



Education  
Funding  
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Mr G Hoyle  
Association of Employment and Learning Providers  
Colenso House  
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22 April 2013

Dear Graham

#### **16-19 Allocations 2013/14**

We wrote to all providers at the end of March setting out final allocations for 2013/14. These allocations are based on the new national funding formula, which funds on a per student basis. Accompanying the allocations was an [explanatory note](#), which set out details of how the allocations have been calculated. The approach to allocations applied to Commercial and Charitable Providers (CCPs) under the new national funding formula does result in allocations for 2013/14 overall being lower than for 2012/13 and consequently we forecast that under-delivery will be reduced in 2013/14, potentially significantly. We have therefore set aside nationally additional funds to support over-delivery by CCPs in 2013/14, to supplement the funding we can recycle from under-delivery in-year. The total funds available to CCPs in 2013/14 are broadly equivalent to the totals allocated in 2012/13. We are also introducing a new approach to allocating growth funds in 2013/14 to benefit institutions achieving significant growth in 2012/13 where they did not increase their SLN between 2010/11 and 2011/12, and institutions achieving significant growth in early 2013/14.

Early feedback from AELP and from individual providers indicated that further clarification was needed in terms of how Formula Protection Funding (FPF) has been calculated and in terms of how adjustments to programme size have been made. We have written to all providers setting out more detail on these issues. We have also set out how we propose to approach positive and negative reconciliation in 2013/14 where we will recognise both significant growth between 2011/12 and 2012/13 and significant early growth in-year in 2013/14. This is available in [Annex A](#). In this way we hope to ensure that we

get funding to those providers who are effectively engaging young people and offering them substantial and coherent programmes of study.

I am keen to continue working with AELP to ensure we are doing all we can together to ensure its members can play a full part in delivering quality opportunities for young people.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. C. Mucklow', is written above a solid horizontal line.

**Peter Mucklow**  
**National Director for Young People**