



Education & Skills  
Funding Agency

# **Funding guidance for young people 2020 to 2021**

**Funding rates and formula**

**July 2020**

**Version 1.2**

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## Introduction

This document is part of a series of booklets providing Education and Skills Funding Agency (ESFA) Funding guidance for young people for the academic year 2020 to 2021.

- funding regulations
- funding rates and formula (this booklet)
- ILR funding returns
- subcontracting controls

This summary applies to all these booklets and as they are published they will be available on [GOV.UK](https://www.gov.uk).

These documents outline the main features of ESFA funding arrangements for young people in 2020 to 2021 and are an integral part of ESFA's funding agreements for young people aged 16 to 19 and those aged 19 to 24 with an education, health and care (EHC) plan. All these documents should be read in this context, unless specifically stated otherwise. This is the definitive ESFA guidance for 2020 to 2021 and supersedes any previous funding guidance for young people.

We know that providers are working through exceptional circumstances due to coronavirus (COVID-19). We may publish further updates to this guidance document about the impact of coronavirus (COVID-19) on our funding rules as these become clear. We will tell you about any changes in our [ESFA Update](#).

We would like to take this opportunity to thank you for your continued hard work in these difficult times.

You might find our [published information](#) about what colleges and other providers need to do during the coronavirus (COVID-19) outbreak useful.

Institutions must take into account the General Data Protection Regulation (GDPR) regulations and the Data Protection Act 2018 in respect of the information they retain – particularly when it is personal or sensitive personal data. It is the institution's responsibility to ensure it is fully compliant with these regulations.

ESFA sets out in its [privacy notice](#) how data is collected and used to perform statutory functions on behalf of the Secretary of State. We will rarely ask for data from you outside of the Individualised Learner Record (ILR) and school census. But where we do, we will set out clearly what we need and why we need it. We will always request that all personal or sensitive information is sent via a secure method of transfer which is fully compliant with GDPR regulations. You must not send us personal or sensitive personal information at any other time or in any other way.

For further information or to contact ESFA, please use our [online enquiry form](#). Maintained schools should contact their local authority.

## What's new?

We have made the following additions and updates to this guidance document.

- We have revised the section [‘Scope of the 16 to 19 funding model’](#).
- The programme cost weighting section and annex A have been updated with the new weightings for high-cost subjects.
- There are new sections on:
  - [level 3 programme maths and English payment](#)
  - [the high value courses premium \(HVCP\)](#)
  - [T Level industry placements](#)
  - [the condition of funding adjustment](#)
  - [T Levels](#)

### Version 1.1

We have updated the [Introduction](#). It now sets out how we will address changes due to coronavirus (COVID-19).

### Version 1.2

We have updated:

- [paragraph 22](#): information on growth funding related to the one-year offer
- [table 1](#): note added that students funded through the exceptional funding for high value courses for school and college leavers can be funded in band 5
- [paragraph 63](#): to clarify core aims for T Level transition programmes
- [paragraph 75](#): note on retention criteria for students funded through the exceptional funding for high value courses for school and college leavers
- [paragraph 171](#): traineeships now have a maximum duration of 12 months

There is a new section on [high value courses for school and college leavers: a one-year offer for 18 and 19-year-olds](#).

## T Levels

Where the funding formula varies for T Levels, the differences are covered in the relevant sections:

- [student numbers](#)
- [large programme uplift](#)
- [funding bands](#)
- [disadvantage funding: block 2](#)
- [industry placements](#)

# Introduction

## Scope of the 16 to 19 funding model

1. The 16 to 19 model covers provision (including [T Levels](#)<sup>1</sup>, but not apprenticeships) for young people aged 16 to 19. It also covers the following groups:
  - a. young people with special educational needs and disabilities (SEND) aged 19 to 24 who have an Education, Health and Care (EHC) plan
  - b. students aged 19 or over who are continuing a programme they started aged 16, 17, or 18
  - c. 14 to 16 year olds who are directly recruited into eligible further education and sixth form colleges. Allocations for this delivery use modified elements of the standard formula
  - d. electively home educated (EHE) children of compulsory school age who are enrolled at FE and sixth form colleges<sup>2</sup>
2. The model funds provision in different kinds of institutions, including but not limited to:
  - a. further education and sixth form colleges
  - b. designated institutions<sup>3</sup>
  - c. maintained school and academy sixth forms
  - d. 16 to 19 academies
  - e. higher education institutions (HEIs)

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<sup>1</sup> A T Level is a 2 year, level 3 programme of education approved by the Institute for Apprenticeships and Technical Education, including three compulsory parts: a technical qualification, an industry placement, a maths and English exit requirement and any other elements determined by the Institute. More information on them is on the [Introduction of T Levels](#).

<sup>2</sup> 16 to 19 year old students who are undertaking a full time programme through non-publicly-funded distance learning or through an online education provider are not usually eligible for ESFA young people's funding, although they may describe themselves as 'home educated'. This is the same as for students who are privately funding their attendance at an independent institution. However, we make an exception for some students who are doing the Diploma in Sporting Excellence (DiSE), whom we expect to be doing a 16 to 19 study programme alongside the DiSE programme. Some of these young people may be eligible (for both DiSE and study programmes) if they do part of their non-DiSE study through privately funded routes, if they meet specific criteria.

<sup>3</sup> Institutions are designated under section 28 of the [Further and Higher Education Act 1992](#).

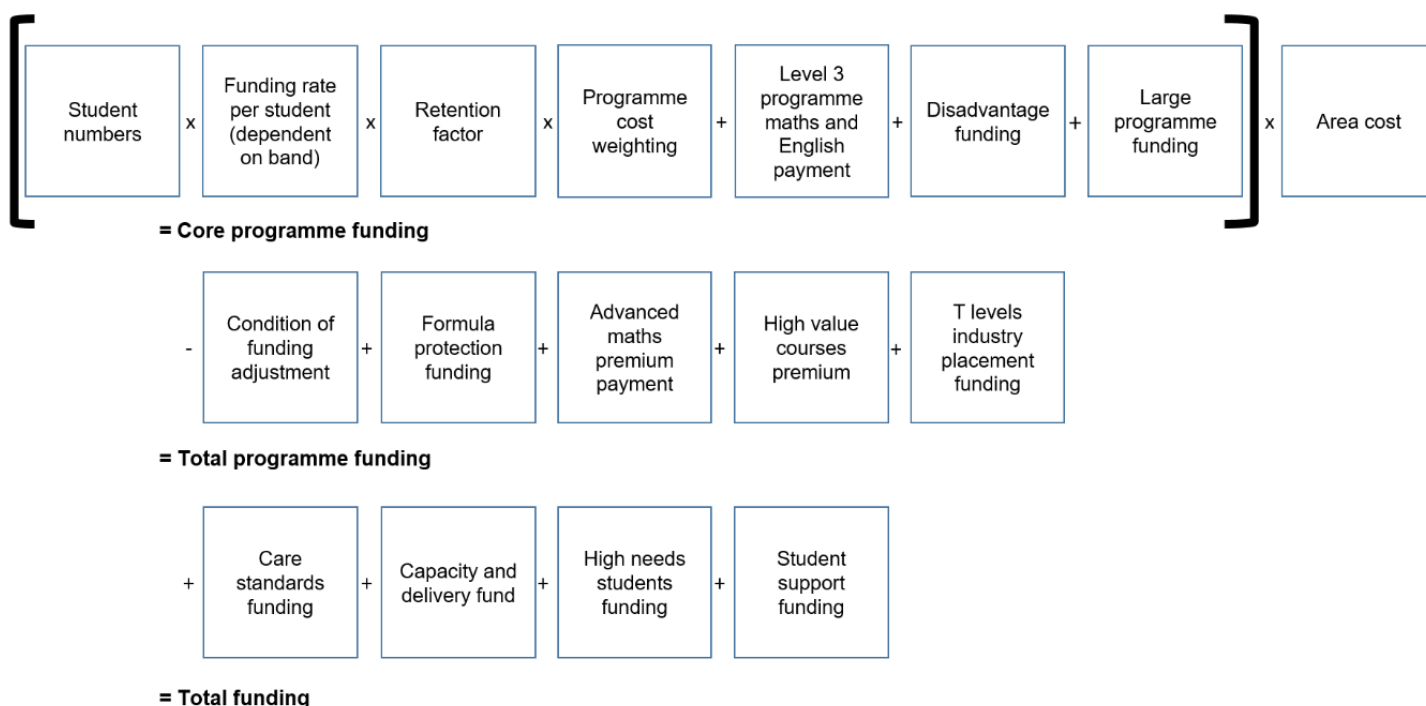
- f. independent learning providers (ILPs)
- g. special post-16 institutions (SPIs)

## Funding methodology

3. The funding methodology is used to provide a nationally consistent method of calculating funding for all institutions delivering 16 to 19 provision based on:

- a. the number of students
- b. a national funding rate per student
- c. retention factor
- d. programme cost weighting
- e. the level 3 programme maths and English payment
- f. disadvantage
- g. large programme funding
- h. area cost allowance

## The formula





# Programme funding: core formula funding elements

## Student numbers

4. The funding formula measures the volume of delivery through student numbers and the size of their programme. Funding allocations 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

5. Our default approach is to base allocations on lagged student numbers. This gives an appropriate allocation for each institution for the current year. Therefore, we describe it as an allocation based on lagged numbers, rather than lagged funding, funding in arrears or a guarantee of a lagged allocation. The lagged approach applies when there is a reasonably consistent level of delivery over time. It covers most, but not all, circumstances.

6. The lagged approach does not apply where there is a material change in the volume of provision offered by an institution. In these cases, we remove the institution from the lagged approach and calculate the funded student numbers as described below in the sections on [new institutions](#), [closing institutions](#), [transferred provision](#), [exceptional in-year growth](#), and [in-year closures](#).

7. We calculate lagged student numbers in different ways for different types of institutions.

- a. school sixth forms and most academies: we base the lagged student numbers on the number of funded students recruited in 2019 to 2020, taken at the autumn 2019 census point
  - for a small number of academies, we base student numbers on estimates provided by the institution, if this is specified in their funding agreement. These academies are also subject to a pupil number adjustment in-year based on their actual delivery
- b. FE colleges, some other FE providers, and some ILPs: we base the lagged student numbers on the number of students funded in 2019 to 2020 as of 1 November and recorded in the ILR R04 return. To count, students must have at least one aim funded by ESFA under the 16 to 19 young people's funding model that starts on or before this date. As the student numbers are taken partway through the year, we look at the previous full year's data (2018 to 2019) to find out by what proportion student numbers increased from 1 November to the end of the year. We use this proportion to work out the projected student numbers by the end of 2019 to 2020

- we also compare the student numbers from the November (R04) data return with the student numbers calculated from the February return (R06), both the year-to-date (as at 1 February) figure and the number recruited by 1 November. Where there is a significant increase or decrease in student numbers, we may revise the allocation accordingly
- c. ILPs that have significant year-round enrolment: we count students in learning at a rolling 12 month period between February 2019 and January 2020. Students who are in learning in both 2018 to 2019 and 2019 to 2020 are only counted once
    - for some ILPs, neither approach is appropriate. In these cases, we use a hybrid of the methods described in b and c
  - d. special post-16 institutions (SPIs): we will allocate programme funding (element 1) and high needs funding (element 2) using the number of valid students from 2019 to 2020 ILR R06 data returns. We will use a census date of 1 February 2020
  - e. non-maintained special schools (NMSS): we will base the funding allocation on the pupil number data from the October 2019 school census, uplifted by the difference between the October 2018 and January 2019 census pupil number data
  - f. for some institutions (mainly smaller ones), the above approaches may not be appropriate. In these cases, we use the number of funded students from 2018 to 2019 (the latest year for which a full year's data is available)

## Student numbers for T Levels

8. As T Levels are new, there is no historical delivery to determine student numbers for the 2020 to 2021 allocations. Therefore, to start with we will use student numbers agreed with providers until we have data on which to base lagged numbers.

9. As the allocation will use planned T Level student numbers, we will make an in-year adjustment to allocations to reflect over- and under-delivery. There is a tolerance of 40% before we adjust for under-delivery. We will use the ILR R04 and the school census autumn return to calculate the difference in the number of students enrolled. More [information on student numbers for T Levels](#) and [examples of under- and over-delivery adjustments](#) are on GOV.UK.

10. We do not expect that introducing T Levels will affect the overall number of students for a provider, because T Level students will generally be students who would otherwise have taken existing courses.

## Student numbers for new institutions

11. We derive student numbers for new institutions in different ways for different types of institutions.

- a. new maintained school sixth forms: at opening, student numbers will be 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
  - b. new academy sixth forms and 16 to 19 academies: we use the same method as for maintained school sixth forms. In a small number of cases we will base the number on the estimated number of students to be recruited in the first year, as agreed between ESFA and the institution
  - c. 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 ESFA and the institution
  - d. new institutions with ESFA funding for high needs students only: the number of places commissioned by the local authority
  - e. new SPIs: we will allocate programme funding (element 1) and high needs funding (element 2) using the outcomes of the 2020 to 2021 academic year high needs place change notification process
  - f. for other new institutions we agree student numbers on a case by case basis
12. In all cases, we will review the standard approach when an institution makes a case based on exceptional circumstances.

## **Student numbers for institutions stopping 16 to 19 provision**

13. Institutions and local authorities (for maintained schools) must inform ESFA when they intend to stop delivering ESFA-funded 16 to 19 provision, whether this is temporary or permanent.
14. When an institution closes, or stops ESFA-funded 16 to 19 provision, we will reduce the lagged numbers to reflect the planned decline in student numbers.
15. We will not allocate 16 to 19 funding to an institution that is completely stopping 16 to 19 provision. We will also reduce funding before that if the change in delivery is material – for example, a rundown of provision over 2 years.
16. For an institution such as a school or academy sixth form, whose students are mainly on 2 year programmes, a typical trajectory for the reduction is half the lagged numbers in the year before closure and no funding in the year of closure.

## **In-year closures**

17. When an institution notifies ESFA after the start of the academic year that they have stopped offering ESFA-funded 16 to 19 provision, or when they do not recruit or

enrol any students, we will withdraw the allocation. We will also recover funds if we have already made any payments.

## Transferred provision

18. When 2 institutions agree to transfer students, the funding for those students will also transfer.

19. We will also usually transfer the funding when a funded institution (the 'prime') ceases a subcontracting arrangement and the subcontractor transfers the provision to a different prime contractor: the funding follows the learner.<sup>4</sup>

## Exceptional in-year growth

20. Each year we review the levels of student number delivery of all colleges, schools, academies (except if funded on estimates) and HEIs based on the autumn school census or ILR R04 data. For SPIs, we use ILR R06. When institutions deliver exceptional in-year growth compared to their allocation, we may increase their allocations. These arrangements are separate from the reconciliation arrangements that apply to ILPs, which we set out in the [ILR funding returns guidance](#). As this is a data driven exercise, institutions do not have to submit a business case to be considered for growth.

21. We identify exceptional growth through analysing the current allocated student numbers against actual evidenced recruitment and the projected end-year position. We also consider under-delivery at the institution in the previous year and the national picture of growth. We will base growth funding on a standard threshold determined by affordability, and growth is likely to be funded at a marginal rate. We may require additional eligibility or audit checks before allocating growth funding. We will notify institutions who will receive exceptional in-year growth in February or March 2021.

22. We have published information on [GOV.UK](#) to set out how we will factor the high value courses for school and college leavers into growth funding calculations.

## Student numbers and funding factors for merged and disaggregating institutions

23. The lagged approach does not apply when there is a material change in the volume of provision.

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<sup>4</sup> You can find more information on funding for transferred subcontracting provision in the [Funding guidance for young people: 2019 to 2020 subcontracting controls](#).

24. For future year allocations, when mergers take place before 1 August – that is, before the start of the funding year – we will calculate the allocation for the merged institution based on combined data (the underlying data method).
25. When institutions merge in-year, we will either add together the allocations for the 2 institutions for the current year or calculate the allocation for the merged institution based on combined data. In-year mergers are dealt with on a case by case basis, applying the most appropriate allocation method for the circumstances of each case.
26. In subsequent years, we will combine the data for the constituent institutions and use this to calculate the allocation for the new institution.
27. We may adjust the area cost weighting according to the methodology set out in the area costs section, so that the weighting is appropriate to the institution's delivery pattern.
28. When some or all of the provision at an existing institution moves to one or more other institutions, this is known as disaggregation. We review each individual disaggregation and treat it outside the normal processes on an exceptional basis. We will discuss the split of provision with the institutions affected and recalculate their allocations as appropriate.

## **National funding rates**

### **National funding rates for study programmes**

29. For [study programmes](#), we base the funding rate for a student on the planned hours in their study programme. All full time students are funded at the same basic rate per student, per year. We derive the funding rates for part time students from the full time rate, proportioned according to the midpoint of the hours range.

**Table 1: National funding rates for study programmes for 2020 to 2021**

| Band                                  |    | Annual planned hours |   | National funding rate per student     |
|---------------------------------------|----|----------------------|---|---------------------------------------|
| Study programmes (excluding T Levels) | 5  | 540+ hours           | 16 and 17 year olds<br>Students aged 18 and over with high needs <sup>5</sup> | £4,188                                |
|                                       | 4a | 450+ hours           | Students aged 18 and over who are not high needs <sup>6</sup>                 | £3,455                                |
|                                       | 4b | 450 to 539 hours     | 16 and 17 year olds<br>Students aged 18 and over with high needs              |                                       |
|                                       | 3  | 360 to 449 hours     |   | £2,827                                |
|                                       | 2  | 280 to 359 hours     |   | £2,234                                |
|                                       | 1  | Up to 279 hours      |   | £4,188 per full time equivalent (FTE) |

30. We expect that full time study programmes for 16 and 17 year olds will be on average 600 planned hours per academic year, and we set the funding rate on this basis. For funding purposes, the minimum threshold for 16 and 17 year olds' full time programmes is set at 540 planned hours.

31. We fund band 1, the smallest part time band, on full time equivalents (FTEs). We calculate FTEs as the total planned hours for the student as a proportion of 600 hours.

32. The definitions of the bands are based on the annual planned hours that are planned for a student. Institutions should refer to the companion document [funding regulations](#) for further information on what hours may be included.

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<sup>5</sup> High needs students are those who get element 3 top-up funding. See the section '[High needs student \(HNS\) funding](#)' for more information.

<sup>6</sup> Students funded through the exceptional funding for high value courses for school and college leavers will be funded in band 5 when they do a qualifying aim of 450 hours or more as part of a programme of 540 hours or more.

33. The funding rates for bands 4 and 5 are intended to fund a student for a programme that lasts the whole of the academic year. Under the 16 to 19 funding methodology, ESFA regards students who start at the beginning of the year and attend a full time programme as attending for a whole year.

## National funding rates for T Levels

34. For T Levels, we base the funding rate for a student on the planned hours for the programme. Usually a T Level programme will last 2 years, so the funding rate is for the whole programme. We set a band for each T Level, and we expect that institutions will deliver at least the minimum planned hours unless there are exceptional circumstances.<sup>7</sup>

**Table 2: National funding rates for T Levels for 2020 to 2021**

| Band     |   | Minimum planned hours for the programme | Average planned hours for the programme | National funding rate per student, per programme |
|----------|---|---|---|--|
| T Levels | 9 | 1650 hours                              | 1750                                    | £12,216  |
|          | 8 | 1500 hours                              | 1600                                    | £11,168  |
|          | 7 | 1300 hours                              | 1450                                    | £10,122  |
|          | 6 | 1100 hours                              | 1250                                    | £8,726   |

35. The planned hours recorded for T Levels must not include industry placements, maths and English study, and additional qualifications that are not part of the T Level. [Industry placements have a separate funding rate](#), there is an [additional payment for maths and English study in level 3 programmes](#), and the [large programme uplift](#) gives extra funding for AS and A levels.

## Programmes and planned hours

36. Institutions can record a student on a full time programme even if it does not cover the whole delivery year – for example, for a student who starts a programme in November after withdrawing from a programme at another institution.

37. In some cases, institutions will plan compressed programmes to allow students to complete a significant number of hours in a short period of time where this best meets

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<sup>7</sup> You can find more information on the circumstances in which it is acceptable to record [planned hours below the minimum](#) on GOV.UK.

the assessed needs of the students and/or is strictly necessary to prepare them for their progression outcome. These programmes will be funded at the standard funding rates based on the planned hours. However, the number of hours should not on average be greater than 40 hours per week, and both the study programme's planned hours and planned dates will need to reflect this. ESFA expects this sort of compressed delivery to lead to excellent results, as demonstrated through qualification success rates and positive destinations. ESFA is monitoring the delivery and value for money of compressed programmes.

38. Some students will have programmes planned in blocks that extend over multiple funding years – that is, they do not have start and end dates within the usual August to July pattern. We determine the funding band for these students by the number of planned hours assigned to them in the funding year. Therefore it is possible for a learner to be funded as full time in one year and part time in the next, or part time in both years, even though their attendance pattern and timetable is the same as students on full time programmes.

### **Students who do more than one study programme in a year**

39. The ESFA will not fund students to take more than one full time study programme or the equivalent in multiple part time programmes in one institution in one funding year. If it is appropriate for students to take multiple part time programmes in one year, institutions must not claim more than the equivalent of a full time programme. In addition, we will not fund programmes for students who have completed a full time programme at one institution to start a new programme at a different institution in the summer term of the same academic year.<sup>8</sup>

### **Students who do multiple programmes including a T Level**

40. As with study programmes, we do not encourage providers to plan a T Level programme plus other programmes for an individual student in a year. T Levels are full time programmes and we do not fund students for more than the annual amount for their T Level. Therefore, students who do a T Level and another programme (either a T Level transition programme or another study programme) will only be funded for the T Level. However, students who do an AS or A level alongside their T Level are eligible for the [large programme uplift](#), as long as they achieve their qualifications at the required level.

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<sup>8</sup> There is an exception for students doing the Diploma in Sporting Excellence (DiSE). You can find [more information about this](#) on GOV.UK.



## Changes to study programme planned hours

41. If an institution makes an error in recording the planned hours for a student, they must correct this in the next data return. Otherwise, institutions must only change the planned hours recorded for a student in certain circumstances. Institutions may change a student's planned hours when they do more than one study programme in a year.

### Planned hours for multiple study programmes

42. Students doing more than one study programme in a year will have completed all the activities on their first learning agreement or plan. The student may then start a second study programme. The institution must:

- a. record a new core aim
- b. change the planned hours to reflect the additional delivery

### Changes within the first 6 weeks

43. Institutions must work out the planned hours for a student's study programme when they are first enrolled. If the programme content changes within the first 6 weeks of the programme, the institution must update the planned hours.

44. When a student transfers from one aim to another within the first 6 weeks, institutions must calculate the new planned hours value to include:

- a. the timetabled hours for any new aims and for continuing or completed aims
- b. the hours delivered for the aim that the student has transferred off

45. When a student withdraws from an aim within the first 6 weeks of a programme, institutions must remove all of the planned hours for the aim from the total planned hours, unless excluding the hours already delivered within the first 6 weeks would make a material difference to the student's funding band. In those cases, institutions can include the hours already delivered in the planned hours.

46. When a student withdraws from all their learning aims, and therefore withdraws from their whole programme, they will not meet the criteria to count as a start and will not be counted for funding. In these cases, providers do not have to change the planned hours.

## Large programme uplift

47. Large programme funding supports students who take much larger study programmes in order to prepare for work and university. It gives institutions the ability to stretch their most able students by offering a broad range of qualifications.

48. The uplift provides increased funding above the national rate for students that successfully study:

- a. 4 or 5 A levels
- b. a Technical BaccaLaureate (TechBacc)<sup>9</sup>
- c. a full International BaccaLaureate
- d. a T Level and an additional A or AS level

49. 16 to 17 year olds and students up to 24 years old who have an EHC plan are eligible for the uplift when they successfully complete one of the study programmes shown in the table below. We will only pay the uplift for an individual student for a maximum of 2 years.

50. We do not include AS and A levels in General Studies and Critical Thinking when determining which programmes are eligible for the large programme uplift.

**Table 3: Study programmes eligible for the large programme uplift**

| Study programme  | Uplift |
|--|--------|
| 4 A2 or full linear A Levels achieved at grade B or above<br>OR<br>3 A2 or full linear A Levels achieved at grade B and 1 A2 or full linear A Level in further maths achieved at grade C | 10%    |
| 5 A2 or full linear A Levels achieved at grade B or above<br>OR<br>4 A2 or full linear A Levels achieved at grade B and 1 A2 or full linear A Level in further maths achieved at grade C | 20%    |
| Full level 3 International BaccaLaureate Diploma achieved at 28 points or above  | 20%    |
| Large TechBacc programme equivalent to 4 A levels where all qualifications are passed  | 10%    |
| Large TechBacc programme equivalent to full level 3 International BaccaLaureate where all qualifications are passed  | 20%    |

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<sup>9</sup> You can find more information on the [Technical BaccaLaureate on GOV.UK](https://www.gov.uk/technical-baccalaureate).

**Table 4: T Level programmes eligible for the large programme uplift**

| <b>T Level programme</b>  | <b>Uplift</b>        |
|---|----------------------|
| T Level programme with at least a merit grade plus one AS level at grade B or AS level further maths at grade C           | 10% paid for 1 year  |
| T Level programme with at least a merit grade plus one A level at grade B or A level further maths at grade C             | 10% paid for 2 years |
| T Level programme with at least a merit grade plus more than one AS level at grade B or AS level further maths at grade C | 20% paid for 1 year  |
| T Level programme with at least a merit grade plus more than one A level at grade B or A level further maths at grade C   | 20% paid for 2 years |

51. We have used the last full year's attainment data (from the 2017 to 2018 Young Peoples Matched Administrative Dataset, YPMAD) for the 2020 to 2021 allocations.

52. We will calculate the value of the funding uplift as a separate amount and add it to the funding allocation before the area cost factor is applied.

53. More information on [the large programme uplift](#) is available on GOV.UK.

## Historic data

54. In line with the lagged approach used for student numbers, we use historic information from the latest full year's data to determine funding factors. For the 2020 to 2021 academic year allocations, we used data from 2018 to 2019 when calculating these elements of the funding formula for each institution:

- a. retention factor
- b. programme cost weighting
- c. disadvantage funding
- d. area cost uplift
- e. maths and English study in level 3 programmes
- f. high value courses premium

55. Where historic data is not available (often due to the institution being new and therefore not having submitted any data), we used national or local authority averages for the relevant institution type.

## Programmes and core aims

56. The core aim is the principal or 'core' activity in a student's programme. It must be a learning aim so that it can be recorded in the ILR or school census, but it may be an activity represented by a [class code](#), such as [work experience](#). Institutions returning the ILR identify the core aim for each programme. For the school census, institutions must only identify the core aim for students studying vocational programmes, or mixed programmes with a vocational core.

57. Institutions must ensure that students only have the core aim flag against one active learning aim at a time. If a student withdraws from their core aim, institutions can flag another learning aim as the core if it is then the substantive and core component of the learner's study programme. If an alternative aim that meets these criteria cannot be identified, then the withdrawn aim should remain as the core aim. Students may also have a second core aim if they start a second programme (see the section ['Students who do more than one programme in a year'](#)).

58. The core aim is used:

- a. to determine whether the programme is academic or vocational
- b. to determine whether a student is retained on the programme or not
- c. to calculate programme cost weighting and high value courses premium
- d. as one of the criteria to determine whether the programme is eligible for funding from the T Level capacity and delivery fund (CDF)

## Determining the core aim

59. The core aim is the most important or central element of the programme, around which the rest of the programme is built. It will usually be the component with the largest amount of timetabled activity associated with it, and will usually reflect the primary focus of the programme in line with the student's intended destination (such as employment or further study) at the end of their programme.

60. In the ILR, the core aim determines whether a programme is academic or vocational. Any programme with an academic qualification (as set out in the [table below](#)) as the core aim is an academic programme. When institutions select any other type of qualification or work experience as the core aim, the programme is vocational.

61. In the school census we count any programme with a core aim as vocational because a core aim should only be returned for a vocational programme.

62. Traineeships must always have work experience as the core aim. Study programmes that are not traineeships may also have work experience as the core aim.

63. T Levels must always have the technical qualification as the core aim.
64. Each [transition programme](#) must be linked to its associated T Level route. For these programmes, the [class code](#) for the T Level route must be the core aim.

## Academic programmes

65. The table below lists the qualification types that are treated as academic for funding purposes. If the student’s core aim in the ILR is not one of the listed types, the student’s programme is vocational. Institutions who return the school census must only flag a core aim when the programme is vocational. All programmes with a core aim recorded in the school census will count as vocational, even if the core aim flag is attached to an academic qualification.<sup>10</sup>

**Table 5: Core aims in academic programmes**

| Level | Qualification types  |
|-------|--|
| 3     | <ul style="list-style-type: none"> <li>▪ GCEs: A levels, AS levels, A with AS levels; double awards count as 2 academic qualifications (General Studies and Critical Thinking are excluded)</li> <li>▪ International Baccalaureate (IB) Diploma</li> <li>▪ IB Certificates</li> <li>▪ Cambridge Pre-U Diploma</li> <li>▪ Access to HE Diploma</li> <li>▪ Core maths</li> </ul> |
| 2     | <ul style="list-style-type: none"> <li>▪ GCSEs – including vocational</li> <li>▪ GCSE short courses</li> <li>▪ Free standing maths qualifications (FSMQs)</li> </ul>   |

66. A levels in Critical Thinking and General Studies must not be core aims. However, institutions should include the planned hours associated with them in the total for the planned programme hours.

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<sup>10</sup> You can find information on the correct use of the core aim in the census, and the effects of errors, in the [interactive post-16 school census tool](#).

## Vocational programmes

67. Students who are not on an academic programme are, for funding purposes, on a vocational programme.

68. For funding purposes, T Levels are vocational programmes.

## Definition of a start

69. For funding purposes, we count a student as having started a study programme once they have remained on that programme within the current funding year for a defined period of time, as set out in the table below.

70. For programmes that span more than one funding year, a student must re-qualify as a start at the beginning of each funding year.

71. We do not fund any programmes that are shorter than 2 weeks.

**Table 6: Criteria to count as a start**

| 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) |

72. To determine a study programme's length, we use the earliest start date and latest planned end date of all aims within the programme, or the first and last dates of the funding year if the aims are planned over multiple years. Similarly, the length we use to determine whether the student has met the qualifying period is calculated from the earliest start date and latest actual or planned end date of all aims within a study programme.

## Retention

73. Retention criteria differ according to programme type. To count as retained:

- a. for academic programmes: a student must stay on or complete at least one of the academic aims in their programme in the funding year
- b. for vocational programmes: a student must stay on or complete their core aim in the funding year

74. When students are on a 2 year programme and they complete the first year, they will be counted as retained in that academic year. We define completing the first year as 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, having a negative impact on the retention factor.

75. Traineeships have different retention criteria. A student must stay on or complete the [programme aim](#) (a record in the ILR used to identify certain programmes, such as traineeships) to count as retained. The traineeship must be the student's most recent programme – that is, they must have work experience as their core aim. If they have moved onto another programme with a core aim that is not work experience, we use the usual retention criteria for them.

76. Alternatively, within 6 months of leaving a traineeship, the student must have met one of the following criteria.<sup>11</sup>

- a. they must have had 8 consecutive weeks of employment, or 8 consecutive weeks of self-employment of 16 hours or more a week. If they are 16 or 17 years old, they must combine this with part time education or training that meets the requirements of the raised participation age<sup>12</sup>
- b. they must have started on an apprenticeship by passing the qualifying period to count for funding
- c. they must have started on another programme at level 2 or level 3 and have passed the qualifying period to count for funding. The programme should include a substantial qualification recognised in the [performance tables](#)

77. ESFA expects that young people's vocational programmes will usually have a substantial core aim. When students have a short core aim within a larger programme and withdraw from their programme after completing that aim, this can lead to the retention rate being distorted as the student is counted as retained for the whole programme even though they have only completed a small part of their programme.

78. ESFA will monitor the use of short core aims and will consider adjusting the retention rate for individual institutions if there is evidence that cohorts of students are entered for programmes that distort the retention rate in this way. ESFA will apply an

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<sup>11</sup> We also apply the criteria in points a and b to students who are funded through the exceptional funding for 18 and 19 year olds, as set out in that [section](#).

<sup>12</sup> The statutory duty to participate is set out in section 2 of the Education and Skills Act 2008: [www.legislation.gov.uk/ukpga/2008/25/section/2](http://www.legislation.gov.uk/ukpga/2008/25/section/2). You can find more information on the training required for 16 and 17 year olds who are employment in '[Participation of young people in education, employment or training: Statutory guidance for local authorities](#)' (annex, 1 paragraph 13).

adjustment to institutions whose data returns show material non-compliance with the spirit and intention of the funding methodology.

## Retention factor

79. The funding formula recognises that there is a cost to institutions in delivering programmes of study to students who do not complete. This is applied through the retention factor, and the effect on funding is shown in the table below.

**Table 7: Funding for withdrawing students**

| <b>Student's completion status</b>                      | <b>Percentage of annual funding earned</b> |
|---|--|
| Student leaves before completing qualifying period      | 0%   |
| Student leaves and is not recorded as completed         | 50%  |
| Student retained or leaves and is recorded as completed | 100%                                       |

80. To reflect the funding reduction for withdrawing students, the funding formula uses a retention factor that is based on the retention rate.

81. The retention rate is the number of students retained (the student's completion status is continuing, completed or on a planned break in learning) divided by the total number of fundable students.

82. The retention factor is halfway between the retention rate and 100 per cent. We calculate it with the following formula.

$$\text{Retention factor} = 50\% + \frac{\text{retention rate}}{2}$$

83. We use a retention factor of 1 to calculate the allocations for direct funded 14 to 16 year old students.

## Transfers

84. A transfer is when a student stops studying one qualification and takes up another in its place, while staying at the same institution.

85. When a student transfers between qualifications or other programme components (such as work experience or personal development activity), retention is not affected as long as the student continues to meet the retention criteria.



86. When a student stops studying for and does not complete their core aim, institutions must only record a replacement core aim when it is a substantial and core component of the study programme. If an alternative aim that meets these criteria cannot be identified, the withdrawn aim must remain as the core aim.

## Withdrawing and enrolling at another institution

87. When a student withdraws from the whole of their programme at one institution and enrolls at another institution within the same funding year, the first institution will receive funding (as long as the student has completed the programme qualification period), adjusted by the retention factor. The second institution should record the student on a full time or part time programme, according to the number of hours that their programme holds for the remainder of the year. The second institution will earn funding for the student.

## Programme cost weighting

88. We use programme weightings to recognise that some programmes are more costly to deliver than others. There are 6 programme weighting factors in the 16 to 19 model.<sup>13</sup>

**Table 8: Programme weighting factors**

|            | Weighting value |
|------------|-----------------|
| Base       | 1.0             |
| Low        | 1.1             |
| Medium     | 1.2             |
| High       | 1.3             |
| Very high  | 1.4             |
| Specialist | 1.75            |

89. Academic programmes with at least two A levels in the science sector subject area (SSA) 2.1 are weighted at 1.1 All other academic and some vocational programmes are weighted at the base rate.

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<sup>13</sup> Programme cost weightings have changed for 2020 to 2021: vocational programmes in some sector subject areas now receive a higher weighting, as well as programmes with 2 or more science A levels. You can find more information on [programme cost weighting changes on GOV.UK](#).

90. For vocational programmes, we determine the weighting by the core aim's SSA tier 2 classification. The weighting is applied to the student's whole programme.
91. For directly funded 14 to 16 year old students, we apply a weighting of 1.04 to the student funding rate.
92. We give the Prince's Trust Team Programme the medium weighting. In order to be recognised as the Team Programme, institutions must record one of the Prince's Trust Team Programme qualifications as the core aim as well as the Prince's Trust [learning delivery monitoring \(LDM\) code](#) in the ILR.
93. Annex A shows the SSA classifications and weightings.
94. The programme weightings used for 16 to 19 funding are different to those used in other ESFA funding models.

## **Specialist land-based programmes**

95. Certain programmes in the land-based sector, when delivered in specialist settings, are particularly costly to deliver. The higher costs are reflected using the specialist programme cost weighting 1.75.
96. Institutions eligible for the specialist weighting are identified by ESFA, advised by an expert panel that includes Lantra, Landex, and representatives from specialist institutions. We publish the criteria to qualify as a specialist institution in [annex C](#) to this guidance.
97. When delivered by other institutions, these programmes attract a 1.3 weighting.

## **Disadvantage funding**

98. Disadvantage funding is made up of 2 blocks: one to account for students' economic deprivation, and one to account for low prior attainment in English and maths. Disadvantage funding is not ring fenced and institutions are free to choose the best ways to use this additional funding to attract, retain and support disadvantaged students and those with learning difficulties and disabilities.

### **Block 1: economic deprivation funding**

99. Block 1 funding recognises that there are additional costs incurred in engaging, recruiting, and retaining young people from economically disadvantaged backgrounds. We determine whether a learner is eligible for block 1 funding by their home postcode and the level of deprivation recorded for that area in the Index of Multiple Deprivation (IMD) 2015.

100. Block 1 also provides an additional amount of funding for students who are in care or who have recently left care (£480 per student). We pay the same amount regardless of whether the student is full or part time.

## **Index of Multiple Deprivation (IMD) 2015**

101. We are using the 2015 version of the IMD published by the Ministry of Housing, Communities and Local Government for the funding formula for 2020 to 2021. An updated version of the Index was produced in autumn 2019, and we are reviewing its impact across ESFA funding streams. We expect to use 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.

102. IMD 2015 gives a value of relative deprivation for every lower layer super output area (LSOA) in the country and is widely used in government. It is based on income deprivation, employment deprivation, health deprivation and disability, education, skills and training deprivation, barriers to housing and services, crime and living environment deprivation.

103. The IMD 2015-based disadvantage uplift will mean the following:

- a. increased funding for students living in the 27 percent most deprived super output areas of the country
- b. the funding uplift for these students ranges from 8.4 to 33.6 per cent, depending on the level of deprivation recorded in IMD 2015

104. The [uplift values for individual postcodes](#) are available on GOV.UK.<sup>14</sup>

## **Block 2: GCSE maths and English**

105. Block 2 funding accounts for the additional costs incurred for teaching and supporting students who have low prior attainment. Low prior attainment is defined as not achieving English and/or maths GCSEs at grades A\* to C or grades 9 to 4 by the end of year 11 (typically age 16).

106. The low prior attainment measure we use for block 2 funding uses similar criteria to the [condition of funding for maths and English](#).<sup>15</sup> However, students who have achieved an English literature GCSE, but not English language, are eligible for block 2 funding. This is different to the condition of funding criteria, where both English language

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<sup>14</sup> You can find [uplift factors and postcode files](#) on Gov.UK.

<sup>15</sup> You can find more information on the [condition of funding on GOV.UK](#).

and literature count as positive prior attainment. For the purposes of calculating block 2 funding, we will also count qualifications equivalent to GCSEs (such as IGCSEs) and level 3 qualifications in maths and English (such as AS/A levels in these subjects) as having completed GCSE-level study. Students with these qualifications by the end of year 11 will not attract block 2 funding. Institutions must return data according to these principles in the disadvantage block 2 prior attainment fields in the ILR (learner funding and monitoring (LDM) type 'EDF') and school census (maths/English GCSE prior attainment year group).

107. We use data for 2018 to 2019 from the ILR, school census, and Higher Education Statistics Agency (HESA) to calculate block 2 funding.

108. Block 2 funding is not intended to fund delivery of maths and English qualifications that form part of study programmes, but is to fund support for those students who need it to achieve their learning goals. This includes support for low cost, high incidence learning difficulties and disabilities.

109. Each instance of a student not having achieved a maths or English GCSE at grade C/4 or above is counted. This means that a student who does not have either GCSE will be counted twice for the block 2 uplift.

**Table 9: Funding rates for block 2**

| Band                   |           | Block 2 funding rate per subject, per year |
|------------------------|-----------|--|
| T Levels               | 6 to 9    | £650                                       |
| Other study programmes | 5         | £480                                       |
|                        | 4a and 4b | £480                                       |
|                        | 3         | £292                                       |
|                        | 2         | £292                                       |
|                        | 1         | £480/FTE                                   |

110. We cannot apply the principles of block 2 funding to 14 to 16 year olds. Most students in this age group will only just be starting GCSE study, and therefore we cannot use non-achievement of GCSE maths and English as a proxy for low prior achievement. Therefore any 14 to 16 year old student who is eligible for block 1 funding will also receive funding in place of block 2 funding at the rate of £960 per student.

### Disadvantage top-up

111. Every institution will receive at least £6,000 of disadvantage funding. If an institution's total calculated disadvantage funding (block 1 plus block 2) is less than £6,000, we will top up the amount to this value.

## Level 3 programme maths and English payment

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

113. 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

**Table 10: Funding rates for maths and English in level 3 programmes**

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

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

115. For students on 2 year programmes, we pay the whole 2 year rate in the first year of their programme, as long as they are continuing at the end of their first year. Otherwise we pay the rate for a 1 year programme.

116. We use historic information from the latest full year's data to determine which students are eligible for the maths and English payment. For the 2020 to 2021 allocations, we used data from 2018 to 2019.

117. More information on the [level 3 programme maths and English payment](#) is available on GOV.UK.

## Area cost uplift

118. Research has shown that there is a clearly marked difference in the relative costs of delivery between London and the South East, and the rest of England.

119. We normally base the area cost uplift on the delivery locations of the institution's provision (see the following section for more detail).

120. The area cost factors for 2020 to 2021 are shown in the table below. Annex B lists the detailed area cost uplift factors.

**Table 11: Area costs uplift 2020 to 2021**

|                                   | <b>Uplift 2020/21</b> |
|-----------------------------------|-----------------------|
| London A (Inner London)           | 20%                   |
| London B (Outer London)           | 12%                   |
| Berkshire (fringe and non-fringe) | 12%                   |
| Crawley                           | 12%                   |
| Surrey                            | 12%                   |
| Buckinghamshire fringe            | 10%                   |
| Hertfordshire fringe              | 10%                   |
| Buckinghamshire non-fringe        | 7%                    |
| Oxfordshire                       | 7%                    |
| Essex fringe                      | 6%                    |
| Kent fringe                       | 6%                    |
| Bedfordshire                      | 3%                    |
| Hertfordshire non-fringe          | 3%                    |
| Cambridgeshire                    | 2%                    |
| Hampshire and Isle of Wight       | 2%                    |
| West Sussex non-fringe            | 1%                    |
| Rest of England                   | 0%                    |

### **Area cost uplift factors for geographically dispersed delivery**

121. 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.

122. 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.

- a. we review institutions that have 10% or more of their provision in a weighted area
- b. for institutions where the agreed approach is to calculate the area costs based on delivery each year, we update the calculation accordingly
- c. for institutions where the area cost has previously been based on a standard figure (the head office's postcode or another agreed figure), we will not make a

change if the calculated area cost based on delivery postcode is within 1% of the figure used in the previous year's allocation

- d. for local authorities we use the head office postcode unless the authority itself has different fringe/non-fringe values (for example, Hertfordshire). This is due to low student numbers and potential year-on-year fluctuations
- e. for other institutions where there is a difference of more than 1% between the area cost factor based on the head office's location and the area cost factor based on a weighted average of delivery locations, we will normally use the weighted average factor

### **Area cost uplift factors for merged institutions**

123. 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, as described in the section above.

## Programme funding: additional formula funding elements

### Formula protection funding

124. We introduced formula protection funding in 2013 to 2014. It shields institutions from significant decreases in funding per student resulting from the changes to the funding formula in 2013 to 2014.

125. We have phased out formula protection funding over the 6 year period from 2016 to 2017. The final year when we will pay formula protection funding will be 2020 to 2021.

126. In 2020 to 2021, we will pay formula protection funding according to the following principles.

- a. only institutions who received formula protection funding in 2019 to 2020 are eligible for formula protection funding in 2020 to 2021
- b. the reduction in FPF per student in 2020 to 2021 will be the same as the reduction per student applied in 2019 to 2020
- c. the number of students that attract FPF will not be greater than it was in 2015 to 2016

127. More information on [formula protection funding](#) is available on GOV.UK.

### Advanced maths premium

128. We give institutions additional funding to increase the number of students studying for certain advanced maths qualifications. The funding will help institutions remove barriers to advanced maths study and build their capacity to deliver this provision.

129. We have calculated the average number of students studying eligible maths qualifications in each institution in 2015 to 2016 and 2016 to 2017. This gives the baseline number of students; the premium is paid for each advanced maths student above this number. For 2020 to 2021 allocations, the premium is based on the number of students on qualifying programmes in 2019 to 2020.

130. The premium is £600 per student.

131. For advanced maths qualifications that are under 235 hours (according to the [appropriate year's accountability measure guide](#)), we will only pay the premium in 1 year. For larger qualifications, we will pay the premium in 2 years if the student is still in learning in the second year.



132. We will include T Level students in the advanced maths premium calculation for the relevant year if they are taking an advanced maths qualification alongside their T Level.

133. More information on [the advanced maths premium](#) is available on GOV.UK.

## High value courses premium (HVCP)

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

135. The premium is £400 per eligible student.

136. We pay the premium for these full and part time programmes:

- a. substantial A level programmes – those that include at least 2 qualifying A levels
- b. substantial vocational programmes – those that include a qualifying qualification of at least 360 GLH
- c. T Levels in the specified subject areas

137. We have published [a full list of the qualifications](#) that qualify for the premium.

**Table 12: Subjects and SSAs for the HVCP**

| <b>A level subjects</b> | <b>Sector subject areas (SSAs) for vocational courses and T Levels</b> |
|-------------------------|--|
| Biology                 | SSA 4.1: Engineering   |
| Chemistry               | SSA 4.2: Manufacturing technologies                                    |
| Computer science        | SSA 4.3: Transport operations and maintenance                          |
| Design and technology   | SSA 5.2: Building and construction                                     |
| Electronics             | SSA 6.1: ICT for practitioners   |
| Further mathematics     |  |
| Mathematics             |  |
| Physics                 |  |
| Statistics              |  |

138. We use historic information from the latest full year's data to determine which students are eligible for the extra funding. For the 2020 to 2021 allocations, we used data from 2018 to 2019.

139. More information on [the high value course premium](#) is available on GOV.UK.

## T Level industry placements

140. Industry placements are a compulsory element of T Levels.

141. The funding rate for a T Level industry placement is £550. As T Levels are designed to be 2 year programmes, £275 is paid in years 1 and 2 of a student's T Level.

142. More information on [T Level industry placements](#) is available on GOV.UK.

## Condition of funding adjustment

143. Students doing study programmes other than T Levels must study maths and/or English when they do not already hold a GCSE grade 9 to 4, A\* to C (a standard pass grade) or equivalent qualification in these subjects.

144. This requirement is a condition of funding and we remove funding from future allocations for students who do not meet the condition of funding.

145. T Level students are not subject to the condition of funding, as each T Level has a [maths and English exit requirement](#).<sup>16</sup>

146. More information on [the condition of funding](#) is available on GOV.UK.

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<sup>16</sup> The exit requirement is that students achieve a GCSE grade 9 to 4 or a Functional Skills level 2 pass in English and maths or other equivalent qualification. This is set out in the [T Level action plan 2019](#). The exit requirement aligns with the requirements for level 3 apprenticeships, which are set out in the [Specification of apprenticeship standards for England](#). There is an exception to the apprenticeship minimum requirements for students with special educational needs (SEN), learning difficulties or disabilities (LDD), which is set out in the Specification of apprenticeship standards for England (paragraphs 39 to 47).

## Funding outside the formula

### High needs student (HNS) funding

147. High needs students (HNS) are those who receive additional learning support funding from their local authority high needs budget (often called top-up funding or element 3), in order to gain access to, progress towards, and successfully achieve their learning goals. High needs students include:

- a. students aged 16 to 18 whose additional learning support costs are more than £6,000 who receive top-up funding from the local authority high needs budget. Most, but not all, of these young people will have EHC plans, or
- b. those aged 19 to 24, in FE institutions and SPIs, who have an EHC plan and require additional learning support costing over £6,000 from the local authority high needs budget<sup>17</sup>

148. High needs places in non-maintained special schools (NMSS), maintained special schools and special academies are funded at £10,000 per place (rather than element 1 and 2 as described below). They receive top-up funding from the local authorities in which their students are resident. High needs students in mainstream schools and academies, FE institutions, ILPs and SPIs receive elements 1 and 2 from ESFA and element 3 (top up funding) from the local authorities in which their students are resident.

- a. element 1 – core education funding: programme funding, as described in this document. Institutions must not seek funds from local authorities for shortfalls in element 1 in 2020 to 2021
- b. element 2 – additional education support funding: £6,000 per high needs student (place numbers determined by local authorities, apart from SPIs and NMSSs, who are funded directly by ESFA on the basis of lagged ILR and lagged school census data)
- c. element 3 – top-up funding: the additional education support funding provided on a per-student basis by the local authority in which a student is resident

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<sup>17</sup> Only students who meet the above definition are high needs students. Schools must not use money from the schools budget to fund places, or incur other expenditure (such as top-up funding), for 19 to 24 year olds. (In this context, 'schools' means maintained mainstream, maintained special, mainstream academy, special academy, non-maintained special and special academies.) The rules are set out in the [School and Early Years Finance \(England\) Regulations](#) for the relevant year. The young people's model does not fund students aged 19 and over who do not meet the high needs definition; they are funded at adult rates.

149. We also consider young people to be high needs students when they are part time and the local authority in which a student is resident has agreed to provide additional support funding that would total more than £6,000 if provided over the full academic year.

150. In all instances, the local authority in which a student is resident must commission a high needs student's placement and include the top-up funding (element 3) to be paid to an institution. An agreement must be in place between the 2 parties to that effect. If the resident local authority does not agree a placement and top-up funding, these students must not be recorded as high needs for funding purposes, even when the institution has assessed a student as requiring additional support or has offered the student a place. We publish information on the [2020 to 2021 high needs funding system](#) on GOV.UK.

## Care standards: residential accommodation for young people aged under 18

151. Institutions incur additional costs when they provide accommodation for young people aged under 18 who are living away from home and the institution is considered in loco parentis. Some of the costs are associated with complying with legislation such as the Care Standards Act 2000 and related regulations.

152. Care standards funding is available to institutions where students are in residence primarily because similar provision is not available locally.

153. To be eligible for care standards funding an institution must:

- a. be registered with Ofsted or the Care Quality Commission (CQC) for inspection under the Care Standards regulations
- b. 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

154. Care standards funding will be calculated based on the amounts in the table below and applied to provision for the appropriate year.

**Table 13: Funding for institutions with residential accommodation for 2020 to 2021**

|   |         |
|---|---------|
| Funding per full year student aged under 18 | £817    |
| Funding per institution                     | £12,252 |

## Industry placement: capacity and delivery fund (CDF)

155. The [capacity and delivery fund \(CDF\)](#) will help institutions prepare to deliver substantive industry placements for students on vocational and technical study programmes at level 3.

156. 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.

157. We have taken the student numbers in your allocation from your 2018 to 2019 data. Students are eligible for CDF funding when they meet all of the following criteria.

- a. they are full time – that is, their total planned hours are 540 or more if they are 16 or 17 years old, and 450 hours or more if they are 18 year olds or older
- b. they have met the qualifying period for their study programme
- c. they are aged 16, 17 and 18 on 31 August of the relevant academic year – students who are 19 at the beginning of their programme are not included
- d. they are enrolled on a level 2 or level 3 programme, with a vocational core aim – [the qualification types that count as vocational](#) are listed on GOV.UK

158. The number of industry placements delivered must be no fewer than 30% of the number of funded students.

159. The funding rate per student is £250.

160. 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. More information is available in the [16 to 19 Bursary Fund guide](#) on GOV.UK.

## Additional guidance on student programmes

### 14 to 16 year olds in further education institutions

161. FE and sixth form colleges can enrol and claim funding from ESFA for 14 to 16 year olds. ESFA will fund this provision where colleges express an interest in doing so, and can confirm that they meet the programme eligibility criteria.

162. We fund 14 to 16 year olds who are in a school or academy through the usual school funding methodologies.

163. Full guidance on [full time 14 to 16 funding enrolment](#) is available on GOV.UK.

164. The funding formula for directly recruited 14 to 16 year old students is very similar to the formula for all other provision funded by the EFSA under the 16 to 19 funding model. The 'Funding arrangements' section of the [14 to 16 guidance](#) gives further information on the formula.

165. ESFA uses the standard 16 to 19 funding formula to fund students under 16 who hold qualifications that are at least equivalent to a full level 2 (achieved at an earlier age than normal) who wish to enrol on a full level 3 course. Institutions do not need to meet the direct recruitment criteria to enrol and record funding for these students.

166. ESFA also funds children who are currently electively home educated (EHE) who attend FE and sixth form colleges. These students can only be enrolled and funded for part time courses<sup>18</sup> – if an institution recruits them for full time courses, then they are no longer home educated and the institution will need to meet the criteria for direct recruitment.

167. ESFA does not fund EHE children who attend schools and academies under 16-19 funding arrangements: these children are funded through the pre-16 school funding methodology.

168. ILPs who wish to delivery provision for 14 to 16 year olds must comply with the legislation on independent schools, which may involve [registering as an independent school](#).

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<sup>18</sup> Part time programmes are those with annual planned hours under 540. Full time is defined in the ['National funding rate'](#) section. We might also consider a course to be full time if it provides, or is intended to provide, all of a child's education.

## Pupil premium funding

169. Some 14 to 16 year old students will also be eligible for the pupil premium. When institutions have directly recruited 14 to 16 year olds students, we will calculate pupil premium funding outside the formula and in addition to the total programme funding. The eligible groups are:

- a. students who are entitled to free school meals
- b. children of service personnel
- c. children in care and those who have recently left care

## Traineeships

170. For funding purposes, a traineeship programme uses the same principles as any other 16 to 19 study programme, apart from some additional situations in which we count students as retained.

171. Traineeships last at least 6 weeks and up to 12 months. Usually we would not consider programmes under 12 months as full time. Please refer to the section [‘Programmes and planned hours’](#) for guidance about compressed delivery.

172. When a student progresses from a traineeship to another 16 to 19 study programme, the second programme must have a new core aim of its own as set out in the section [‘Students who do more than one programme in a year’](#). Institutions must also update the planned hours to include the additional activity planned for the year.

173. Institutions must record a programme aim in the ILR for all traineeships. We will use the programme aim to calculate retention for students on traineeships.

174. There is an indicator in the school census to identify learning aims that contribute towards a traineeship. Institutions must use this indicator for all traineeship aims.<sup>19</sup>

175. We have published more information on [delivering traineeships](#) on GOV.UK.

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<sup>19</sup> You can find guidance on [completing the census on GOV.UK](#).

## Supported internships

176. Supported internships are study programmes that are delivered mainly on an employer's premises, for young people aged 16 to 24 who have learning difficulties and/or disabilities. We fund them in the same way as any other study programme.

## T Levels

177. We use the existing 16 to 19 funding methodology for T Levels. Where there are differences, we have noted them in the relevant section.

- a. student numbers will be agreed with providers
- b. there are 4 new funding bands
- c. [disadvantage funding: block 2](#) (block 1 disadvantage funding is the same)
- d. [industry placements](#)

178. More information on [T Levels](#) is available on GOV.UK.

## High value courses for school and college leavers: a one-year offer for 18 and 19 year olds

179. We are allocating [exceptional funding to support 18 and 19 year olds](#) leaving school or college in summer 2020. This funding will support providers to offer courses of up to one year duration in high value subjects to prevent young people, who would otherwise have moved into apprenticeships or employment, from becoming NEET.

180. The funding is available for students who do a qualification from [the published list](#). We have also published [the principles we used to decide which qualifications to include](#).

181. The funding is made up of programme funding and an additional £400 uplift per student to cover the additional costs that this provision will incur.

182. For students recruited in August, September and October, we will pay the programme funding and the £400 uplift in-year through adjusted allocations. As these students will be included in your data returns as usual, we will offset the programme funding against a future allocation in order to avoid funding these students twice.

183. We will also pay the £400 uplift for students who enrol after November 2020. However, we will not be able to pay this in-year and it will be included in the 2021/22 allocations. We will pay the programme funding for these students in the 2022/23 allocation.



184. We will work out the number of students eligible for the funding by comparing the number of eligible students in your 2020/21 data to the previous year.

185. Usually, we fund 18 year olds doing programmes of 450 hours or more in band 4a; they are never funded in band 5. However, students funded through the offer will be funded in band 5 when they are on a qualification from the published list of 450 GLH and are doing a programme of 540 hours or more.

186. We will also use adjusted retention criteria for students funded through the offer. We recognise that some students will leave their programmes early to go onto an apprenticeship or sustained employment, and that these are positive destinations. As such, we will treat these students positively for retention, using the same criteria as for traineeships set out in the [section on retention](#).

187. More information on the one-year offer is on [GOV.UK](#).

## Annex A: Programme cost weightings by sector subject area (SSA)

**Table A1: Programme cost weighting by SSA**

| SSA tier 2 code | SSA tier 2 description                                | Programme cost weighting factor |
|-----------------|---|---------------------------------|
| 1               | Health, public services and care                      | 1                               |
| 1.1             | Medicine and dentistry                                | 1                               |
| 1.2             | Nursing and subjects and vocations allied to medicine | 1                               |
| 1.3             | Health and social care                                | 1                               |
| 1.4             | Public services                                       | 1                               |
| 1.5             | Child development and wellbeing                       | 1                               |
| 2               | Science and mathematics                               | 1                               |
| 2.1             | Science   | 1/1.1 <sup>20</sup>             |
| 2.2             | Mathematics and statistics                            | 1                               |
| 3               | Agriculture, horticulture, and animal care            | 1.3/1.75 <sup>21</sup>          |
| 3.1             | Agriculture   | 1.3/1.75                        |
| 3.2             | Horticulture and forestry                             | 1.3/1.75                        |
| 3.3             | Animal care and veterinary science                    | 1.3/1.75                        |
| 3.4             | Environmental conservation                            | 1.3/1.75                        |
| 4               | Engineering and manufacturing technologies            | 1.2                             |
| 4.1             | Engineering   | 1.4                             |
| 4.2             | Manufacturing technologies                            | 1.4                             |

<sup>20</sup> The low programme weighting (1.1) applies to vocational science programmes and academic programmes of 2 or more science A levels. Other programmes get the base weighting (1).

<sup>21</sup> The high weighting (30%) for SSA 3 includes non-specialist agriculture and animal care. The specialist weighting (75%) will apply where there is a requirement to maintain specialist facilities such as a farm or equine stables.

| <b>SSA tier 2 code</b> | <b>SSA tier 2 description</b>                    | <b>Programme cost weighting factor</b> |
|------------------------|--|--|
| 4.3                    | Transportation operations and maintenance        | 1.3                                    |
| 5                      | Construction, planning and the built environment | 1.2                                    |
| 5.1                    | Architecture                                     | 1.2                                    |
| 5.2                    | Building and construction                        | 1.3                                    |
| 5.3                    | Urban, rural and regional planning               | 1                                      |
| 6                      | Information and communication technology         | 1                                      |
| 6.1                    | ICT practitioners                                | 1.2                                    |
| 6.2                    | ICT for users                                    | 1                                      |
| 7                      | Retail and commercial enterprise                 | 1.2                                    |
| 7.1                    | Retailing and wholesaling                        | 1.2                                    |
| 7.2                    | Warehousing and distribution                     | 1                                      |
| 7.3                    | Service enterprises                              | 1.2                                    |
| 7.4                    | Hospitality and catering                         | 1.3                                    |
| 8                      | Leisure, travel and tourism                      | 1                                      |
| 8.1                    | Sport, leisure and recreation                    | 1                                      |
| 8.2                    | Travel and tourism                               | 1                                      |
| 9                      | Arts, media and publishing                       | 1                                      |
| 9.1                    | Performing arts                                  | 1.2                                    |
| 9.2                    | Crafts, creative arts and design                 | 1.2                                    |
| 9.3                    | Media and communication                          | 1                                      |
| 9.4                    | Publishing and information services              | 1                                      |
| 10                     | History, philosophy and theology                 | 1                                      |
| 10.1                   | History  | 1                                      |
| 10.2                   | Archaeology and archaeological sciences          | 1                                      |
| 10.3                   | Philosophy                                       | 1                                      |
| 10.4                   | Theology and religious studies                   | 1                                      |

| <b>SSA tier 2 code</b> | <b>SSA tier 2 description</b>                          | <b>Programme cost weighting factor</b> |
|------------------------|--|--|
| 11                     | Social Sciences  | 1                                      |
| 11.1                   | Geography  | 1                                      |
| 11.2                   | Sociology and social policy                            | 1                                      |
| 11.3                   | Politics   | 1                                      |
| 11.4                   | Economics  | 1                                      |
| 11.5                   | Anthropology   | 1                                      |
| 12                     | Languages, literature and culture                      | 1                                      |
| 12.1                   | Languages, literature and culture of the British Isles | 1                                      |
| 12.2                   | Other languages, literature and culture                | 1                                      |
| 12.3                   | Linguistics  | 1                                      |
| 13                     | Education and training                                 | 1.2                                    |
| 13.1                   | Teaching and lecturing                                 | 1.2                                    |
| 13.2                   | Direct learning support                                | 1.2                                    |
| 14                     | Preparation for life and work                          | 1                                      |
| 14.1                   | Foundations for learning and life                      | 1                                      |
| 14.2                   | Preparation for work                                   | 1                                      |
| 15                     | Business, administration and law                       | 1                                      |
| 15.1                   | Accounting and finance                                 | 1                                      |
| 15.2                   | Administration   | 1                                      |
| 15.3                   | Business management                                    | 1                                      |
| 15.4                   | Marketing and sales                                    | 1                                      |
| 15.5                   | Law and legal services                                 | 1                                      |

## Annex B: Area cost uplifts by region

1. To identify location, we use postcodes and boundaries set by the Office of National Statistics. The table gives the area cost uplifts by local authority.
2. The [full list of area cost uplifts by postcode](#) is available on GOV.UK.

**Table B1: Area costs uplift by region**

| <b>London A – 1.20</b>                                  | <b>London B – 1.12</b> |
|---|------------------------|
| Camden  | Barking and Dagenham   |
| City of London  | Barnet                 |
| Greenwich   | Bexley                 |
| Hackney   | Brent                  |
| Hammersmith and Fulham                                  | Bromley                |
| Haringey  | Croydon                |
| Islington   | Ealing                 |
| Kensington and Chelsea                                  | Enfield                |
| Lambeth   | Harrow                 |
| Lewisham  | Havering               |
| Newham  | Hillingdon             |
| Southwark   | Hounslow               |
| Tower Hamlets   | Kingston upon Thames   |
| Wandsworth  | Merton                 |
| Westminster   | Redbridge              |
|   | Richmond upon Thames   |
|   | Sutton                 |
|   | Waltham Forest         |
| <b>Bedfordshire and Hertfordshire non-fringe – 1.03</b> |                        |
| Bedford   | North Hertfordshire    |
| Central Bedfordshire                                    | Stevenage              |

|       |  |
|-------|--|
| Luton |  |
|-------|--|

| <b>Berkshire, Surrey, and West Sussex fringe – 1.12</b> |                        |
|---|------------------------|
| Bracknell Forest  | Slough                 |
| Crawley   | Spelthorne             |
| Elmbridge   | Surrey County Council  |
| Epsom and Ewell   | Surrey Heath           |
| Guildford   | Tandridge              |
| Mole Valley   | Waverley               |
| Reigate and Banstead                                    | Windsor and Maidenhead |
| Runnymede   | Woking                 |

| <b>Berkshire non-fringe – 1.12</b> |           |
|------------------------------------|-----------|
| Reading                            | Wokingham |
| West Berkshire                     |           |

| <b>Buckinghamshire non-fringe – 1.07</b> |         |
|--|---------|
| Aylesbury Vale                           | Wycombe |
| Milton Keynes                            |         |

| <b>Cambridgeshire – 1.02</b> |                      |
|------------------------------|----------------------|
| Cambridge                    | Huntingdonshire      |
| East Cambridgeshire          | Peterborough         |
| Fenland                      | South Cambridgeshire |

| <b>Hampshire and Isle of Wight – 1.02</b> |               |
|---|---------------|
| Basingstoke and Deane                     | Isle of Wight |
| East Hampshire                            | New Forest    |
| Eastleigh                                 | Portsmouth    |
| Fareham                                   | Rushmoor      |
| Gosport                                   | Southampton   |

| <b>Hampshire and Isle of Wight – 1.02</b> |             |
|---|-------------|
| Hampshire County Council                  | Test Valley |
| Hart                                      | Winchester  |
| Havant                                    |             |

| <b>Hertfordshire and Buckinghamshire fringe – 1.10</b> |                       |
|--|-----------------------|
| Broxbourne   | South Buckinghamshire |
| Chiltern   | St Albans             |
| Dacorum  | Three Rivers          |
| East Hertfordshire                                     | Watford               |
| Hertsmere  | Welwyn Hatfield       |

| <b>Kent and Essex fringe – 1.06</b> |           |
|-------------------------------------|-----------|
| Basildon                            | Harlow    |
| Brentwood                           | Sevenoaks |
| Dartford                            | Thurrock  |
| Epping Forest                       |           |

| <b>Oxfordshire – 1.07</b>  |                     |
|----------------------------|---------------------|
| Cherwell                   | South Oxfordshire   |
| Oxford                     | Vale of White Horse |
| Oxfordshire County Council | West Oxfordshire    |

| <b>West Sussex non-fringe – 1.01</b> |            |
|--------------------------------------|------------|
| Adur                                 | Horsham    |
| Arun                                 | Mid-Sussex |
| Chichester                           | Worthing   |

## Annex C: Criteria to identify specialist land-based institutions

1. Eligible institutions offer provision that includes significant volumes of full time students that require the operation of credible land-based enterprises, operated to industry standards through 365 days per year, needing cover for 24 hours per day. This specialist provision involves plant and/or animal production and management that will normally entail using a significant area of land, estates and gardens. An additional higher cost feature associated with this type of specialist provision is the need to recruit from and manage widely and thinly dispersed catchments.
2. When land-based institutions merge with non-specialist institutions, the resulting institution will only receive the specialist weighting for qualifying delivery at the land-based institution's premises, as identified by the delivery location postcode in the ILR. The effect is that we only apply the specialist weighting to the part of the merged institution that has specialist resources.

### Screening criteria

3. Institutions must meet these criteria.
  - a. an offer in at least 6 of the 12 land-based occupational areas, at least one of which will be agriculture or horticulture
  - b. a minimum of 200 full time, full year learners in land-based subjects (all modes). Figures include FE and taught HE. Full time programmes must last at least 30 weeks
  - c. funded provision with progression routes up to and including level 3 or above in at least 4 of the occupational areas
  - d. clear progression pathways to HE
  - e. evidence of substantial involvement of representatives (leaders) of local land based industries in the institution's activity
  - f. levels of investment in physical resources consistent with the vocational levels and range of provision
  - g. existence of commercial enterprises in either agriculture or horticulture that are controlled or managed by the provider and supports a realistic working environment for learners to experience in acquiring an appropriate range of industrially relevant skills



## Occupational areas

4. These are the land-based occupational areas:
  - a. agriculture, crops and livestock
  - b. animal care
  - c. aquaculture
  - d. equine
  - e. food manufacture and processing
  - f. game and wildlife management
  - g. landscape
  - h. land-based engineering
  - i. horticulture
  - j. professions allied to veterinary trade
  - k. trees and timber
  - l. viticulture



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