



Education
Funding
Agency

School sixth form allocation statement - academic year 2015 to 2016

**Explanatory note for school sixth forms
and academies**

February 2015

Contents

Introduction	3
Purpose	3
Overall approach	4
Census data issues	4
National funding rates	5
Formula protection funding	6
High needs students	6
16 to 19 Bursary Fund	7
16 to 19 Bursary Fund – discretionary bursaries only	7
Annex A: Allocation statement 2015/2016 – detailed notes	8
Programme funding formula	8
Table 4: Other funding	12
Table 5: Student support funding	12

Introduction

This explanatory note sets out the background details behind the figures in your allocation statement for the 2015 to 2016 academic year (2015/2016).

Purpose

The figures in the statement are your final funding allocation, which under normal circumstances will not be changed.

The Education Funding Agency (EFA) reserves the right to reduce or withdraw your allocation at any stage should issues arise, through audit or other processes, which significantly affect the underlying data in relation to contract compliance, or if we believe that by making an allocation we will be putting public funds at risk.

Should you have any queries, please raise them with us as soon as possible and no later than 31 March 2015 by emailing:

- Northern territory (North West, North East and Yorkshire and Humberside)
YPNorthern.efa@education.gsi.gov.uk
- Southern territory (South East, East of England and London)
YPSouthern.EFA@education.gsi.gov.uk
- Central & south west territory (South West, West Midlands and East Midlands)
YPCentralSW.EFA@education.gsi.gov.uk
- Academies
Academy.questions@education.gsi.gov.uk

By exception, the EFA will consider evidenced and credible business cases from institutions where there has been a major error in the data returned by the institution. In order to apply this facility consistently, we will apply standard minimum thresholds to decide whether we will consider a case, as shown below.

- for cases affecting lagged student numbers, 5% of students or 50 students, whichever is lower;
- for cases affecting the full time/part time split and other funding factors including programme cost weightings, retention and disadvantage funding, an overall impact of 5% on total funding or £250,000, whichever is lower; and
- for other cases not covered above, we will review the cases individually.

Where a combination of data errors has a combined overall funding impact of 5% on total funding or £250,000, whichever is lower, the EFA will take this into consideration. Business cases will be reviewed during March/April and you will receive a response to your case by 31 May.

Overall approach

[Peter Mucklow's letter](#) of 24 October sets out the main policy for 2015/2016 and his [recent letter](#) of 6 February 2015 sets out the final funding rate for 2015/2016.

In January and February 2015 we issued statements which confirmed the key funding elements and student numbers to be used to calculate the 2015/2016 allocations. Any issues or concerns raised following this will be considered in March/April 2015.

As in previous years, your funding allocation for 2015/2016 will be based on lagged student numbers plus any agreed exceptions where relevant. This statement includes student numbers and other factors which affect your funding for 2015/2016. A box by box explanation of the numbers in the statement is given in annex A.

In relation to delivery for 2015/2016, institutions should also refer to the EFA funding guidance for 2015/2016, which will be published on our website before the start of the academic year.

Census data issues

We have identified two issues in school census data that could have a significant effect on school allocations. As this is the first year of using the new fields (core aim and planned hours) in the census to determine funding, we have decided to mitigate the impact of these data errors on school and academy funding. However, we will not apply this approach beyond this year, so it is extremely important that schools and academies review their data collection to ensure that such errors are avoided in future years. We will provide more guidance on this over the next few months.

Firstly, there are significant data issues with the recording of core aims in the school census. In the census a core aim is not required for academic programmes but **must** be completed for all vocational study programmes. This information is key to determining the retention factor and programme cost weighting factor for those students, and if it is not completed it can result in significant under-statement of those factors.

Analysis of the autumn 2014 school census data shows that significant numbers of schools have not recorded core aims for vocational students. As this is the first year of using this information, we have decided not to disadvantage schools as a result of these errors and so have used the 2014/2015 allocation values for retention and/or programme cost weighting for any school where the 2015/2016 figure would have shown a decrease in those factors.

Secondly, some schools have not recorded planned hours for some or all of their students. This affects the calculation of funding bands, which are based on the planned hours recorded for each student. We have identified those schools where this appears most significant, that is those schools with more than 10% of their students in the lowest

part-time band (which is where students with zero hours will appear), and in those cases we have used the same data as for the 2014/2015 allocations to determine funding bands. Note, however, that in making that adjustment we have funded any students in band 4 (450-539 hours) at the £3300 rate for that band, and not at the full-time rate of £4000 that was applied as an interim measure in 2014/2015 allocations. We have done this to avoid giving an advantage to these schools compared to those that have recorded their data accurately and to remain consistent with the 2015/2016 allocations methodology.

As always we will consider business cases for any schools where they believe that the resulting allocation is incorrect as a result of other significant data errors, in line with the published thresholds. Any business cases will need to be submitted by the end of March to the email addresses detailed above.

National funding rates

The national funding rates have been confirmed as:

Band	Category	Planned hours	National funding rate per student	Block 2 disadvantaged rate (per instance)
5	- 16 and 17 year olds - Students aged 18 and over with high needs	540+ hours	£4,000	£480
4	Students aged 18 and over who are not high needs	450+ hours	£3,300 (see below)	£480
	- 16 and 17 year olds - Students aged 18 and over with high needs	450 to 539 hours		
3		360 to 449 hours	£2,700	£292
2		280 to 359 hours	£2,133	£292
1		Up to 279 hours	£4,000/FTE	£480/FTE

In a similar way to last year, we have used 2013/2014 full-year data to determine the number of students to be funded in each band in the 2015/16 allocations. The maximum funding rate for 18 year-olds without high needs in 2015/16 has been set as £3,300, so any 18 year-olds without high needs in bands 4 and 5 have been funded in band 4.

Formula protection funding

Formula protection funding (FPF) shields institutions from significant decreases in funding per student resulting from the changes to the funding formula in 2013/2014. The way this will apply in 2015/2016 is as follows.

Where an institution's average funding per student earned through the formula has increased for 2015/2016 compared with 2013/2014, FPF will reduce to maintain the overall funding per student at the 2012/2013 level. This means an institution sees funding transferred from FPF to formula funding and reduces the institution's reliance on FPF. Where an institution's average funding per student earned through the formula has reduced for 2015/2016 compared with 2013/2014, FPF will be paid at the same level per student as in 2013/2014.

High needs students

The high needs place allocation process has been delivered earlier for 2015/2016 and is distinct from the mainstream allocations process.

We completed the assessment and moderation of all high needs exceptional cases and communicated the outcome of the process on the 17 December 2014. The details of this are available on GOV.UK.

On 23 January 2015 we sent further feedback on our assessment to all local authorities that made an exceptional case, copying in institutions that were represented in those cases.

There then followed a period, up to the 27 February 2015, during which local authorities could send us any enquiries regarding the exceptions process.

We are now considering a number of these enquiries and will confirm any final revisions to place allocations by the 31 March 2015.

If you have any questions about the outcome of the high needs process for your institution, please contact the local authority in which your institution is based.

Your high needs place number allocation, where appropriate, is described in table 4 of your funding statement which shows the number of high needs places funded at the element 2 rate of £6,000.

For further information regarding the high needs funding system please go to GOV.UK.

16 to 19 Bursary Fund

In 2015/2016, institutions will receive 16 to 19 Bursary Fund allocations for discretionary bursaries only, just as in 2014/2015. The funding for vulnerable student bursaries will be held centrally by the Student Support Service. Institutions should draw down this funding on demand, whenever they need it, throughout the academic year. This enables institutions to plan their discretionary schemes with much greater confidence, because bursary allocations will not come under pressure to pay unforeseen vulnerable student bursaries later in the year.

Only students in one of the defined vulnerable groups, or those experiencing the greatest financial disadvantages and/or course-related costs, should be supported using the 16 to 19 Bursary Fund. Students' individual needs should be assessed on this basis for discretionary bursaries and awarded an appropriate level of financial support

16 to 19 Bursary Fund – discretionary bursaries only

For the majority of institutions, the 16 to 19 Bursary Fund allocations for discretionary bursaries in 2015/2016 have been calculated based on the number of students in 2009/2010 who were in receipt of EMA at £30 per week as a percentage of the 2010/2011 allocated student numbers. This percentage has been applied to institutions' 2015/2016 student numbers and multiplied by the rate of £298 (based on the overall budget available and number of students to be funded) to give the allocation for the institution.

Where an institution had no EMA students in 2009/2010 or where the provision was new in 2011/2012 or later, allocations have been based on 36% of the institution's 2015/2016 allocated student numbers.

A minimum allocation amount of £500 has been applied.

Annex A: Allocation statement 2015/2016 – detailed notes

Programme funding formula

This section shows the various elements of the funding formula and the resulting funding from the application of each.

Title	Comments
Student numbers for 2015/2016	As set out in table 1a.
National funding rate per student	As set out in table 1b.
Retention factor	<p><i>Retention rate = retained students ÷ total funded students</i></p> <p><i>Retention factor = (retention rate ÷ 2) + 0.5</i></p> <p>Calculated from autumn census 2014 (whole year 2013/2014 data).</p>
Programme cost weighting	<p>The programme cost weighting used is the average for your institution, and has been weighted by the funded hours for each student.</p> <p>Programme cost weighting is based on the sector subject area (SSA) classification for each student's core aim.</p> <p>Calculated from autumn census 2014 (whole year 2013/2014 data).</p>
Disadvantage funding	As set out in table 2.
Area cost allowance	<p>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 that deliver provision in different locations where it is based on the delivery postcodes for that provision.</p>

Table 1a:

Title	Comments
1.1a Lagged student number	From autumn census for 2014/2015. The number of students recorded as on roll (main or current main) on the census date (2 nd October 2014) at the institution in national curriculum years 12, 13 or 14.
1.2a Exceptional variations to lagged student number	An increase or decrease applied to the lagged student numbers. This is where an exceptional case has been agreed. This includes, where appropriate, an adjustment to reflect the current position where an academy is funded on its estimates.
1.3a Total student numbers for 2015 to 2016	This is the total of lagged students plus exceptional variations (box 1.1a + 1.2a).

Table 1b: Breakdown of funding by funding band

Title	Comments
1.1b- 1.6b Proportions for 2015/2016 allocation	Proportions of students to be funded in each band based on the total student numbers in 2013/2014. The detail behind these proportions can be found on your student number statement.
1.1b- 1.6b Number of students allocated in 2015/2016	The percentages in each band applied to the total student numbers for 2015/2016 (box 1.3a). The values in this column have been rounded to whole numbers and this may result in a slight difference to the total in box 1.3a.
1.1b- 1.6b National funding rate	The base amount of funding for each student in the band. The funding rates for Bands 2, 3 and 4 are derived from the Band 5 rate, proportioned according to the midpoint of the hours range.
1.1b- 1.6b Student funding	<i>Number of students (or the number of FTEs in 1.6b) x national funding rate.</i>
1.7b Total student funding	The total student funding for all bands. <i>(1.1b+1.2b+1.3b+1.4b+1.6b)</i>

Table 2: Distribution of disadvantage funding

Title	Comments
Disadvantage block 1	
2.1 Economic deprivation funding	<p>The student's home postcode and the Index of Multiple Deprivation (IMD) 2010 are used.</p> <p>The factor is shown as a percentage and is an average across the whole institution, weighted by the funded hours for each student.</p> <p>Calculated from autumn census 2014 (whole year 2013/2014 data).</p> <p>This block 1 factor is applied to the programme funding total as shown above up to and including programme cost weighting but before area costs.</p>
2.2 Care leavers	<p>The number of successful 16 to 19 Bursary Fund claims for 2013/2014; for vulnerable students who were 'in care' or 'care leavers', at a rate of £480 per student.</p>
2.3 Total block 1 funding	<p>The total of funding for economic deprivation and care leavers.</p>
Disadvantage block 2	
2.4 Total 2015/2016 instances attracting funding per student	<p>The proportion of students that did not have GCSE maths and/or English based on the Young People's Matched Administrative Dataset (YPMAD).</p> <p>The factor is based on the number of instances when a student does not have at least a C grade in GCSE maths or English at the end of year 11. A student without a C in maths and English counts as 2 instances, a student without a C in either maths or English counts as 1 instance and a student with Cs (or above) in both counts as 0 instances. <i>Number of funded instances (2015/2016) = instances attracting funding per</i></p>

Title	Comments
	<i>student (2.4) × total student numbers (1.3a)</i>
2.5 to 2.8 Instances attracting the full time/part-time/FTE rate	The total number of instances in box 2.4 is then split between the full-time and part-time bands according to the proportions in table 1b. <i>Number of funded instances in each band × block 2 funding rate = block 2 funding</i>
2.9 Total block 2 funding	Total of block 2 funding for students in all bands.
2.10 Minimum top up if applicable	If the total disadvantage funding (block 1 + block 2) for an institution is less than £6,000, disadvantage funding will be topped up to £6,000.
2.11 Total disadvantage funding	The total of block 1, block 2, and the minimum top-up if applicable.

Table 3: Breakdown of formula protection funding

Title	Comments
3.1 2013/2014 Formula protection funding per student	<i>From the 2013/2014 allocation box 3.3</i>
3.2 2013/2014 Total funding per student	<i>From the 2013/2014 allocation boxes 3.2 + 3.3. Includes programme funding and formula protection funding, but not transitional protection.</i> <i>If box 3.1 is zero, this will be shown as not applicable (N/A)</i>
3.3 2015/2016 Programme funding per student	<i>Total formula funding ÷ Total students</i> <i>(Total students is the 2015/2016 funded number of students, as in 1.3a)</i>
3.4 Difference per student	<i>This is calculated as box 3.2 minus box 3.3</i> <i>If box 3.1 is zero, this will be shown as not applicable (N/A)</i>

Title	Comments
3.5 2015/2016 Formula protection funding per student (lower of 3.1 and 3.4)	<i>This is the lower of box 3.1 and box 3.4</i>
3.6 2015/2016 Total formula protection funding	<i>Total number of students (1.3a) × Formula protection funding per student (3.5)</i>

Table 4: Other funding

Title	Comments
4.1 High needs element 2	<i>Total number of high needs students × rate per student (£6,000) = funding</i>

Table 5: Student support funding

Title	Comments
5.1 Discretionary Bursary Fund – 2015/2016 number of funded students	This number of students is based on the 2015/2016 funded student numbers as in box 1.3a.
5.1 Percentage applied	<p>The percentage applied is the number of students in 2009/2010 in receipt of EMA at £30 per week as a percentage of 2010/2011 funded numbers.</p> <p>Where the provision was new in 2011/2012 or later, the percentage used is 36% (the national average percentage of students claiming £30 per week in 2009/2010).</p> <p>This percentage is multiplied by the 2015/2016 student numbers to determine the number of bursary funded students attracting the standard funding rate.</p>
5.1 Standard funding rate	This is the unit cost that has been used to calculate the total funding. The rate for 2015/2016 is £298.

Title	Comments
5.1 Funding	<p data-bbox="722 217 1326 293"><i>2015/2016 student numbers x percentage applied x funding rate</i></p> <p data-bbox="722 338 1401 456">The standard funding rate is multiplied by the number of bursary funded students (rounded to the nearest pound).</p> <p data-bbox="722 501 1410 533">A minimum allocation of £500 has been applied.</p>

Note that the values on your statement are shown rounded to various numbers of decimal places. The calculation of your funding however is done using un-rounded values. This may result in some slight differences when you work through the calculation yourselves.



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