

16-19 Student Number Statement 2013/14

Explanatory note (further education institutions)

Introduction

This explanatory note sets out the background details behind the figures in your 16-19 Student Number Statement for the 2013/14 academic year. This is the next step towards your final 2013/14 funding allocation, which we will communicate to you by the end of March.

Purpose

We are providing this information now so that you have an opportunity to check and comment on it, or raise any queries you may have. Any queries should be raised with us as soon as possible and at the latest by Friday 22 February. The information in the Statement will also give you a basis on which to plan.

Policy implementation 2013/14

In December we published the [Update on the 16-19 Funding Formula 2013/14](#).¹ This document describes the new funding per student funding methodology for 16-18 year olds which will be in place for 2013/14. The methodology also covers all 19-24 year olds who have a Learning Difficulty Assessment (LDA) or an Education and Health Care Plan (EHCP). This new methodology fulfils the Government's commitment to a simple, fair and transparent funding methodology to underpin the raising of the participation age to 17 in September 2013 and 18 in September 2015, and the introduction of study programmes. This Statement reflects the structure of the new methodology and uses the terms and definitions described in the December document, and should therefore be read in conjunction with it.

Funding formula changes

As in previous years, your funding allocation for 2013/14 will be based on lagged student numbers. The student numbers that we expect to fund in your institution for 2013/14 and the associated funding factors are included in the Student Number Statement. A box-by-box explanation of the numbers in the Statement is given in annex A.

The main difference between the student numbers for 2013/14 and those for earlier allocations is that the 2013/14 figures are based on the new methodology, which has a small number of key changes:

- Eligibility of provision (for example, qualifying period) is at student level rather than learning aim level
- Programmes of less than 2 weeks, and 15 year-olds on summer school programmes, are no longer counted for funding purposes

¹ media.education.gov.uk/assets/files/pdf/u/16-19%20funding%20formula%202013_14%20final.pdf

- Students continuing beyond their planned end date into a new academic year are no longer counted in the lagged student numbers (previously these students would have counted in the headcount, but generated no additional funding).

We provided institutions with details of the funding formula changes and how your data is used in the new system to calculate the funding factors in the shadow allocations which we sent out in October. This Student Number Statement is based on the same principles, but with a number of changes to the detailed approach following feedback from the sector. The main change is to the categorisation of programme cost weightings, which is described below, and there are also some detailed technical changes, which are described in annex B.

Programme cost weighting – a number of institutions raised concerns about the weightings for some subjects, particularly engineering. As a result we have reviewed the weightings and agreed minor changes. On average, the impact of this is a small overall increase in programme cost weightings, although some institutions may have a small decrease as a result of the change. The changes are:

- An increase in the weighting of engineering and manufacturing technologies from 1.2 to 1.3
- Combining engineering and manufacturing technologies with non-specialist agriculture and animal care (previously weighted at 1.5) to form a new 'high' weighting, with a weighting value of 1.3.

The full list of programme weightings against sector subject area (SSA) is at annex C.

High needs students

The new place plus funding system for those students with high needs is being introduced for 2013/14. The system is described in the [Update on the 16-19 Funding Formula 2013/14](#), paragraphs 108 to 113.

All students that attract funding will receive their core education funding in the same way, therefore the number of high needs students that will attract Element 1 of the new system is included within this Statement.

Table 4 shows the number of students that will be treated as high needs and therefore attract the £6,000 Element 2 payment. This is the number of places local authorities have told the EFA they expect to commission from you in 2013/14. A breakdown of the number of places is included at annex A to the Student Number Statement. Should you wish to discuss or challenge these numbers, please contact the local authority concerned directly. These numbers are not yet finalised in all cases and should therefore be regarded as provisional in some instances.

Funding of students age 19-24 by the EFA/SFA

From August 2013 the EFA will only fund students aged 19-24 if they have a current Learning Difficulty Assessment (LDA) or (in pilot areas) an Education and Health Care Plan (EHCP). The Skills Funding Agency is responsible for securing education for individuals aged 19 years, but under 25 without a LDA/EHCP. Institutions are reminded that they will need to liaise with local authorities to ensure that either an LDA or an EHCP is in place for any student age 19-24, for whom they wish to claim EFA funding before the 2013/14 academic year starts.

This is a change from current funding arrangements for these students, as eligibility is currently based on the student having high needs, as indicated by the need for Additional Learning Support funding above £5,500. For 2013/14 the EFA will continue to fund any high needs students currently in learning regardless of whether they have a Learning Difficulty Assessment until the expected end date on the individualised learner record (ILR) or 31st July 2014, whichever is the sooner.

Independent specialist providers

2013/14 will be the first year of operation of the national funding formula applicable to independent specialist providers (ISP).

As a consequence, for these institutions there is no historical data source on which to base the calculation for the elements of funding that are applicable to high needs students. Annex D contains a summary of assumptions and data sources used for high needs students in these institutions.

16-19 Bursary Fund

For 2013/14 there will be some changes to the way allocations are distributed and calculated. We are making these changes to reduce the tension institutions have been experiencing with managing the vulnerable and discretionary elements of their overall 16-19 Bursary Fund allocation.

From 2013/14, institutions will be awarded a 16-19 Bursary Fund allocation for discretionary bursaries only. The funds for vulnerable student bursaries will be held centrally and institutions will simply request funding for the number of vulnerable student bursaries they require, as needed over the academic year.

Institutions will continue to be responsible for identifying students in the defined vulnerable groups, checking and retaining evidence and making payments to students.

This process will allow institutions to be clear that the total amount they are allocated is available for discretionary bursaries before the start of the 2013/14 academic year.

The discretionary element for 16-19 Bursary Fund allocations for 2013/14 will be calculated based on the percentage of students in 2009/10 who were in receipt of EMA at £30 per week; this percentage will be applied to the allocated student numbers for 2013/14. This is therefore the same method that has been used for the

last two years, with the exception that allocations for 2013/14 will reflect changes in actual student numbers since 2009/10. Where an institution had no EMA students in 2009/10, or where the provision is new, allocations will be based on, or include, 36% of the institution's 2013/14 allocated student numbers.

In the longer term we will develop a new methodology for calculating discretionary bursary allocations as the EMA data is becoming out of date. We have started to investigate this but want to spend more time consulting with the sector and will be launching a consultation shortly so we can introduce a new methodology for 2014/15.

Residential Bursaries

Where appropriate, a Residential Bursary Fund (RBF) allocation will be made to institutions for 2013/14. In 2012/13, RBF allocations were set at the same level as in 2011/12, reflecting that a review of the future arrangements for residential support was underway at that time. Although there will be no change to arrangements in 2013/14 we have conducted a detailed review of each institution's spend against allocation for 2010/11 and 2011/12 to establish historical patterns/trends. The work identified a number of institutions with either consistent RBF underspends or overspends as well as some with more complex fluctuations. We will use this data in 2013/14 to set allocations which better reflect actual activity at each institution.

Allocations Calculation Toolkit (ACT)

As with the shadow allocations in October, we have produced an allocations calculation toolkit (ACT) which explains how we have used your data to arrive at some of the key figures in your Student Number Statement. This will be made available on the Information Management Portal in the first half of February.

Next steps

If you have any queries or wish to raise any issues with the figures in your Student Number Statement, please raise them with us as soon as possible and at the latest by Friday 22 February. This will allow us to take into account any issues you raise as we finalise your 16-19 allocation. Issues raised after this date may not be taken into account for your 2013/14 allocation.

Institutions should send queries to the relevant EFA 16-19 territory mailbox:

ypeastern.EFA@education.gsi.gov.uk

ypsouthern.EFA@education.gsi.gov.uk

ypwestern.EFA@education.gsi.gov.uk

ypnorthern.EFA@education.gsi.gov.uk

For commercial and charitable providers (CCPs), the student numbers in the January statement will be updated for the final allocation based on the R06 data returned in February. We will also review the position for other FE institutions based

on R06 data, and if R06 shows a significant decrease compared to R04 we will adjust accordingly. We will also consider making increases where R06 is higher than the lagged number in the January statement, subject to affordability.

The lagged student number figures shown in the January statement do not include students funded by the LLDD placement budget in colleges in 2012/13. We will add these numbers into the lagged numbers for the final allocation.

We will confirm the final allocation to you by the end of March 2013.

Annex A

16-19 Student Number Statement 2013/14 – Detailed Notes

Title	Comments
Total funded students for 2013/14	As set out in box 1.5 below.
Retention factor	Retention rate = retained students ÷ all students Retention factor = 50% + retention rate ÷ 2 Calculated from R15 data for 2011/12.
Programme cost weighting	The programme cost weighting used is the average for your institution, and has been weighted by the hours for each student. Programme cost weighting is based on the sector subject area (SSA) classification for each student's core aim. Calculated from R15 data for 2011/12.
Disadvantage	As set out in table 3.
Area cost	Some areas of the country are more expensive to teach in than others, and the area cost weights the allocation to reflect this. The area cost is normally based on your institution's address, except for a small number of institutions which deliver provision in different locations where it is based on the delivery postcodes for that provision.
Table 1: Student Numbers	
1.1 2012/13 R04 total students	For most FE institutions this is the actual student numbers recorded on the 2012/13 R04 return, based on the new methodology – see description of lagged numbers above. This box is not completed for commercial and charitable providers (CCPs), where a different methodology is used (see box 1.3).
1.2 2011/12 R04 – R15 student ratio	The actual R04 to R15 ratio from 2011/12, based on the new methodology.
1.3 Total lagged students	This figure is derived by uprating the 2012/13 R04 numbers to a full year estimate by applying the R04 to R15 ratio (box 1.1 × 1.2). For some small FE institutions where the above is not appropriate, all year 2011/12 student numbers are used. For CCPs a variant of the lagged approach will be applied taking a simple student number count: <i>number of students carrying into the programme in November 2011 plus number of starts from November 2011 to October 2012.</i> Note that for final allocations for CCPs, February 2012 to January 2013 data will be used.
1.4 Exceptional variations to lagged student number	An increase or decrease to be applied to the lagged student numbers. This is where an exceptional case has been agreed, for example as set out in paragraph 15 of the Guidance for local authorities published in July 2012.

1.5 Total student numbers for 2013/14	This is the total of lagged students plus exceptional variations (box 1.3 + 1.4).
Table 2: Breakdown of students for part time and full time bands	
Student number data 2011/12	Number of students in each band in 2011/12 based on R15 data from 2011/12. Row 2.6 shows the number of students in that band as full time equivalents (FTEs), which is calculated by: <i>aggregated hours for students in band ÷ 600 = FTEs</i>
Proportion of students in each band	The proportion of students in each band expressed as a percentage of the total number of students.
2013/14 number of students funded by band	The number of students funded in 2013/14, calculated by: <i>total students (box 1.5) × proportion of students in band</i>
Table 3: Breakdown of disadvantage	
Disadvantage block 1	
3.1 Economic deprivation factor	The student's home postcode and the Index of Multiple Deprivation (IMD) 2010 are used. The factor is an average across the whole institution, weighted by the hours for each student. Calculated from R15 data for 2011/12.
3.2 Care leavers	The number of eligible students based on the 2011/12 end of year 16-19 Bursary Fund data return in autumn 2012.
Disadvantage block 2	
3.3 Instances attracting funding per student	The ratio of students that did not have GCSE maths and/or English based on the Young People's Matched Administrative Database (YPMAD). The factor is based on the number of instances when a student does not have at least a C grade in GCSE maths or English at the end of year 11. A student without a C in maths and English counts as 2 instances, a student without a C in either maths or English counts as 1 instance and a student with Cs in both counts as 0 instances. For a small number of institutions the number of instances per student is currently shown as zero. We are investigating these cases and where necessary will update the figure for the March allocation.
3.4 Total number of instances	The factor in 3.3 is multiplied by the total student numbers taken from box 1.5. This gives the total number of instances attracting funding.
3.5 to 3.8 Instances attracting the full time/part-time/FTE rate	The total number of instances in box 3.4 are then split between the full-time and part-time bands according to the proportions in table 2.
Table 4: High needs students	
4.1 Total to be funded for Element 2 in 2013/14	The number of students (split into age bands 16-19 and 19-24) who will be funded for Element 2 based on local authority returns to the EFA. This information is also shown split by local authority in annex A.

Annex B

Detailed technical changes to the calculations used in the Shadow Allocations

Summer schools – the figures underpinning the shadow allocations excluded any programmes of less than 2 weeks. The figures used in the Student Number Statements will also exclude any programme of more than 2 weeks which is for under-16s and begins in June or July, in line with the Funding Guidance 2012/13.

Early withdrawals from learning aims – the shadow allocations excluded any **students** who withdrew before they had reached the appropriate qualifying period. In addition, in determining which full-time/part-time band a student is counted against, the Student Number Statement also excludes any **aims** that were not funded in 2011/12 because the student withdrew before reaching the qualifying period for that aim. This will ensure consistency with the method of recording programmes in 2013/14.

Block 2 Disadvantage – English and maths GCSEs – we have reviewed the calculation of which students are eligible for block 2 disadvantage and adjusted this so that students are flagged based on their English and maths GCSEs at the end of year 11, whereas for shadow allocations this was based on their status at the beginning of the academic year on which the matched data were based. This change will increase the number of students eligible for block 2 disadvantage in some institutions.

Adjustment of transfer aims – the shadow allocations made adjustments for aims recorded as transfers to ensure the guided learning hours (on which the full-time/part-time bandings are based) were not being artificially inflated as a result of the transfer. However, transfer aims starting in prior academic years were not being adjusted correctly. This has now been corrected and will lead to small reductions in planned guided learning hours in a small number of cases.

Annex C

Revised List of Programme Cost Weightings by SSA

Changes from the Shadow Allocations are shown in blue

SSA tier 2 code	SSA tier 2 description	Programme cost weight banding	Programme cost weighting factor
1	Health, Public Services and Care	Base	1
1.1	Medicine and Dentistry	Base	1
1.2	Nursing and Subjects and Vocations Allied to Medicine	Base	1
1.3	Health and Social Care	Base	1
1.4	Public Services	Base	1
1.5	Child Development and Well Being	Base	1
2	Science and Mathematics	Base	1
2.1	Science	Base	1
2.2	Mathematics and Statistics	Base	1
3	Agriculture, Horticulture and Animal Care	High/Specialist ²	1.3/1.6
3.1	Agriculture	High/Specialist	1.3/1.6
3.2	Horticulture and Forestry	High/Specialist	1.3/1.6
3.3	Animal Care and Veterinary Science	High/Specialist	1.3/1.6
3.4	Environmental Conservation	High/Specialist	1.3/1.6
4	Engineering and Manufacturing Technologies	Medium	1.2
4.1	Engineering	High	1.3
4.2	Manufacturing Technologies	High	1.3
4.3	Transportation Operations and Maintenance	Medium	1.2
5	Construction, Planning and the Built Environment	Medium	1.2
5.1	Architecture	Medium	1.2
5.2	Building and Construction	Medium	1.2
6	Information and Communication Technology	Base	1
6.1	ICT Practitioners	Medium	1.2
6.2	ICT for Users	Base	1
7	Retail and Commercial Enterprise	Medium	1.2
7.1	Retailing and Wholesaling	Medium	1.2
7.2	Warehousing and Distribution	Base	1
7.3	Service Enterprises	Medium	1.2
7.4	Hospitality and Catering	Medium	1.2

² The high weighting (30%) will include non-specialist agriculture and animal care. The specialist weighting (60%) will apply where there is a requirement to run specialist facilities such as a farm or equine stables.

SSA tier 2 code	SSA tier 2 description	Programme cost weight banding	Programme cost weighting factor
8	Leisure, Travel and Tourism	Base	1
8.1	Sport, Leisure and Recreation	Base	1
8.2	Travel and Tourism	Base	1
9	Arts, Media and Publishing	Base	1
9.1	Performing Arts	Medium	1.2
9.2	Crafts, Creative Arts and Design	Medium	1.2
9.3	Media and Communication	Base	1
9.4	Publishing and Information Services	Base	1
10	History, Philosophy and Theology	Base	1
10.1	History	Base	1
10.2	Archaeology and Archaeological Sciences	Base	1
10.3	Philosophy	Base	1
10.4	Theology and Religious Studies	Base	1
11	Social Sciences	Base	1
11.1	Geography	Base	1
11.2	Sociology and Social Policy	Base	1
11.3	Politics	Base	1
11.4	Economics	Base	1
11.5	Anthropology	Base	1
12	Languages, Literature and Culture	Base	1
12.1	Languages, Literature and Culture of the British Isles	Base	1
12.2	Other Languages, Literature and Culture	Base	1
12.3	Linguistics	Base	1
13	Education and Training	Medium	1.2
13.1	Teaching and Lecturing	Medium	1.2
13.2	Direct Learning Support	Medium	1.2
14	Preparation for Life and Work	Base	1
14.1	Foundations for Learning and Life	Base	1
14.2	Preparation for Work	Base	1
15	Business, Administration and Law	Base	1
15.1	Accounting and Finance	Base	1
15.2	Administration	Base	1
15.3	Business Management	Base	1
15.4	Marketing and Sales	Base	1
15.5	Law and Legal Services	Base	1

Annex D

Assumptions and funding factors used for high needs students in Independent Specialist Providers

Category	Criteria and assumption/ averages used
Student numbers funded for 2013/14	The data source used is the EFA's ISP database which records all students funded by the EFA. All students are treated as full-time.
Retention factor	The ISP database has been used to calculate the average retention factor for ISPs. The retention factor used is 0.99
Programme cost weighting	The average PCW of high needs students in FE has been used. The PCW used is 1.049
Economic disadvantage funding (Block 1)	The average uplift of high needs students in FE has been used. The economic disadvantage factor used is 5.7%
Economic disadvantage funding (Block 2)	This block allocates funding to all young people without GCSE in English and Maths. Assumed that all students in ISP will require 2 payments – 1 for English and 1 for Maths.