-C/9-4	GCSE maths below A*-C/9-4	Student instance value
Student 1	No	No	0
Student 2	Yes	No	1
Student 3	No	Yes	1
Student 4	Yes	Yes	2

We calculate the disadvantage block 2 instances per student in the following way:

$$\text{disadvantage block 2 instances per student} = \frac{\text{sum of total instances (column AE) where funded student (column I) is marked as 'Yes'}}{\text{total funded students (where column I is marked as 'Yes')}}$$

Table 2 on the funding element sheet (cell F24) shows the calculated instances per student.

Discretionary bursary funding

We are revising the way that 16-19 discretionary bursary allocations are calculated to better match financial disadvantage and student needs across the country. You can read the [Government response](#) to the consultation held in 2019 on GOV.UK.

We will use the new methodology from 2020 to 2021 academic year onwards. In advance of this we shared an indicative discretionary bursary allocation for 2019 to 2020 with you in October 2019 to explain the changes and how the transition will work. If you wish to refer back to this you can find it on Information Exchange in the 2019 to 2020 folder.

Further details including [narrated presentations to explain the changes](#) can be found alongside this guidance on Gov.UK.

The new methodology uses your data to calculate the funding elements, we have therefore included this in ACT for the first time.

Element 1: financial disadvantage

We determine whether to allocate discretionary bursary disadvantage funding by looking at where your students live. To do this we look up their home postcode in the Index of Multiple Deprivation (IMD) 2015 as we do for disadvantage block 1 funding. We assign an instance value to those students who live in the 27% most deprived areas of the country.

Table 6: Financial Disadvantage Instance Values

IMD Deprivation of Home Postcode	Instance Value
Top 9% most deprived (<=9%)	1.0
Next 9% most deprived (>9% to <=18%)	0.8
Next 9% most deprived (>18% to <=27%)	0.6

Column D in the programme sheet shows if the student is living in the top 27% most deprived areas and column AO shows the instance value for each student. If a student is not in the top 27% and does not qualify for discretionary bursary financial disadvantage funding or if the postcode is unknown this column will show 'Not in top 27%'.

Calculation

This uses the data on the programme sheet to calculate an average number of instances per funded student.

We calculate this in the following way:

$$\begin{array}{l}\text{discretionary bursary} \\ \text{element 1: financial} \\ \text{disadvantage instances} \\ \text{per student}\end{array} = \begin{array}{l}\text{sum of financial} \\ \text{disadvantage} \\ \text{instances (column AO)} \\ \text{where funded student} \\ \text{(column I) is marked} \\ \text{as 'Yes'}\end{array} \div \begin{array}{l}\text{total funded} \\ \text{students (where} \\ \text{column I is marked} \\ \text{as 'Yes')}\end{array}$$

You can see your instances per student on the funding elements sheet (cell F27).

Element 2a: student costs - travel

Element 2a student costs for travel provides funding to support students from the top 60% most deprived areas (based on IMD 2015) with their travel costs. We do not include residential students (where column F in the programme sheet = 'Yes').

Column D in the programme sheet shows if the student is from the top 60% most deprived areas. We show how we have calculated the instance value for each student in columns AP to AS.

If a student is not eligible for discretionary bursary funding to support travel we will state why in the columns.

The maximum total instance value for a student is 1 (column AS on the programme sheet). We base the instance value on two parts:

- rurality, where we class a student's current postcode (column E) as a rural area we give an instance value of 0.5 (column AP)
- the distance travelled between the student's postcode for travel (column E) and the delivery location of their learning (column V), the table below shows the instance value given (column AQ) based on the straight line distance between the two postcodes:

Table 7: distance travelled instance values

Distance travelled	Instance value
>= 20km	0.500
>= 10km and < 20km	0.333
>= 3km and < 10km	0.167
< 3km	0.000

If the student is resident and learning in London they are able to take up the Travel for London (TfL) offer; where this is the case we will halve their instance value based on the above. Column AR on the programme sheet indicates where this is the case.

Column AS shows the student's total instance value for travel.

Calculation

The calculation uses the data on the programme sheet to calculate an average number of instances per funded student.

We calculate this in the following way:

discretionary bursary element 2a: student costs - travel instances per student $=$ sum of travel costs total instances (column AS) where funded student (column I) is marked as 'Yes' $\div$ total funded students (where column I is marked as 'Yes')

You can see your instances per student on the funding elements sheet (cell F28).

Element 2b: student costs – Industry Placements

Element 2b - student costs for Industry Placements - provides funding to support students from the top 60% most deprived areas based on IMD 2015 who are undertaking an Industry Placement via the Capacity and Delivery Fund or as part of a T Level programme from the 2020 to 2021 academic year.

Column D in the programme sheet shows if the student is living in the top 60% most deprived areas.

If the student's study programme makes them eligible for Industry Placement funding via CDF (column AV) and they are from the top 60% most deprived areas we will give them an instance value of 1 in column AW.

We will only allocate funding for Industry Placements to institutions who submitted an approved plan, opted in and have an Ofsted overall effectiveness grading of "Requires Improvement" or better.

Calculation

The calculation of this value uses the data on the programme sheet, we calculate this in the following way:

Discretionary bursary element 2b: student costs – Industry Placement instances	=	sum of Industry Placements instances (column AW) where funded student (column I) is marked as 'Yes'

You can see your total instances on the funding elements sheet (cell F52).

Level 3 programme maths and English payment

We give extra funding to providers to deliver maths and English to students doing substantial level 3 study programmes and T Levels.

Students are eligible for additional funding in the first year of a level 3 programme when they have not yet attained a GCSE grade 9 to 4 (or equivalent) in maths and/or English, and their study programme meets at least one of these criteria:

a. it includes at least 2 A levels

b. it includes a level 3 qualification of at least 360 guided learning hours (GLH)

c. it is a T Level programme

Table 8: Funding rates for maths and English in level 3 programmes

	Payment per subject
1 year programme	£375
2 year programme	£750

We pay an instance of funding for each subject in which a student does not hold a GCSE. This means that a student who has not achieved either English or maths will receive one instance, and those without both GCSEs will receive 2 instances.

We only pay the 2 year rate for students who are continuing at the end of the first year. Otherwise we pay the rate for a 1 year programme. For the purposes of calculating this funding, a 2 year study programme is one that spans 18 months or more.

We use historic information from the latest full year's data to determine which students are eligible for the extra funding. For the 2020/21 allocations, we used data from 2018/19.

More information on Maths and English study in level 3 programmes is available on GOV.UK.

Calculation

We look at:

- the level of study programme using the qualification aims taken matched to LARS
- the study programme planned length to determine if 1 or 2 year
- the prior attainment of your students attained in GCSE maths and English (we take this information from the ILR EngGrade, MathGrade and condition of funding fields (ECF and MCF)) to determine if we should award instances

Where a student is on a qualifying level 3 programme we calculate for each student the number of instances where English and/or maths was not achieved before starting their study programme (and whether they are on a 1 year or 2 year programme). A student can therefore be worth a maximum of 2 instances.

Table 9: Level 3 programme maths and English instance example (applies to either 1 or 2 year)

Example	GCSE English below A*-C/9-4	GCSE maths below A*-C/9-4	Student instance value
Student 1	No	No	0
Student 2	Yes	No	1
Student 3	No	Yes	1
Student 4	Yes	Yes	2

If a student is not eligible for the payment we will state why in columns AH and AK on the programme sheet with further explanation on the glossary sheet.

We calculate the level 3 programme maths and English payment instances per student for 1 year and 2 year programmes for your institution by adding the instance values (shown on the programme sheet in columns AH and AK) for those students who meet the funding eligibility criteria (column I = Yes) together and dividing by the total number of funded students (column I = Yes). This gives an average instance value per funded student, we have shown the calculated instances per student in table 2 on the funding elements sheet (cells F25 and F26).

16 to 19 Free Meals

We use the 2018 to 2019 ILR to identify which students to include in the 16 to 19 free meals calculation, those that are eligible for and those that have taken free meals in the academic year. We use the proportion of students taking free meals in the 2020 to 2021 calculation. Students that are 14 or 15 that are eligible for free school meals elsewhere are not included.

Where there are no students eligible for and taking 16 to 19 free meals in 2018 to 2019 (shown as 0% on the funding elements sheet) we will use the proportion of students who received free meals in 2017 to 2018 to calculate your 2020 to 2021 allocation (if both years' data show 0 students then we will use 0% for your allocation calculation). We will show the final percentage used on your funding statement.

Calculation

The calculation uses the data on the programme sheet to calculate the percentage of students taking free meals.

We calculate this in the following way:

proportion of students on free meals	=	sum of 16-19 free meals taken (column AU) where funded student (column I) is marked as 'Yes'	÷	sum of students included in 16-19 free meals calculation (column AT) where funded student (column I) is marked as 'Yes'

You can see your proportion of students on free meals based on 2018 to 2019 R14 on the funding elements sheet (cell F32).

Maths and English condition of funding (CoF)

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 2020 to 2021 allocation when these students are not enrolled on either maths and/or English GCSE or stepping stone qualifications (where applicable) in academic year 2018 to 2019, and are not recorded as exempt.

We have published full details of [how we will apply the condition of funding](#) (including mitigation arrangements) on GOV.UK.

Table 4 on the funding elements sheet (students not meeting CoF, column F) shows how many students you had that did not meet the condition of funding in 2018 to 2019 compared to the total students. We have split the data by funding band.

Table 4 does not include any students who are 19+ continuers who were previously funded through the adult budget (19+ continuers not in sixth form colleges), as they are not currently in scope for the condition of funding.

You can see which students did not meet the condition of funding on the programme sheet (student meets condition of funding, column AN = No). We have derived this from the ILR FAM field EDF (eligibility for EFA disadvantage funding). Column AL shows the student's English status and column AM shows their maths status. Where either of these columns equals 'Doesn't have and not studying' or 'Has Grade D and not studying', the student does not meet the condition of funding.

Care Standards: residential accommodation for young people aged under 18

Care Standards funding is available to specialist colleges and other individual institutions where students are in residence because similar provision is not available locally.

To be eligible for Care Standards funding an institution must:

- be registered with Ofsted or the Care Quality Commission (CQC) for inspection under the Care Standards regulations
- have a minimum of 12 students funded under the 16 to 19 young people's model aged under 18 in residential accommodation on campus, as recorded in the ILR

The Funding rates and formula guidance has further details on care standards funding.

The programme sheet shows which students are living in institutions-run residential accommodation (Residential Student, column F) on the ILR. Column G indicates whether the student is eligible for care standards funding based on column F and the criteria outlined above. Cell F48 on the funding elements sheet shows the total number of students eligible for care standards funding in 2020 to 2021.

Capacity Delivery Fund (CDF) – Industry Placements

CDF is to facilitate the build-up of capacity and capability to deliver substantial industry placements and to deliver such placements. We first paid CDF in the 2018 to 2019 academic year. The placements are for students on vocational and technical study programmes at level 2 and level 3. We recognise that the delivery of significant numbers of industry placements as part of T Levels is a significant step change for the sector. As industry placements are a compulsory part of T levels, CDF funding is available for providers to build their capacity ahead of the roll out. We have published [further information about CDF](#) on GOV.UK.

Column AV on the programme sheet shows which students are eligible for CDF. Cell F51 on the funding elements sheet shows the total number of students eligible for CDF funding in 2020 to 2021.

We will only allocate CDF funding to institutions who have students studying eligible programmes in 2018 to 2019 that have submitted an approved plan, opted in and have an Ofsted overall effectiveness grading of "Requires Improvement" or better. The allocation statement will confirm the CDF funding.

High Value Courses Premium (HVCP)

The High Value Courses Premium (HVCP) supports providers to increase the number of students studying substantial programmes in particular subjects.

The premium is £400 per eligible student.

We pay the premium for full and part time programmes that meet one of the following criteria:

a. substantial A level programmes – those including at least 2 qualifying A levels,

b. substantial vocational programmes – those including a qualifying qualification of at least 360 GLH, or

c. T Levels [in the specified subject areas].

We have published a full list of the qualifications that qualify for the premium.

Table 10: Subjects and SSAs for the HVCP

A level subjects	Sector subject areas (SSAs) for vocational courses and T Levels
Biology	SSA 4.1: Engineering
Chemistry	SSA 4.2: Manufacturing technologies
Computer science	SSA 4.3: Transport operations and maintenance
Design and technology	SSA 5.1: Building and construction
Electronics	SSA 6.1: ICT for practitioners
Further mathematics	
Mathematics	
Physics	
Statistics	

We use historic information from the latest full year's data to determine which students are eligible for the extra funding. For the 2020/21 allocations, we used data from 2018/19.

More information on the high value course premium is available on GOV.UK.

Calculation

The aims sheet shows the study programme qualifications for each student, column F shows if the qualification is on the qualifying qualifications list.

The calculation uses the data on the programme sheet to calculate the number of students qualifying for HVCP.

We calculate this in the following way:

$$\text{HVCP qualifying students} = \text{sum of qualifies for HVCP funding (column AX) where funded student (column I) is marked as 'Yes'}$$

You can see your total qualifying students on the funding elements sheet (cell F57).

Area cost allowance

Some areas of the country are more expensive to teach in and the area cost allowance reflects this.

We normally base the area cost uplift on the delivery location of the institution's provision. Where institutions deliver provision across local authorities with different factors, we will calculate the area cost factor, using a weighted average of the area costs uplift for each delivery postcode.

We review the area cost factors for institutions that return ILR data every year. This review identifies institutions that have dispersed delivery and/or an area cost factor, based on delivery postcodes, that is significantly different from the factor in the previous year.

When institutions merge, we will review their area cost uplift factors. In the first year we will calculate the area cost uplift factor for the merged institution as the weighted average of the factors for the predecessor institutions. After that, we will use the weighted average method for geographically dispersed delivery.

There is more detail on the area cost calculation for geographically-dispersed delivery in the [Funding rates and formula guidance](#) on GOV.UK.

The area cost factor for your institution is on the funding elements sheet in table 2 (cell F29).

Education & Skills Funding Agency

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