



Education & Skills
Funding Agency

SPI and NMSS revenue funding allocation guide: 2018 to 2019

**Explanatory note for special post-16
institutions (SPIs) and non-maintained
special schools (NMSS)**

March 2018

Contents

Introduction	3
Next step – business cases	4
Special post-16 institution funding allocation	6
Annex A: Allocation statement 2018 to 2019: detailed notes	7
Special post-16 institutions	7
Programme funding formula	7
Table 1a: Student numbers (including students aged 19 to 24 with Education, Health and Care plans)	7
Table 1b: Breakdown of funding by funding band	8
Table 1c: Condition of funding (CoF)	8
Table 2a: Distribution of disadvantage funding	9
Table 2b: Large programme uplift	9
Table 3: Care standards	10
Table 4: 2018/2019 total programme funding	10
Table 5: High needs funding	10
Table 6: Student financial support funding	11
Table 7: Work placement Capacity and Delivery Fund	11
Non-maintained special school funding allocation	13
Table 1: Summary of 2018 to 2019 funding allocation	13
Table 2: High needs breakdown	13
Table 3: Student financial support funding	14

Introduction

This explanatory note explains the calculation of the figures in the special post-16 institution (SPI) and non-maintained special school (NMSS) funding allocation statements for the 2018 to 2019 academic year. The statements confirm the student numbers and other factors we have used to calculate your funding for 2018 to 2019. We have made these calculations in line with the approach set out in both our published [funding letter](#) and the [high needs funding operational guide 2018 to 2019](#). A box-by-box explanation of the numbers in the statement is provided in annex A for [SPIs](#) and [NMSS](#).

This explanatory note sets out the key funding differences for SPIs and NMSSs compared to further education (FE) institutions for 2018 to 2019. Therefore, in relation to delivery for 2018 to 2019, you should also refer to the '[explanatory note: further education institutions allocation statement - academic year 2018 to 2019](#)' and the [16 to 19 funding guidance](#) for 2018 to 2019, which will also be published on GOV.UK before the start of the academic year, for more information.

Local authorities have a role in funding high needs students in SPIs and NMSSs as the commissioner of high needs provision for these students. This means that SPIs and NMSSs receive funding for pupils and students with high needs from both the Education and Skills Funding Agency (ESFA) (place funding) and local authorities (top-up funding). The 2018 to 2019 allocation statement confirms the allocation of ESFA place funding only.

Top-up funding is based on the assessed needs of the student and the cost of meeting these in the education setting and must be agreed between the commissioning local authority and the SPI or NMSS. Top-up funding is paid for the period that the student is actually occupying the place in the institution. It is paid directly to the SPI or NMSS on a monthly basis, unless a different payment frequency is agreed with the local authority. Further information regarding the high needs funding system is available in the [high needs funding operational guide 2018 to 2019](#) published on GOV.UK.

Next step – business cases

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

We reserve 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.

By exception, we will consider evidenced and credible business cases from institutions where there has been a significant error in the data returned by the institution.

Should you wish to raise any queries or put forward a business case as set out above, please do so by using our [online enquiry form](#). The deadline for submitting a business case is 27 April 2018.

We will apply standard minimum thresholds to decide whether a case is taken forwards for consideration or not.

- for cases affecting lagged student numbers - 5% of students or 50 students, whichever is lower
- for cases affecting large programmes or 19+ continuing students, a minimum of 5 students.
- 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
- for other cases not covered above we will review the cases individually

We will take into consideration cases where a combination of data errors has a combined overall funding impact of 5% on total funding or £250,000, whichever is lower.

Please do not include any personal or sensitive data about your students when submitting your case.

Personal data is information relating to an individual who is or can be, identified from the data provided. Personal data can be information about the individual, their families or circumstances. This may include:

- names
- contact details
- gender
- date of birth

- other characteristics such as educational activities

When investigating queries from institutions, we will limit requests for data to that which is absolutely necessary to complete the investigation.

Your business case should be submitted by the head of organisation. If the head of organisation has delegated the responsibility to another colleague, the business case must be sent with a supporting email confirming that the head of organisation has agreed the business case can be submitted.

Depending on the nature of your business case, we may require a completed template. If a template is required, we will contact you via email to inform you that a template has been uploaded to the [document exchange](#).

We expect the business cases to be returned by the deadline. Incomplete business cases or those received after the deadline will, if successful, be treated as an adjustment and will take place from September 2018.

Special post-16 institution funding allocation

SPIs who will be delivering at least their third year of ESFA funded provision in 2018 to 2019 will be funded as follows:

- element 1 student numbers will continue to be calculated using lagged data and will be funded using the 16-19 national funding formula and average funding factors
- element 2 high needs place numbers will continue to be calculated on a lagged basis and will be funded at £6,000 per place
- lagged numbers for both element 1 and element 2 are based on the 2017 to 2018 R04 individualised learner record (ILR) return of students eligible for ESFA funding as of 1 November 2017. This is multiplied by the student and high needs student R46:R14 ratios recorded in the 2016 to 2017 academic year ILR data returns, where R46 is the count of students eligible for ESFA funding as of 1 November 2016 as recorded in 2016 to 2017 R06 ILR data return

SPIs who will be delivering their second year of ESFA funded provision in 2018 to 2019 will be funded as follows:

- numbers for both element 1 and element 2 will be based on the higher of their 2017 to 2018 allocated numbers or their 2017 to 2018 R04 ILR return of students eligible for ESFA funding as of 1 November 2017

For SPIs, the total high needs place number allocation is described in [table 5](#) of the funding statement.

Annex A: Allocation statement 2018 to 2019: detailed notes

The values on your statement are rounded to various numbers of decimal places. However, we calculate your funding using un-rounded values. This may result in some slight differences when you work through the calculation yourselves.

Special post-16 institutions

Programme funding formula

This table describes the approach taken to derive the other elements of the 16 to 19 funding formula that are specific to SPI funding allocations with the exception of area cost allowance, which applies across all of further education.

Title	Comments
Retention factor	An average factor used in 2017 to 2018 allocations for SPIs: 0.983.
Programme cost weighting	An average factor used in 2017 to 2018 allocations for SPIs: 1.054.
Disadvantage funding – block 1 (table 2a)	An average factor used in 2017 to 2018 allocations for SPIs: 3.80%.
Disadvantage funding – block 2 (table 2a)	Two instances per student, which attract the £480 funding rate.
Large programme funding (table 2b)	Not applicable to SPIs.
Area cost allowance	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 reflects the location of delivery of the provision, and is normally based on delivery postcodes from the ILR.

Table 1a: Student numbers (including students aged 19 to 24 with Education, Health and Care plans)

Title	Comments
1.1a 2017/2018 R04 total students	The student number count as recorded on the 2017 to 2018 R04 return, with a reference date of 1 November 2017.

Title	Comments
1.2a 2016 to 2017 R46-R14 student ratio	The ratio between the count of students eligible for ESFA funding as of 1 November 2016 as recorded in 2016 to 2017 R06 ILR data return and the final student number count at R14 from 2016 to 2017.
1.3a Total lagged student number	For SPIs who will be delivering at least their third year of ESFA funded provision, this figure is derived by multiplying 1.1a by 1.2a. For SPIs who will be delivering their second year of ESFA funded provision, this figure has been derived by taking either the higher of the numbers allocated in 2017 to 2018 or the student number count recorded in 1.1a.
1.4a Exceptional variations to lagged student number	An increase or decrease that has been applied to the total lagged student numbers recorded in 1.3a. This will normally be either where the 2017 to 2018 R04 was not returned by the institution or where there have been any changes resulting from reviewing student numbers in the 2017 to 2018 R06 ILR data return.
1.5a Total student numbers for 2018/2019	This is the total of lagged students. $1.3a + 1.4a$

Table 1b: Breakdown of funding by funding band

We have applied an assumption that all students in SPIs are funded in band 5.

Title	Comments
1.1b - 1.6b Student numbers and proportions for 2018/19 allocation	Band 5 students are all students with annual timetabled hours of 540 and over. All students in SPIs are funded in band 5.
1.1b - 1.6b National funding rate	The base amount of funding for each student in the band.
1.1b - 1.6b Student funding	The total student funding for each band.
1.7b - Total student funding	The total student funding for all bands.

Table 1c: Condition of funding (CoF)

Information on the condition of funding (CoF) can be found on pages 9 and 10 of the [Further education allocation statement explanatory note: academic year 2018 to 2019](#).

An explanation of how CoF has been calculated in your 16 to 19 revenue statement is shown in the FE note in annex A, table 1c.

Table 2a: Distribution of disadvantage funding

Title	Comments
Disadvantage block 1	
2.1a Economic deprivation funding	The block 1 factor is applied to the programme funding total as shown above up to and including programme cost weighting but before area costs.
2.2a Care leavers	The number of successful 16 to 19 Bursary Fund claims for 2016 to 2017 for vulnerable students who were 'in care' or 'care leavers', at a rate of £480 per student.
2.3a Total block 1 funding	$2.1a + 2.2a$
Disadvantage block 2	
2.4a Total 2018/19 instances attracting funding per student	For SPIs the instances per student is 2.
2.5a Total funded instances for 2018/19	<i>Instances per student applied in 2018 to 2019 (2.4a) × total student numbers (1.5a)</i>
2.6a to 2.9a Total funded instances, funded instances attracting the full time/part time/FTE rate	The total number of instances in 2.5a split between the full time and part time bands according to the proportions in table 1b. In SPIs, all students get the higher rate in 2.6a. <i>Number of funded instances in each band (2.6a to 2.9a) × block 2 funding rate = block 2 funding</i>
2.10a Total block 2 funding	$2.6a + 2.7a + 2.9a$
2.11a 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.
2.12a Total disadvantage funding	$2.3a + 2.10a + 2.11a$

Table 2b: Large programme uplift

The large programme uplift does not apply to SPIs.

Table 3: Care standards

Title	Comments
3.1 Care standards	Care standards funding is paid as a lump sum of £12,252 per institution, plus £817 per eligible care standards student for those institutions eligible for this funding.

Table 4: 2018/2019 total programme funding

Table 4 shows your 2018 to 2019 total programme funding per student. For SPIs this will be the total programme funding from the summary table in page 1 of your statement, divided by the number of students.

Table 5: High needs funding

Title	Comments
5.1 2017/2018 R04 total high needs students	This is the high needs student number count as recorded on the 2017 to 2018 R04 return, with a reference date of 1 November 2017.
5.2 2017/2018 R04 total high needs student proportions by age	The proportions of 16 to 19 and 19 to 24 high needs students recorded in the R04 with a reference date of 1 November 2017. These proportions are used in the calculation of 5.6.
5.3 2016 to 2017 R46-R14 high needs student ratio	The ratio between the count of high needs students eligible for ESFA funding as of 1 November 2016 as recorded in 2016 to 2017 R06 ILR data return and the final high needs student number count at R14 from 2016 to 2017.
5.4 Total lagged high needs student number.	For SPIs who will be delivering at least their third year of ESFA funded provision, this figure is derived by uplifting the 2017 to 2018 R04 total high needs student numbers to a full year estimate by applying the high needs student R46 to R14 ratio from 2016 to 2017 (5.1 x 5.3). For SPIs who will be delivering their second year of ESFA funded provision, total high needs student numbers have been derived from the higher of the numbers allocated in 2017 to 2018 or the high needs student number count recorded in 5.1.

Title	Comments
5.5 Exceptional variations to lagged high needs student number	An increase or decrease that is applied to the lagged high needs student numbers in 5.4. This will normally be either where the 2017 to 2018 R04 was not returned by the institution or where there have been changes resulting from reviewing student numbers in the 2017 to 2018 R06 ILR data return.
5.6 High needs element 2 for 2018 to 2019	The total high needs students is the total lagged plus any exceptional variation if it exists. This is then split into the 2 age groups by applying the proportions in 5.2. <i>Total student numbers (5.6) × rate per student (£6,000) = funding</i>

Table 6: Student financial support funding

Information on the 16-19 Bursary fund and free meals can be found in the [Further education allocation statement explanatory note: academic year 2018 to 2019](#) on pages 13 to 16.

There is an explanation of the funding calculation in your statement in table 6 on pages 28 to 30 of the FE explanatory note.

Residential bursaries do not apply to special post-16 institutions.

Table 7: Work placement Capacity and Delivery Fund

The Capacity and Delivery Fund (CDF) will help institutions prepare to deliver substantive work placements for students on vocational and technical study programmes at levels 2 and 3, in readiness for the introduction of T levels. The eligibility criteria may change in future years to line up with developing [Tech Level](#) policy.

The funding is additional to the mainstream allocation, which already funds work experience for students through the planned hours for employability, enrichment and pastoral (EEP) activity.

As at the end of March 2018, table 7 of the allocation statement will contain zero values for all SPIs. This is because no SPIs opted in for CDF funding by submitting an implementation plan to the ESFA in 2017.

The number of qualifying students in CDF allocations does not include high needs students (HNS). If you have HNS whom you believe are eligible for CDF, you must submit a business case for a funding adjustment.

[More information on CDF](#) is available on GOV.UK. Technical detail on how we calculate CDF funding allocations and payments is in the [FE allocation explanatory note](#), table 7.

Non-maintained special school funding allocation

We will base NMSS allocations on the pupil number data from the October 2017 school census, uplifted by the difference between the October 2016 and January 2017 census pupil number data. Any negative movement has been capped at zero to ensure that no school is funded on numbers less than those recorded in their January 2017 census

For NMSSs the total high needs place number allocation (inclusive of pre-16 and post-16 places) is described in table 2 of the funding statement. We fund these places at a rate of £10,000 per place.

The tables below provide an explanation of your 2018 to 2019 high needs funding allocation.

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.

Table 1: Summary of 2018 to 2019 funding allocation

Title	Comments
1.1 Total high needs place funding	As set out in table 2, row 2.7, place funding.
1.2 Student financial support funding	As set out in table 3, row 3.1 - Discretionary Bursary Fund.
1.3 Total funding allocation	<i>1.1 + 1.2</i>

Table 2: High needs breakdown

Title	Comments
2.1 Total pupil numbers recorded in October 2016 census	Total pre- and post-16 pupil headcount.
2.2 Total pupil numbers recorded in January 2017 census	Total pre- and post-16 pupil headcount.
2.3 Increase between October 2016 and January 2017	The difference between total pre and post-16 pupil headcount (that is, 2.2 minus 2.1) with any reduction negated to zero to ensure no school is funded below its October 2017 census total pupil headcount.

Title	Comments
2.4 Total pupil numbers recorded in October 2017 census	Total pre and post-16 pupil headcount by age group.
2.5 Pre- and post-16 pupil number proportions recorded in October 2017 census.	The proportions of pre and post-16 pupils recorded in the October 2017 census data. These proportions are used to calculate the total pre and post-16 numbers in 2.6.
2.6 Total pupil numbers funded for 2018/19	The total pupil numbers in 2.6 are calculated by adding the increase in numbers in 2.3 to the total pupil numbers recorded in the October 2017 census in 2.4. The pre-16 and post-16 pupil numbers funded for 2018 to 2019 calculated by applying the proportions in 2.5 to the total pupil numbers in 2.6.
2.7 Place funding	<i>2018 to 2019 total pupil numbers (2.6) × £10,000 per place</i>

Table 3: Student financial support funding

Information on the 16-19 Bursary fund can be found in the [explanatory note that accompanies schools and academies allocation](#), on page 13.

Institutions will only receive 16 to 19 Bursary Fund allocations for discretionary bursaries, as in previous years. The funding for vulnerable student bursaries (students in one or more of the defined vulnerable groups) is held centrally by the Student Bursary Support Service and 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.

For the majority of institutions, we have calculated the 16 to 19 Bursary Fund allocations for discretionary bursaries in 2018 to 2019 based on the number of students in 2009 to 2010 who were in receipt of Education Maintenance Allowance (EMA) at £30 per week as a percentage of the 2010 to 2011 allocated student numbers. We have applied this percentage to institutions' 2018 to 2019 student numbers and multiplied the resulting number 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 to 2010 or where the provision was new in 2011 to 2012 or later, we have based allocations on 36% of the institution's 2018 to 2019 allocated student numbers. We have applied a minimum allocation amount of £500.

Title	Comments
3.1 Discretionary Bursary Fund - 2018/2019 number of post-16 funded places	The 2018 to 2019 post-16 funded student numbers (2.6).
3.1 Percentage applied	The number of students in 2009 to 2010 in receipt of EMA at £30 per week as a percentage of 2010 to 2011 funded numbers. Where the provision was new in 2011 to 2012 or later, the percentage used is 36% (the national average percentage of students claiming £30 per week in 2009 to 2010). This percentage is multiplied by the 2018 to 2019 student numbers to determine the number of bursary funded students attracting the standard funding rate.
3.1 Standard funding rate	The unit cost that has been used to calculate the total funding. The rate for 2018 to 2019 is £298.
3.1 Funding	The standard funding rate is multiplied by the number of bursary funded students (rounded to the nearest pound). We have applied a minimum allocation of £500. <i>2018/2019 student numbers × percentage applied × funding rate</i>



Education & Skills
Funding Agency

© Crown copyright 2018

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3

email psi@nationalarchives.gsi.gov.uk

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries www.education.gov.uk/contactus

download www.gov.uk/government/publications

Reference:



Follow us on Twitter:
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:
facebook.com/educationgovuk