



Education & Skills
Funding Agency

SPI and NMSS revenue funding allocation guide: 2019 to 2020

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

March 2019

Contents

Introduction	3
Business Cases	5
Special post-16 institution funding allocation	7
SPI Allocation statement 2019 to 2020: detailed notes	8
Special post-16 institutions	8
Programme funding formula	8
Table 1a: Student numbers (including students aged 19 to 24 with Education, Health and Care plans)	9
Table 1b: Breakdown of funding by funding band	10
Table 1c: Condition of funding (CoF)	10
Table 2a: Distribution of disadvantage funding	10
Table 2b: Large programme uplift	11
Table 3: Care standards	12
Table 4: 2019/2020 total programme funding	12
Table 5: High needs funding	12
Table 6: Student financial support funding	15
16 to 19 Bursary Fund and free meals	15
Table 7: Industry placement Capacity and Delivery Fund	15
Non-maintained special school funding allocation	17
Table 1: Summary of 2019 to 2020 funding allocation	17
Table 2: High needs breakdown	17
Table 3: Student financial support funding	18

Introduction

This explanatory note helps you understand how the Education and Skills Funding Agency (ESFA) has calculated your revenue funding allocation for academic year 2019 to 2020. This guide is for special post-16 institutions (SPI) and non-maintained special schools (NMSS)

The note supports your revenue funding allocation statement. It explains how we have calculated your funding allocation and the factors that have been applied. A box-by-box explanation of the numbers in the statement is provided in annex A for [SPIs](#) and [NMSS](#).

Your allocation statement confirms the student numbers and other factors we have used to calculate your funding for 2019 to 2020. 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 2019 to 2020](#).

This explanatory note sets out the key funding differences for SPIs and NMSSs compared to further education (FE) institutions for 2019 to 2020. Therefore, in relation to delivery for 2019 to 2020, you should also refer to the ['https://www.gov.uk/government/publications/16-to-19-funding-allocations-supporting-documents-for-2019-to-2020](https://www.gov.uk/government/publications/16-to-19-funding-allocations-supporting-documents-for-2019-to-2020) and the [16 to 19 funding guidance for 2019 to 2020](#), 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 2019 to 2020 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 2019 to 2020](#) published on GOV.UK.

How to use the explanatory note

We have produced the note in a format that allows you to easily access the specific parts that interest you, or areas where you require more detailed information. You can use the

note, along with other useful information, to understand how we used your data to calculate your revenue funding allocation.

The 'What's new?' section shows the changes to funding in the academic year 2019 to 2020 at a glance, and where the change is reflected in your allocation statement.

What's New?

We publish these guides each year and have thoroughly updated this document to reflect the allocations methodology for 2019 to 2020. This year we have

- for SPIs amended table 1a of annex A to include the new row on your statement that shows the 'student number methodology used' in your allocation. The references for this table have been removed because the information displayed on statements differs depending on the methodology used
- for SPIs re-titled the capacity and delivery fund as industry placements capacity and delivery funding to match the table on your statement
- clearly identified the section on business cases
- simplified the guides and used more plain English in response to customer feedback
- included helpful links between sections of this guide to help you find what you are looking for quickly and easily

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 data underlying your allocation calculation
- significantly affect 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 30 April 2019.

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

- for cases affecting lagged student numbers and condition of funding (CoF an overall impact of 5% on total funding or £100,000, 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 £100,000, 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 business cases from institutions, we will limit requests for data to that which is absolutely necessary to complete the investigation.

The head of organisation must submit and sign the business case. If the head of organisation has delegated the responsibility to another colleague, you need to send an email confirming this with the business case.

We have produced templates suitable for some business cases. This makes it easier for you to provide your information and helps us get an answer back to you more quickly. If a template is required, we will email you and tell you that we have uploaded a template to [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 a variation to contract and will take place from September 2019.

Special post-16 institution funding allocation

For 2019 to 2020, we'll continue to use the national funding formula for 16 to 19 funding allocations.

SPIs who will be delivering at least their third year of ESFA funded provision in 2019 to 2020 will be funded as follows:

- element 1 student numbers will continue to be calculated using lagged data and will be funded using the 16 to 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
- for most SPIs lagged numbers for both element 1 and element 2 are based on the 2018 to 2019 R04 individualised learner record (ILR) return of students eligible for ESFA funding as of 1 November 2018. This is multiplied by the R04:R14 ratios based on numbers of students (E1) and high needs students (E2) recorded in the 2017 to 2018 academic year ILR data returns. Please note that
 - there are a number of SPIs for whom we have not been able to calculate an R04:R14 ratio. In these instances we have used a later data return to calculate the ratio
 - there are also a number of SPIs whose lagged numbers are based on their 2018 to 2019 R06 return. This will be where we were unable to use their 2018 to 2019 R04 or where their R06 return is 5 or more students higher than 2018 to 2019 R04 uplifted by the ratio.

SPIs who will be delivering their second year of ESFA funded provision in 2019 to 2020 will be funded as follows:

- numbers for both element 1 and element 2 will be based on the higher of their 2018 to 2019 allocated numbers or their 2018 to 2019 R04 ILR return of students eligible for ESFA funding as of 1 November 2018

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

SPIs who will be delivering their first year of ESFA funded provision in 2019 to 20 are currently completing the ESFA high needs due diligence process and where successful we will issue allocations to them by the end of June 2019.

SPI Allocation statement 2019 to 2020: 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 2018 to 2019 allocations for SPIs: 0.983.
Programme cost weighting	An average factor used in 2018 to 2019 allocations for SPIs: 1.054.
Disadvantage funding – block 1 (table 2a)	An average factor used in 2018 to 2019 allocations for SPIs: 3.80%.
Disadvantage funding – block 2 (table 2a)	Two instances per student has been used for SPIs, 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
2018/19 students	<p>For SPIs who will be delivering at least their third year of ESFA funded provision, either:</p> <ul style="list-style-type: none"> • The student number count as recorded on the 2018 to 2019 R04 return, with a reference date of 1 November 2018, or • The student number count as recorded on the 2018 to 2019 R06 return, with a reference date of 1 February 2019. <p>For SPIs who will be delivering their second year of ESFA funded provision, this will show the 2018 to 2019 R04</p>
2017/18 R04 to R14 Ratio (where applicable)	<p>We use this value to uplift the student number in 1.1a.</p> <p>For SPIs who will be delivering at least their third year of ESFA funded provision, if shown this is the ratio according to the student number methodology in 1.6a. It is based on 2017 to 2018 data using the student number at the reference date of 1 November 2017 (taken from either the R04 or R06 return) and the full year student number at R14. Where we've used R06 it's referred to as R46.</p> <p>For a small number of SPIs we have not been able to calculate a ratio using these returns. In these cases a different ratio to that shown here has been used to calculate the total lagged student number.</p>
Total lagged student number (where applicable)	<p>For SPIs who will be delivering at least their third year of ESFA funded provision, this figure is derived by multiplying the student number at 1.1a by the ratio (where applicable)</p> <p>For SPIs who will be delivering their second year of ESFA funded provision, this will show the 2018 to 2019 R04</p>
Exceptional variations to lagged student number	<p>An increase or decrease that has been applied to the lagged student numbers. This has been used for</p> <ul style="list-style-type: none"> • a number of SPIs for whom we have not been able to calculate an R04 to R14 ratio or R46 to R14 ratio. In these instances we have used a later data return to calculate the ratio • providers in their second year of operation whose student numbers are to be based on the 2018 to 2019 allocated number.

Title	Comments
Total student numbers for 2019/20	This is the 'total lagged student number' plus 'exceptional variations to lagged student number'. If your statement doesn't display a 'total lagged student number' row it is the student number shown in row 1.1a plus 'exceptional variations to lagged student number' For SPIs who will be delivering their second year of ESFA funded provision, this will show the higher of the 2018 to 2019 R04 and the 2018 to 2019 allocated number.
Student number methodology used	The data sourced used to calculate student numbers.

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 2019/20 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 11 and 12 of the [Further education allocation statement explanatory note: academic year 2019 to 2020](#). 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	

Title	Comments
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 2017 to 2018 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 2019/20 instances attracting funding per student	For SPIs the instances per student is 2.
2.5a Total funded instances for 2019/20	<i>Instances per student applied in 2019 to 2020 (2.4a) × total student numbers for 2019 to 2020 (table 1a)</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: 2019/2020 total programme funding

Table 4 shows your 2019 to 2020 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

[Back to text](#)

Title	Comments
5.1 2018/2019 R04 Total High Needs Students	This is the high needs student number count as recorded on the 2018 to 2019 R04 return, with a reference date of 1 November 2018.
5.2 2018/2019 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 2018. These proportions are used in the calculation of 5.6.

Title	Comments
5.3 2017 to 2018 R04-R14 High Needs Student Ratio	<p>For SPIs who will be delivering at least their third year of ESFA funded provision, this is the ratio according to the student number methodology in 1.6a. It is based on 2017 to 2018 data using the high needs student number at the reference date of 1 November 2017. For a small number of SPIs we have not been able to calculate a ratio using these returns. In these cases, a different ratio to that shown here has been used to calculate the Total Lagged High Needs Student Number in row 5.4.</p> <p>This ratio is not applicable to</p> <ul style="list-style-type: none"> • providers for whom the Student Number Methodology shown in table 1.6a is Student Number Methodology Used is 2018/19 R06 return. • Providers in their second year of ESFA funded provision.
5.4 Total lagged High Needs Student Number.	<p>For SPIs who will be delivering at least their third year of ESFA funded provision, this figure is derived by uplifting the 2018 to 2019 R04 total high needs student numbers to a full year estimate by applying the high needs student R04 to R14 ratio from 2017 to 2018 (5.1 x 5.3).</p> <p>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 2018 to 2019 or the high needs student number count recorded in 5.1.</p>
5.5 Exceptional Variations to lagged High Needs Student Number	<p>An increase or decrease that is applied to the lagged high needs student numbers in 5.4. This will normally be where the 2018 to 2019 R04 was not returned by the institution, where there have been changes resulting from reviewing student numbers in the 2018 to 2019 R06 ILR data return or where an exception to the 2017 to ratio shown at 5.3 has been used.</p>

Title	Comments
5.6 High Needs Element 2 for 2019 to 2020	<p>The total high needs students is the total lagged plus any exceptional variation if it exists. This is then split into the two age groups by applying the proportions in 5.2. (where an exception to the method of uplifting 2018 to 2019 R04 the proportions in 5.2 will not apply)</p> <p><i>Total student numbers (5.6) × rate per student (£6,000) = funding</i></p>

Table 6: Student financial support funding

16 to 19 Bursary Fund and free meals

A small number of institutions will have both a free meals in FE allocation and a 16 to 19 Bursary Fund discretionary bursary allocation

Information on the 16 to 19 Bursary fund and free meals can be found in the [Further education allocation statement explanatory note: academic year 2019 to 2020](#) on pages 19 to 22.

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

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

Table 7: Industry placement Capacity and Delivery Fund

The Capacity and Delivery Fund (CDF) will help institutions prepare to deliver substantive [industry](#) 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 [T 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 2019, table 7 of the allocation statement will contain N/A for all SPIs. This is because no SPIs opted in for CDF funding by submitting an implementation plan to the ESFA in 2018.

[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.

Table 8: Advanced Maths Premium Funding

The large Advanced Maths Premium Funding does not apply to SPIs so Table 8 of your allocation statement will contain N/As.

[More information on Advanced Maths Premium](#) is available on GOV.UK. Technical detail on how we calculate Advanced Maths Premium Funding allocations and payments is in the [FE allocation explanatory note](#), table 8.

Non-maintained special school funding allocation

We will base NMSS allocations on the pupil number data from the October 2018 school census, uplifted by the difference between the October 2017 and October 2018 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 2018 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 2019 to 2020 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 2019 to 2020 funding allocation

Title	Comments
1.1 Total high needs place funding	As set out in table 2, row 2.8, 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 2017 census	Total pre- and post-16 pupil headcount.
2.2 Total pupil numbers recorded in January 2018 census	Total pre- and post-16 pupil headcount.
2.3 Increase between October 2017 and January 2018	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 2018 census total pupil headcount.

Title	Comments
2.4 Total pupil numbers recorded in October 2018 census	Total pre and post-16 pupil headcount by age group.
2.5 Pre- and post-16 pupil number proportions recorded in October 2018 census.	The proportions of pre and post-16 pupils recorded in the October 2018 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 2019/20	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 2018 census in 2.4. The pre-16 and post-16 pupil numbers funded for 2019 to 2020 are then calculated by applying the proportions in 2.5 to the total pupil numbers in 2.6.
2.7 Rate per place	<i>£10,000 per place</i>
2.8 Place funding	<i>2019 to 2020 total pupil numbers (2.6) × £10,000 per place</i>

Table 3: Student financial support funding

Information on the 16 to 19 Bursary fund can be found in the [Further education allocation statement explanatory note: academic year 2019 to 2020](#), on page 19.

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. Institutions must ensure they only draw down the funding when they have seen evidence to verify a student's eligibility.

For the majority of institutions, 16 to 19 Bursary Fund allocations for discretionary bursaries in 2019 to 2020 have been calculated 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' 2019 to 2020 student numbers and multiplied the resultant 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, allocations have been based on 36% of the institution's 2019 to 2020 allocated student numbers. A minimum allocation amount of £500 has been applied.

Title	Comments
3.1 Discretionary Bursary Fund - 2019/2020 number of post-16 funded places	The 2019 to 2020 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 2019 to 2020 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 2019 to 2020 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>2019/2020 student numbers × percentage applied × funding rate</i>

[Back to top](#)



Education & Skills
Funding Agency

© Crown copyright 2019

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