



Education & Skills  
Funding Agency

# **Funding guidance for young people 2023 to 2024**

**Funding rates and formula**

**Updated July 2023**

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## Introduction

This guidance document covers the period 1 August 2023 to 31 July 2024 and is our current advice for the funding year.

This document is part of a series of booklets providing ESFA funding guidance for young people for the 2023 to 2024 academic year.

- [Funding regulations](#)
- [Rates and formula](#) (this document)
- [Individualised learner record \(ILR\) funding returns](#)
- [Subcontracting funding rules for ESFA funded post-16 funding \(excluding apprenticeships\)](#)

This summary applies to all of these booklets which will be available from the [ESFA funding guidance on GOV.UK](#) once published.

These documents outline the main features of ESFA funding arrangements for young people in 2023 to 2024 and are an integral part of ESFA's funding agreements for young people aged 16 to 19 and those aged 19 to 24 with an education, health and care (EHC) plan. All of these documents should be read in this context, unless specifically stated otherwise. This is the definitive ESFA guidance for 2023 to 2024 and supersedes any previous funding guidance for young people.

Providers must take into account the General Data Protection Regulation (GDPR) regulations in respect of the information they retain, particularly when it is personal or sensitive. It is the provider's responsibility to ensure it is fully compliant with these regulations.

ESFA sets out in its [privacy notice](#) how data is collected and used to perform statutory functions on behalf of the Secretary of State. We will rarely ask for data from you outside of the ILR and school census.

Where we do ask for information outside of the ILR and school census, we will set out clearly what we need and why we need it. We will always request that all personal or sensitive information is sent via a secure method of transfer which is fully compliant with GDPR regulations. You must not send us personal or sensitive information at any other time or in any other way.

Please contact our [customer service team](#) if you have any questions after reading this guidance. Maintained schools should contact their local authority.

# What's new?

## July 2023

- On 13 July 2023 we [announced](#) a further investment of £185 million in 2023 to 2024 financial year and £285 million in 2024 to 2025 financial year to drive forward skills delivery in the further education sector.
- This funding will help colleges and other 16 to 19 providers to address key priorities, as they see fit, including tackling recruitment and retention issues in high-value technical, vocational, and academic provision which are of critical importance to our economic growth and prosperity.
- We have updated the sections for:
  - national funding rates for [study programmes](#) and [T Levels](#)
  - programme cost weightings
  - [disadvantage block 2](#) rates and carers leavers rate
  - [industry placement funding](#) to support institutions impacted by the deferred wave 4 T Levels

## March 2023

- we have updated the national funding rates for [study programmes](#) and [T Levels](#).
- the [programme cost weighting section](#) has information about the changes for 2023 to 2024:
  - the new exceptionally high weighting
  - weighting increases for engineering and manufacturing vocational programmes
  - weighting increase for ICT practitioner programmes
  - weighting changes for land-based vocational programmes
  - weighting reduction for vocational psychology programmes
  - changes to A level science programmes
  - weighting increase for Prince's Trust Team programmes
  - increases to weightings
- we have updated the paragraph in the [disadvantage block 2 section](#) to be more accurate about how we calculate that factor for 14- to 16-year-old direct funded students

- the [advanced maths premium section](#) has information about the updated baseline calculation
- we have updated the [section on capacity and delivery fund \(CDF\)](#) with information on the providers who are eligible
- we are not funding new starts on traineeships after 31 July 2023, and have updated the [traineeships section](#) to reflect this. We will fund continuing traineeship programmes according to the guidance

## Scope of the 16 to 19 funding model

1. The 16 to 19 model covers provision (including [T Levels](#)<sup>1</sup>, but not apprenticeships) for young people aged 16 to 19. It also covers the following groups:
  - a. young people with special educational needs and disabilities (SEND) aged 19 to 24 who have an Education, Health and Care (EHC) plan
  - b. students aged 19 or over who are continuing a programme they started aged 16, 17, or 18
  - c. 14- to 16-year-olds who are directly recruited into eligible further education (FE) and sixth form colleges. Allocations for this delivery use modified elements of the standard formula
  - d. electively home educated (EHE) children of compulsory school age who are enrolled at FE and sixth form colleges<sup>2</sup>
2. The model funds provision in different kinds of providers, including but not limited to:
  - a. FE and sixth form colleges
  - b. designated institutions<sup>3</sup>
  - c. maintained school and academy sixth forms
  - d. 16 to 19 academies
  - e. higher education institutions (HEIs)
  - f. independent learning providers (ILPs)

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<sup>1</sup> A T Level is a 2-year, level 3 programme of education approved by the Institute for Apprenticeships and Technical Education, including three compulsory parts: a technical qualification, an industry placement, maths and English study if required to meet the condition of funding and any other elements determined by the Institute. More information on them is on [GOV.UK](#).

<sup>2</sup> 16- to 19-year-old students who are undertaking a full-time programme through non-publicly-funded distance learning or through an online education provider are not usually eligible for ESFA young people's funding, although they may describe themselves as 'home educated'. This is the same as for students who are privately funding their attendance at an independent provider. However, we make an exception for some students who are doing the Diploma in Sporting Excellence (DiSE), whom we expect to be doing a 16 to 19 study programme alongside the DiSE programme. Some of these young people may be eligible (for both DiSE and study programmes) if they do part of their non-DiSE study through privately funded routes, if they meet specific criteria.

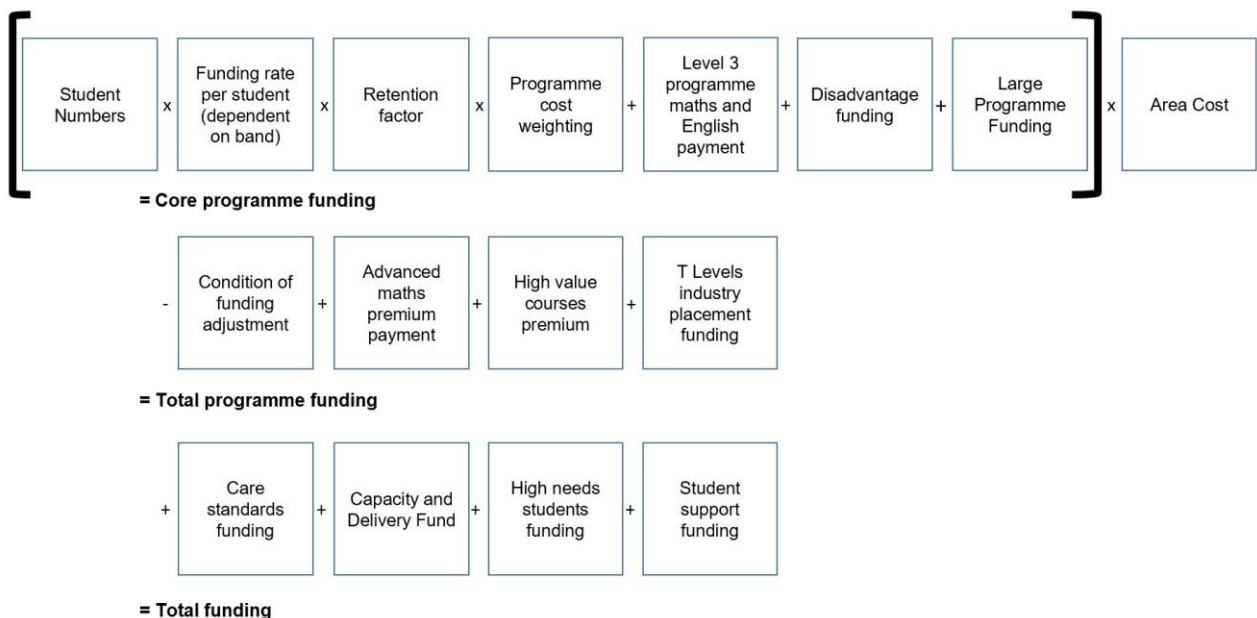
<sup>3</sup> Providers are designated under section 28 of the [Further and Higher Education Act 1992](#).

- g. special post-16 institutions (SPIs)

## Funding methodology

- The funding methodology is used to provide a nationally consistent method of calculating funding for all providers delivering 16 to 19 provision based on:
  - the number of students
  - a national funding rate per student
  - retention factor
  - programme cost weighting
  - the level 3 programme maths and English payment
  - disadvantage
  - large programme funding
  - area cost allowance

## The formula





# Programme funding: core formula funding elements

## Student numbers

4. The funding formula measures the volume of delivery through student numbers and the size of their programme. Funding allocations use a lagged approach and take student numbers from the number of young people participating in the previous year and programme size from the year before that (that is, the last full year's data return).

## Lagged student numbers

5. Our default approach is to base allocations on lagged student numbers. This gives an appropriate allocation for each provider for the current year. Therefore, we describe it as an allocation based on lagged numbers, rather than lagged funding, funding in arrears or a guarantee of a lagged allocation. The lagged approach applies when there is a reasonably consistent level of delivery over time. It covers most, but not all, circumstances.

6. The lagged approach does not apply where there is a material change in the volume of provision offered by a provider. In these cases, we remove the provider from the lagged approach and calculate the funded student numbers as described below in the sections on [new providers](#), [closing providers](#), [transferred provision](#), [exceptional in-year growth](#), and [in-year closures](#).

7. We calculate lagged student numbers in different ways for different types of providers.

a. school sixth forms and most academies: we base the lagged student numbers on the number of funded students recruited in 2022 to 2023, taken at the autumn 2022 census point

- for a small number of academies, we base student numbers on estimates provided by the provider, if this is specified in their funding agreement. These academies are also subject to a pupil number adjustment in-year based on their actual delivery

b. FE colleges, some other FE providers, and some ILPs: we base the lagged student numbers on the number of students funded in 2022 as of 1 November and recorded in the ILR R04 return. To count, students must have at least one aim funded by ESFA under the 16 to 19 young people's funding model that starts on or before this date. As the student numbers are taken partway through the year, we look at the previous full year's data (2021 to 2022 R14) to find out by what

proportion student numbers increased from 1 November to the end of the year. We use this ratio to work out the projected student numbers by the end of 2022 to 2023; this is used for the funded student number in 2023 to 2024

- we also compare the student numbers from the November (R04) data return with the student numbers calculated from the February return (R06), both the year-to-date (the position at 1 February) figure and the number recruited by 1 November. Where there is a significant increase or decrease in student numbers, we may revise the allocation accordingly
- c. ILPs that have significant year-round enrolment: we count students in learning at a rolling 12-month period between February 2022 and January 2023. Students who are in learning in both 2021 to 2022 and 2022 to 2023 are only counted once
- for some ILPs, neither approach is appropriate. In these cases, we use a hybrid of the methods described in b and c
- d. SPIs: we allocate programme funding (element 1) and high needs funding (element 2) using the number of valid students from 2022 to 2023 ILR R06 data returns. We use a census date of 1 February 2022
- e. non-maintained special schools (NMSS): we base the funding allocation on the pupil number data from the autumn 2022 school census, uplifted by the difference between the autumn 2021 and spring 2022 census pupil number data
- f. for local authorities and other smaller providers the above approaches may not be appropriate. In these cases, we use the number of funded students from 2021 to 2022 (the latest year for which a full year's data is available)

## Student numbers for T Levels

8. We calculate the number of fundable T Level students numbers by adding together:
- the number of T Level students from the 2022 to 2023 ILR R04 return or autumn 2022 census return who are planned to continue into 2023 to 2024
  - the number of T Level students a provider plans to recruit in 2023 to 2024 (the number of new starts) as returned in autumn 2022
9. We will publish [information on under- and over-delivery adjustments](#) on GOV.UK.
10. We will keep this approach under review and confirm from when we will apply lagged student numbers to T Level students.

## **Student numbers for new providers**

11. We derive student numbers for new providers in different ways for different types of providers:

- a. new maintained school sixth forms: at opening, student numbers will be one-third of the sixth form's full capacity. In the second year, student numbers will be double the first year's actual recruitment, and in the third year we will use lagged student numbers
- b. new academy sixth forms and 16 to 19 academies: we use the same method as for maintained school sixth forms. In a small number of cases we will base the number on the estimated number of students to be recruited in the first year, as agreed between ESFA and the provider
- c. new free schools, university technical colleges (UTCs), and studio schools with sixth forms: the estimated number of students to be recruited in the first year, as agreed between ESFA and the provider
- d. new providers with ESFA funding for high needs students only: the number of places commissioned by the local authority
- e. new SPIs: we allocate programme funding (element 1) and high needs funding (element 2) using the outcomes of the 2023 to 2024 academic year high needs place change notification process
- f. for other new providers we agree student numbers on a case-by-case basis

12. In all cases, we will review the standard approach when a provider makes a case based on exceptional circumstances.

## **Student numbers for providers stopping 16 to 19 provision**

13. Providers and local authorities (for maintained schools) must inform ESFA when they intend to stop delivering ESFA-funded 16 to 19 provision, whether this is temporary or permanent.

14. When a provider closes, or stops ESFA-funded 16 to 19 provision, we will reduce the lagged numbers to reflect the planned decline in student numbers.

15. We will not allocate 16 to 19 funding to a provider that is completely stopping 16 to 19 provision. We will also reduce funding before that if the change in delivery is material – for example, a rundown of provision over 2 years.

16. For a provider such as a school or academy sixth form, whose students are mainly on 2 year programmes, a typical trajectory for the reduction is half the lagged numbers in the year before closure and no funding in the year of closure.

### **In-year closures**

17. When a provider notifies ESFA after the start of the academic year that they have stopped offering ESFA-funded 16 to 19 provision, or when they do not recruit or enrol any students, we will withdraw the allocation. We will also recover funds if we have already made any payments.

### **Transferred provision**

18. When 2 providers agree to transfer students, the funding for those students will also transfer.

19. In some circumstances we will also transfer the funding when a funded provider (the 'prime') ceases a subcontracting arrangement and the subcontractor transfers the provision to a different prime contractor: the funding follows the student.<sup>4</sup>

### **Exceptional in-year growth**

20. Each year we review the levels of student number delivery of all colleges, schools, academies (except if funded on estimates), SPIs, local authorities, and HEIs based on the autumn school census or ILR R04 data (using the reference date 1 November). When providers deliver exceptional in-year growth compared to their allocation, we may increase their allocations. These arrangements are separate from the reconciliation arrangements that apply to ILPs, which we set out in the [ILR funding returns guidance](#). As this is a data driven exercise, providers do not have to submit a business case to be considered for growth.

21. We identify exceptional growth through analysing the current allocated student numbers against actual evidenced recruitment and the projected year end position. We also consider under-delivery at the provider in the previous year and the national picture of growth. We will base growth funding on a standard threshold determined by affordability, and growth is likely to be funded at a marginal rate. We may require additional eligibility or audit checks before allocating growth funding. We will notify providers who will receive exceptional in-year growth in February or March 2024. We base growth awards on the assumption that the in-year data return is accurate. If we

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<sup>4</sup> You can find more information on funding for transferred subcontracting provision in the [funding guidance on subcontracting controls](#).

find later that the data was inaccurate, then we will partly or fully recover the growth award.

## **Student numbers and funding factors for merged and disaggregating providers**

22. The lagged approach does not apply when there is a material change in the volume of provision.
23. For future year allocations, when mergers take place before 1 August – that is, before the start of the funding year – we will calculate the allocation for the merged provider based on combined data (the underlying data method).
24. When providers merge in-year, we will either add together the allocations for the 2 providers for the current year or calculate the allocation for the merged provider based on combined data. In-year mergers are dealt with on a case-by-case basis, applying the most appropriate allocation method for the circumstances of each case.
25. In subsequent years, we will combine the data for the constituent providers and use this to calculate the allocation for the new provider until all data is covered by one return.
26. We may adjust the area cost weighting according to the methodology set out in the area costs section, so that the weighting is appropriate to the provider's delivery pattern.
27. When some or all of the provision at an existing provider moves to one or more other providers, this is known as disaggregation. We review each individual disaggregation and treat it outside the normal processes on an exceptional basis. We will discuss the split of provision with the providers affected and recalculate their allocations as appropriate.

## **National funding rates**

### **Full time**

28. When we say 'full time' for the 16 to 19 funding model, we mean funding bands 5, 4a and the T Level bands. Therefore 'part time' is funding band 4b or lower.

### **National funding rates for study programmes**

29. For [study programmes](#), we base the funding rate for a student on the planned hours in their study programme. All full-time students are funded at the same basic rate per student, per year. We derive the funding rates for part-time students from the full-

time rate, proportioned according to the midpoint of the hours range. The national funding rates have increased as part of the three-year spending review, as [announced in October 2021](#).

**Table 1: National funding rates for study programmes**

Band		Annual planned hours		National funding rate per student
Study programmes (excluding T Levels)	5	580+ hours	16- and 17-year-olds Students aged 18 and over with high needs <sup>5</sup>	£4,753
	4a	485+ hours	Students aged 18 and over who are not high needs	£3,932
	4b	485 to 579 hours	16- and 17-year-olds Students aged 18 and over with high needs	
	3	385 to 484 hours	All students	£3,198
	2	300 to 384 hours	All students	£2,528
	1	Up to up to 299 hours	All students	£4,753 per full time equivalent (FTE)

30. We expect that full-time study programmes for 16- and 17-year-olds will be on average 640 planned hours per academic year, and we set the funding rate on this basis. For funding purposes, the minimum threshold for 16- and 17-year-olds' full-time programmes is set at 580 planned hours.

31. We fund band 1, the smallest part-time band, on full time equivalents (FTEs). We calculate FTEs as the total planned hours for the student as a proportion of 640 hours.

32. The definitions of the bands are based on the annual hours that are planned for a student. Providers should refer to the [funding regulations](#) for further information on what hours may be included.

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<sup>5</sup> High needs students are those who get element 3 top-up funding. See the section '[High needs student \(HNS\) funding](#)' for more information.

33. The funding rates for bands 4 and 5 are intended to fund a student for a programme that lasts the whole of the academic year. Under the 16 to 19 funding methodology, ESFA regards students who start at the beginning of the year and attend a full-time programme as attending for a whole year.

## National funding rates for T Levels

34. T Level funding rates have increased as part of the three-year spending review. The funding rates also include an extra 10% increase. This higher rate only applies in 2023 to 2024, meaning that students can be funded at different rates in the two years of their programmes:

- a. students who are on continuing programmes in 2023 to 2024 will be funded at a higher rate in this year
- b. students starting T Level programmes in 2023 to 2024 who continue into 2024 to 2025 will be funded at a lower rate in their second year

35. For T Levels, we set the funding band for each occupational specialism based on the expected guided learning hours (GLH) for the core and specialist content.

36. We expect that providers will deliver at least the minimum planned hours unless there are exceptional circumstances. More information on the circumstances in which it is acceptable to record [planned hours below the minimum](#) is on GOV.UK. When a T Level programme is smaller than the minimum hours, we use the planned hours recorded to determine the T Level funding band.

37. We do not fund T Levels at a higher band than the one set for the student's occupational specialism, even when the planned hours exceed the minimum for a higher band.

38. Usually a T Level programme will last 2 years, so the funding rate is for the whole programme and half the funding rate is paid in each year. Students whose T Level only lasts one year will receive half the national rate. Students who continue on their T Level into a third year do not receive any additional funding. We will fund students for one further year when they meet the criteria for a funded retake set out in the [funding regulations](#).



**Table 2: National funding rates for T Levels**

Band		Minimum planned hours for the programme	Average planned hours for the programme	National funding rate per student, per programme
T Levels	9	1730 hours	1830 hours	£15,046
	8	1580 hours	1680 hours	£13,794
	7	1380 hours	1530 hours	£12,544
	6	1180 hours	1330 hours	£10,876

39. The planned hours recorded for T Levels must not include industry placements, maths and English study, or additional qualifications that are not part of the T Level. [Industry placements have a separate funding rate](#), there is an [additional payment for maths and English study in level 3 programmes](#), and the [large programme uplift](#) gives extra funding for AS and A levels. There is more information on [recording T Levels](#) on GOV.UK.

## Programmes and planned hours

40. Planned hours are the hours planned for the programme for the year. ESFA does not expect the planned hours values returned in the ILR and school census to reflect the actual hours delivered.

41. If a provider makes an error in recording the planned hours for a student, they must correct this in the next data return. Otherwise, there are very limited circumstances when providers must change the planned hours recorded for a student. These are set out in the [funding regulations](#).

42. Providers can record a student on a full-time programme even if it does not cover the whole delivery year – for example, for a student who starts a programme in November after withdrawing from a programme at another provider.

43. Some students will have programmes planned in blocks that extend over multiple funding years – that is, they do not have start and end dates within the usual August to July pattern. We determine the funding band for these students by the number of planned hours assigned to them in the funding year. Therefore it is possible for a student to be funded as full time in one year and part time in the next, or part-time in both years, even though their attendance pattern and timetable is the same as students on full-time programmes.

## Students who do more than one study programme in a year

44. ESFA will not fund students to take more than one full-time study programme or the equivalent in multiple part-time programmes in one provider in one funding year. If it is appropriate for students to take multiple part-time programmes in one year, providers must not claim more than the equivalent of a full-time programme. In addition, we will not fund programmes for students who have completed a full-time programme at one provider to start a new programme at a different provider in the summer term of the same academic year. There is an exception for students doing the Diploma in Sporting Excellence (DiSE). You can find [more information about this](#) on GOV.UK.

45. When students complete their programme significantly earlier than the planned end date, and move onto another programme, providers may be required to update the planned hours to claim the appropriate amount of funding. More information on this is in the [funding regulations](#).

## Students who do multiple programmes including a T Level

46. As with study programmes, we do not encourage providers to plan a T Level programme plus other programmes for an individual student in a year. T Levels are full-time programmes and we do not fund students for more than the annual amount for their T Level. Therefore, students who do a T Level and another programme (either a T Level transition programme or another study programme) will only be funded for one programme, whichever is the latest programme recorded. However, students who do an AS or A level alongside their T Level are eligible for the [large programme uplift](#), as long as they achieve their qualifications at the required level.

## Large programme uplift

47. Large programme funding supports students who take significantly larger study programmes in order to prepare for work and university. It gives providers the ability to stretch their most able students by offering a broad range of qualifications.

48. The uplift provides increased funding above the full-time national rate for students that successfully study:

- a. 4 or 5 A levels
- b. [a Technical Baccalaureate \(TechBacc\)](#)
- c. a full International Baccalaureate
- d. a T Level and an additional A or AS level

49. 16- to 17-year-olds and students up to 24 years old who have an EHC plan are eligible for the uplift when they successfully complete one of the study programmes shown in [the table below](#). We will only pay the uplift for an individual student for a maximum of 2 years.

50. We do not include AS and A levels in General Studies and Critical Thinking when determining which programmes are eligible for the large programme uplift.

**Table 3: Study programmes eligible for the large programme uplift**

Study programme	Uplift
4 A2 or full linear A levels achieved at grade B or above OR 3 A2 or full linear A levels achieved at grade B and 1 A2 or full linear A level in further maths achieved at grade C	10%
5 A2 or full linear A levels achieved at grade B or above OR 4 A2 or full linear A levels achieved at grade B and 1 A2 or full linear A level in further maths achieved at grade C	20%
Full level 3 International Baccalaureate Diploma achieved at 28 points or above	20%
Large TechBacc programme equivalent to 4 A levels where all qualifications are passed	10%
Large TechBacc programme equivalent to full level 3 International Baccalaureate where all qualifications are passed	20%

**Table 4: T Level programmes eligible for the large programme uplift**

<b>T Level programme</b>	<b>Uplift</b>
T Level programme with at least a merit grade plus one AS level at grade B or AS level further maths at grade C	10% paid for 1 year
T Level programme with at least a merit grade plus one A level at grade B or A level further maths at grade C	10% paid for 2 years
T Level programme with at least a merit grade plus more than one AS level at grade B or AS level further maths at grade C	20% paid for 1 year
T Level programme with at least a merit grade plus more than one A level at grade B or A level further maths at grade C	20% paid for 2 years

51. We have used the data (from the 2020 to 2021 Young Peoples Matched Administrative Dataset, YPMAD), which is the last full year's attainment data that is available when we calculate the 2023 to 2024 allocations.

52. We will calculate the value of the funding uplift as a separate amount and add it to the funding allocation before the area cost factor is applied.

53. More information on [the large programme uplift](#) is available on GOV.UK.

## Historic data

54. In line with the lagged approach used for student numbers, we use historic information from the latest full year's data to determine funding factors. For the 2023 to 2024 academic year allocations, we use data from 2021 to 2022 ILR R14 or autumn 2022 school census relating to the year end position for 2021 to 2022. We use this data to calculate these elements of the funding formula for each provider:

- a. programme cost weighting
- b. disadvantage funding
- c. area cost uplift
- d. maths and English study in level 3 programmes
- e. high value courses premium

55. Where historic data is not available (often due to the provider being new and therefore not having submitted any data), we use national or local authority averages for the relevant provider type.

## Programmes and core aims

56. The core aim is the principal or 'core' activity in a student's programme. It must be a learning aim so that it can be recorded in the ILR or school census, but it may be an activity represented by a [class code](#), such as [work experience](#). Providers returning the ILR identify the core aim for each programme. For the school census, providers must only identify the core aim for students studying vocational programmes, or mixed programmes with a vocational core.

57. Providers must ensure that students only have the core aim flag against one active learning aim at a time. If a student withdraws from their core aim, providers can flag another learning aim as the core if it is then the substantive and core component of the student's study programme. If an alternative aim that meets these criteria cannot be identified, then the withdrawn aim should remain as the core aim. Students may also have a second core aim if they start a second programme (as set out in the [funding regulations](#)).

58. The core aim is used:

- a. to determine whether the programme is academic or vocational
- b. to calculate programme cost weighting and high value courses premium
- c. as one of the criteria to determine whether the programme is eligible for funding from the T Level capacity and delivery fund (CDF)

## Determining the core aim

59. The core aim is the most important or central element of the programme, around which the rest of the programme is built. It will usually be the component with the largest amount of timetabled activity associated with it, and will usually reflect the primary focus of the programme in line with the student's intended destination (such as employment or further study) at the end of their programme.

60. In the ILR, the core aim determines whether a programme is academic or vocational. Any programme with an academic qualification (as set out in the table [Core aims in academic programmes](#)) as the core aim is an academic programme. When providers select any other type of qualification or work experience as the core aim, the programme is vocational.

61. In the school census we count any programme with a core aim as vocational because a core aim should only be returned for a vocational programme.

- 62. Traineeships must always have work experience as the core aim. Study programmes that are not traineeships may also have work experience as the core aim.
- 63. T Levels must always have the technical qualification as the core aim.
- 64. Each [transition programme](#) must be linked to its associated T Level route. For these programmes, the [class code](#) for the T Level route must be the core aim.

### Work experience core aims

65. When a student has work experience as the core aim of their study programme it must be an external placement. There is more information on [external work placements](#) on GOV.UK. We do not expect the hours for internal work placements to be the largest single activity in a student’s programme.

### Academic programmes

66. [The table below](#) lists the qualification types that are treated as academic for funding purposes. If the student’s core aim in the ILR is not one of the listed types, the student’s programme is vocational. Providers who return the school census must only flag a core aim when the programme is vocational. All programmes with a core aim recorded in the school census will count as vocational, even if the core aim flag is attached to an academic qualification. You can find information on the correct use of the core aim in the census, and the effects of errors, in the [interactive post-16 school census tool](#). For providers that return census data, we may switch a student’s programme type when the data does not indicate a core aim and it appears that a core aim should have been flagged to indicate a vocational programme. However, this switch may not be appropriate in all cases, and providers should not take it as a substitute for correct use of the core aim flag.

**Table 5: Core aims in academic programmes**

Level	Qualification types
3	<ul style="list-style-type: none"> <li>• GCEs: A levels, AS levels, A with AS levels; double awards count as 2 academic qualifications (General Studies and Critical Thinking are excluded)</li> <li>• International Baccalaureate (IB) Diploma</li> <li>• IB Certificates</li> <li>• Cambridge Pre-U Diploma</li> <li>• Access to HE Diploma</li> </ul>

Level	Qualification types
	<ul style="list-style-type: none"> <li>• Core maths</li> </ul>
2	<ul style="list-style-type: none"> <li>• GCSEs – including vocational</li> <li>• GCSE short courses</li> <li>• Free standing maths qualifications (FSMQs)</li> </ul>

67. A levels in Critical Thinking and General Studies must not be core aims. However, providers should include the planned hours associated with them in the total for the planned programme hours.

### Vocational programmes

68. Students who are not on an academic programme are, for funding purposes, on a vocational programme.

69. For funding purposes, T Levels are vocational programmes.

### Definition of a start

70. For funding purposes, we count a student as having started a study programme once they have remained on that programme within the current funding year for a defined period of time, as set out in [the table below](#).

71. For programmes that span more than one funding year, a student must requalify as a start at the beginning of each funding year.<sup>6</sup>

72. We do not fund programmes that are shorter than 2 weeks.

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<sup>6</sup> Students who stay on their programmes longer than expected, and who continue into a new funding year, are only eligible for funding when their programmes include new activity (recorded with learning aims). These students also have to complete the relevant qualifying period.

**Table 6: Criteria to count as a start**

Study programme band and planned length in-year		Qualifying period
Bands 4 and above	2 weeks or longer	6 weeks (42 days)
Bands 1, 2 and 3	24 weeks or longer	6 weeks (42 days)
	2 to 24 weeks	2 weeks (14 days)

73. To determine a study programme's length, we use the earliest start date and latest planned end date of all aims within the programme, or the first and last dates of the funding year if the aims are planned over multiple years. Similarly, the length we use to determine whether the student has met the qualifying period is calculated from the earliest start date and latest actual or planned end date of all aims within a study programme.

## Retention

74. Retention criteria differ according to programme type. To count as retained:

- a. for academic programmes: a student must stay on or complete at least one of the academic aims in their programme in the funding year
- b. for vocational programmes: a student must stay on or complete their core aim in the funding year

75. When students are on a 2 year programme and they complete the first year, they will be counted as retained in that academic year. We define completing the first year as being in learning on the last working day in June.

76. Traineeships have different retention criteria. A student must stay on or complete the [programme aim](#) (a record in the ILR used to identify certain programmes, such as traineeships) to count as retained. The traineeship must be the student's most recent programme – that is, they must have work experience as their core aim. If they have moved onto another programme with a core aim that is not work experience, we use the usual retention criteria for them.

77. Alternatively, within 6 months of leaving a traineeship, the student must have met one of the following criteria.

- a. they must have had 8 consecutive weeks of employment, or 8 consecutive weeks of self-employment of 16 hours or more a week. If they are 16 or 17 years old,



they must combine this with part-time education or training that meets the requirements of the raised participation age<sup>7</sup>

- b. they must have started on an apprenticeship by passing the qualifying period to count for funding
- c. they must have started on another programme at level 2 or level 3 and have passed the qualifying period to count for funding. The programme should include a substantial qualification recognised in the [performance tables](#)

78. ESFA expects that young people’s vocational programmes will usually have a substantial core aim. When students have a short core aim within a larger programme and withdraw from their programme after completing that aim, this can lead to the retention rate being distorted as the student is counted as retained for the whole programme even though they have only completed a small part of their programme.

79. ESFA will monitor the use of short core aims and will consider adjusting the retention rate for individual providers if there is evidence that cohorts of students are entered for programmes that distort the retention rate in this way. ESFA will apply an adjustment to providers whose data returns show material non-compliance with the spirit and intention of the funding methodology.

## Retention factor

80. The funding formula recognises that there is a cost to providers in delivering programmes of study to students who do not complete. This is applied through the retention factor, and the effect on funding is shown in the [table below](#).

**Table 7: Funding for withdrawing students**

Student’s completion status	Percentage of annual funding earned
Student leaves before completing qualifying period	0%
Student leaves and is not recorded as completed	50%

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<sup>7</sup> The statutory duty to participate is set out in section 2 of the Education and Skills Act 2008: [www.legislation.gov.uk/ukpga/2008/25/section/2](http://www.legislation.gov.uk/ukpga/2008/25/section/2). You can find more information on the training required for 16 and 17 year olds who are employment in ‘[Participation of young people in education, employment or training: Statutory guidance for local authorities](#)’ (annex 1, paragraph 14).

Student's completion status	Percentage of annual funding earned
Student retained or leaves and is recorded as completed	100%

81. To reflect the funding reduction for withdrawing students, the funding formula uses a retention factor that is based on the retention rate.

82. The retention rate is the number of students retained (the student's completion status is continuing, completed or on a planned break in learning) divided by the total number of fundable students.

83. The retention factor is halfway between the retention rate and 100 per cent. We calculate it with the following formula.

$$\text{Retention factor} = 50\% + \frac{\text{retention rate}}{2}$$

84. We use a retention factor of 1 to calculate the allocations for direct funded 14- to 16-year-old students.

## Transfers

85. A transfer is when a student stops studying one qualification and takes up another in its place, while staying at the same provider.

86. When a student transfers between qualifications or other programme components (such as work experience or personal development activity), retention is not affected as long as the student continues to meet the retention criteria.

87. When a student stops studying for and does not complete their core aim, providers must only record a replacement core aim when it is a substantial and core component of the study programme. If an alternative aim that meets these criteria cannot be identified, the withdrawn aim must remain as the core aim.

## Withdrawing and enrolling at another provider

88. When a student withdraws from the whole of their programme at one provider and enrolls at another provider within the same funding year, the first provider will receive funding (as long as the student has completed the programme qualification period), adjusted by the retention factor. The second provider should record the student on a full-time or part-time programme, according to the number of hours that their

programme holds for the remainder of the year. The second provider will earn funding for the student.

## Programme cost weighting

89. We use programme weightings to recognise that some programmes are more costly to deliver than others. There are 7 programme weighting factors in the 16 to 19 model. From 2023 to 2024 academic year, we have introduced the programme weighting factor ‘exceptionally high’, with a value of 1.65. There is more information on this change, [increases to all weightings](#) and the other programme weighting changes set out in [this section on GOV.UK](#).

**Table 8: Programme weighting factors**

	Weighting value
Base	1.0
Low	1.13
Medium	1.26
High	1.39
Very high	1.52
Exceptionally high	1.65
Specialist	1.975

90. For vocational programmes, we determine the weighting by the core aim’s sector subject area (SSA) tier 2 classification. The weighting is applied to the student’s whole programme.

91. For directly funded 14- to 16-year-old students, we apply a weighting of 1.04 to the student funding rate.

92. We have increased the weighting for the Prince’s Trust Team programme from medium to high from 2023 to 2024. In order to be recognised as the Team Programme, providers must record one of the Prince’s Trust Team Programme qualifications as the core aim as well as the Prince’s Trust [learning delivery monitoring \(LDM\) code](#) in the ILR.

93. [Annex A](#) shows the SSA classifications and weightings.

94. The programme weightings used for 16 to 19 funding are different to those used in other ESFA funding models.

## A level study programmes

95. We have changed the way that programme cost weightings apply to A level study programmes. In previous years, academic programmes with at least 2 A levels in the science SSA were weighted as low.

96. From 2023 to 2024, we have decided to restrict the number of science A levels that will count towards a programme attracting the low weighting. We no longer count psychology A levels for this purpose and have also added 3 further A level subjects. Therefore, any programme that includes 2 or more of these subjects will attract the low weighting:

- physics
- biology
- chemistry
- design and technology
- electronics
- computer science

97. The [list of qualifying A levels](#) is based on those approved for funding each relevant academic year.

## Vocational psychology programmes

98. We have decreased the weighting for vocational science programmes with a core aim in psychology from low to base (no uplift).

## Specialist land-based programmes

99. Certain programmes in the land-based sector, when delivered in specialist settings, are particularly costly to deliver. The land-based sector covers four SSAs:

- agriculture (SSA 3.1)
- horticulture and forestry (SSA 3.2)
- animal care and veterinary science (SSA 3.3)
- environmental conservation (SSA 3.4)

100. Some providers have specialist land-based resources. When these providers deliver the first 3 areas (agriculture, horticulture and forestry, animal care and veterinary

science), we recognise the higher cost incurred by the subject and the specialist resources by funding with the specialist programme cost weighting.

101. From 2023 to 2024, environmental conservation programmes are not eligible for the specialist programme cost weighting. These programmes attract the very high weighting.

102. We have increased the weighting for specialist land-based programmes delivered by providers without specialist land-based resources. Previously, they attracted the high weighting. From 2023 to 2024, they attract the very high weighting.

103. ESFA will identify which providers are eligible for the specialist weighting, according to the criteria in annex C to this guidance.

## **Engineering and manufacturing, construction and digital programmes**

104. We have increased the weighting for the following SSAs from very high to exceptionally high:

- engineering (SSA 4.1)
- manufacturing technologies (SSA 4.2)
- transportation operations and maintenance (SSA 4.3)
- building and construction (SSA 5.2)

105. We have increased the weighting for the ICT practitioner SSA (6.1) from medium to high.

## **Disadvantage funding**

106. Disadvantage funding is made up of 2 blocks: one to account for students' economic deprivation, and one to account for low prior attainment in English and maths. Disadvantage funding is not ring fenced and providers are free to choose the best ways to use this additional funding to attract, retain and support disadvantaged students and those with learning difficulties and disabilities.

### **Block 1: economic deprivation funding**

107. Block 1 funding recognises that there are additional costs incurred in engaging, recruiting, and retaining young people from economically disadvantaged backgrounds. We determine whether a student is eligible for block 1 funding by their home postcode and the level of deprivation recorded for that area in the Index of Multiple Deprivation (IMD) 2019.

108. Block 1 also provides an additional amount of funding for students who are in care or who have recently left care (£559 per student). We pay the same amount regardless of whether the student is full or part time.

## **Index of Multiple Deprivation (IMD) 2019**

109. We use the 2019 version of the IMD published by the Department for Levelling Up, Housing and Communities. When an updated index is available, we will use that in the calculation of disadvantage block 1 funding for future years.

110. IMD 2019 gives a value of relative deprivation for every lower layer super output area (LSOA) in the country and is widely used in government. It is based on income deprivation, employment deprivation, health deprivation and disability, education, skills and training deprivation, barriers to housing and services, crime and living environment deprivation.

111. The IMD 2019-based disadvantage uplift will mean the following:

- a. increased funding for students living in the 27% most deprived super output areas of the country
- b. the funding uplift for these students ranges from 8.4% to 33.6%, depending on the level of deprivation recorded in IMD 2019

112. The [uplift values for individual postcodes](#) are available on GOV.UK.

## **Block 2: GCSE maths and English**

113. Block 2 funding accounts for the additional costs incurred for teaching and supporting students who have low prior attainment. Low prior attainment is defined as not achieving English and/or maths GCSEs at grades 9 to 4 by the end of year 11 (typically age 16).

114. The low prior attainment measure we use for block 2 funding uses similar criteria to the [condition of funding for maths and English](#). However, students who have achieved an English literature GCSE, but not English language, are eligible for block 2 funding. This is different to the condition of funding criteria, where both English language and literature count as positive prior attainment.

115. The criteria for block 2 funding uses achievement at the end of year 11, rather than at the start of the programme as the condition of funding does.

116. For the purposes of calculating block 2 funding, we will count qualifications equivalent to GCSEs (such as IGCSEs) and level 3 qualifications in maths and English (such as AS/A levels in these subjects) as having completed GCSE-level study.

117. Students with these qualifications by the end of year 11 will not attract block 2 funding.

118. Providers must return data according to these principles in the disadvantage block 2 prior attainment fields in the ILR (learner funding and monitoring (LDM) type ‘EDF’) and school census (maths/English GCSE prior attainment year 11).

119. Block 2 funding is not intended to fund delivery of maths and English qualifications that form part of study programmes, but is to fund support for those students who need it to achieve their learning goals. This includes support for low cost, high incidence learning difficulties and disabilities.

120. Each instance of a student not having achieved a maths or English GCSE at grade 4 or above is counted. This means that a student who does not have either GCSE will be counted twice for the block 2 uplift.

**Table 9: Funding rates for block 2**

Band		Block 2 funding rate per subject, per year
T Levels	6 to 9	£758
Study programmes	5	£559
	4a and 4b	£559
	3	£341
	2	£341
	1	£559/FTE

121. We cannot apply the principles of block 2 funding to 14- to 16-year-olds. Most students in this age group will only just be starting GCSE study, and therefore we cannot use non-achievement of GCSE maths and English as a proxy for low prior achievement. Therefore we will use the percentage of 14- to 16-year-old direct-funded students who are eligible for block 1 funding to derive a factor for block 2 funding, which we will pay at the rate of £1,118 per instance.

### Disadvantage top-up

122. Every provider will receive at least £6,000 of disadvantage funding. If a provider’s total calculated disadvantage funding (block 1 plus block 2) is less than £6,000, we will top up the amount to this value.

## Level 3 programme maths and English payment

123. We give extra funding to providers to deliver maths and English to students doing substantial level 3 study programmes or T Levels.

124. Students are eligible for additional funding in the first year of a level 3 programme when they have not yet attained a GCSE grade 9 to 4 (or equivalent) in maths and/or English, and their study programme meets at least one of these criteria:

- a. it includes at least 2 A levels
- b. it includes a level 3 qualification of at least 360 GLH
- c. it is a T Level

**Table 10: Funding rates for maths and English in level 3 programmes**

	Payment per subject
1 year programme	£375
2 year programme	£750

125. We pay an instance of funding for each subject in which a student does not hold a GCSE grade 4 and is studying an eligible programme. This means that a student who has not passed either English or maths will receive one instance, and those without both GCSEs will receive 2 instances.

126. For students on 2 year programmes, we pay the whole 2 year rate in the first year of their programme, as long as they are continuing at the end of their first year. Otherwise we pay the rate for a 1 year programme.

127. More information on the [level 3 programme maths and English payment](#) is available on GOV.UK.

## Area cost uplift

128. Research has shown that there is a clearly marked difference in the relative costs of delivery between London and the South East, and the rest of England.

129. We normally base the area cost uplift on the delivery locations of the provider's provision (see the following section for more detail).

130. The area cost factors are shown in [the table below](#). [Annex B](#) lists the detailed area cost uplift factors.



**Table 11: Area costs uplift**

	<b>Uplift</b>
London A (Inner London)	20%
London B (Outer London)	12%
Berkshire (fringe and non-fringe)	12%
Crawley	12%
Surrey	12%
Buckinghamshire fringe	10%
Hertfordshire fringe	10%
Buckinghamshire non-fringe	7%
Oxfordshire	7%
Essex fringe	6%
Kent fringe	6%
Bedfordshire	3%
Hertfordshire non-fringe	3%
Cambridgeshire	2%
Hampshire and Isle of Wight	2%
West Sussex non-fringe	1%
Rest of England	0%

### **Area cost uplift factors for geographically dispersed delivery**

131. Where providers deliver provision across local authorities with different factors, we will calculate the area cost factor, using a weighted average of the area costs uplift for each delivery postcode.

132. We review the area cost factors for providers that return ILR data every year. This review compares the geographical spread of provision delivered by each provider

to the method of calculating their area cost factor. We do this to ensure the area cost factor we use most accurately reflects the way provision is delivered in each provider.

- a. we review providers that have 10% or more of their provision in a weighted area
- b. for providers where the agreed approach is to calculate the area costs based on delivery each year, we update the calculated area cost accordingly
- c. for providers where the area cost has previously been based on a standard figure (the head office's postcode or another agreed figure), we will not make a change if the calculated area cost based on delivery postcode is within 1% of the figure used in the previous year's allocation
- d. for local authorities we use the head office postcode unless the authority itself has different fringe/non-fringe values (for example, Hertfordshire). This is due to low student numbers and potential year-on-year fluctuations
- e. for other providers where there is a difference of more than 1% between the area cost factor based on the head office's location and the area cost factor based on a weighted average of delivery locations, we will normally use the weighted average factor

### **Area cost uplift factors for merged providers**

133. When providers merge, we will review their area cost uplift factors. In the first year, we will calculate the area cost uplift factor for the merged provider as the weighted average of the factors for the predecessor providers. After that, we will use the weighted average method for geographically dispersed delivery, as described in the section above.

## Programme funding: additional formula funding elements

### Advanced maths premium

134. We are continuing to fund the advanced maths premium in 2023 to 2024. We give providers additional funding to increase the number of students studying for certain advanced maths qualifications. The funding will help providers remove barriers to advanced maths study and build their capacity to deliver this provision.

135. We have updated our calculation to look at the average number of students studying eligible maths qualifications in each provider, using data from 2019 to 2020 and 2020 to 2021. This gives the baseline number of students; the premium is paid for each advanced maths student above this number. For 2023 to 2024 allocations, the premium is based on the number of students on qualifying programmes in 2022 to 2023 at ILR R04 or autumn 2022 school census.

136. The premium is £600 per student.

137. For advanced maths qualifications that are under 235 GLH (according to the [list of eligible qualifications](#)), we will only pay the premium in 1 year. For larger qualifications, we will pay the premium in 2 years if the student is still in learning in the second year.

138. We will include T Level students in the advanced maths premium calculation for the relevant year if they are taking an advanced maths qualification alongside their T Level.

139. By updating the baseline, some advanced maths premium allocations will change significantly. In April 2023, we contacted institutions affected by this change and confirmed we will provide one year of temporary funding to institutions that would otherwise lose £20,000 or more in advanced maths premium funding in academic year 2023 to 2024 compared with 2022 to 2023.

140. More information on [the advanced maths premium](#) is available on GOV.UK.

### High value courses premium (HVCP)

141. The High Value Courses Premium (HVCP) supports providers to increase the number of students studying substantial programmes in particular subjects.

142. The premium is £600 per eligible student.

143. We pay the premium for these full- and part-time programmes:

- a. substantial A level programmes – those that include at least 2 qualifying A levels

- b. substantial vocational programmes – those that include a qualifying qualification of at least 360 GLH
- c. T Levels in the specified subject areas

144. We have published [a full list of the qualifications](#) that qualify for the premium.

**Table 12: Subjects and SSAs for the HVCP**

<b>A level subject</b>	<b>Sector subject areas (SSAs) for vocational courses and T Levels</b>
Biology	SSA 4.1: Engineering
Chemistry	SSA 4.2: Manufacturing technologies
Computer science	SSA 4.3: Transport operations and maintenance
Design and technology	SSA 5.2: Building and construction
Electronics	SSA 6.1: ICT for practitioners
Further mathematics	
Mathematics	
Physics	
Statistics	

145. We use historic information from the latest full year’s data to determine which students are eligible for the extra funding. For the 2023 to 2024 allocations, we used data from 2021 to 2022 R14 or autumn 2022 school census.

146. More information on [the high value course premium](#) is available on GOV.UK.

## **T Level industry placements**

147. Industry placements are a compulsory element of T Levels.

148. The funding rate for a T Level industry placement is £550. As T Levels are designed to be 2 year programmes, £275 is paid in years 1 and 2 of a student’s T Level.

149. We confirmed in July 2023, that we recognise the resource that institutions put into preparing to deliver some T Levels that are now deferred, including engaging with employers to secure industry placements. Therefore, whilst we will remove the funding related to the deferred wave 4 T Levels, we are allowing institutions that have not withdrawn from delivery to retain the industry placement element of their funding for academic year 2023 to 2024, to support continued engagement with employers and delivery of industry placement style experiences.

150. More information on [T Level industry placements](#) is available on GOV.UK.

## Condition of funding adjustment

151. Students doing study programmes must study maths and/or English when they do not already hold a GCSE grade 9 to 4 (a standard pass grade) or equivalent qualification in these subjects.

152. This requirement is a condition of funding and we remove funding from future allocations for students who do not meet it.

153. We use historic information from the latest full year's data for the condition of funding adjustment. For the 2023 to 2024 allocations, we remove funding for students who do not meet the condition in 2021 to 2022, according to either the 2021 to 2022 R14 or autumn 2022 school census data.

154. T Level students starting their programme from 2022 to 2023 must meet the condition of funding. Students who started a T Level programme in previous years do not have to meet the condition, but we expect that they will work towards achieving a GCSE grade 4 in English and/or maths if they do not already have a level 2 in those subjects.

155. More information on [the condition of funding](#) is available on GOV.UK.

# Funding outside the formula

## High needs student funding

156. High needs students are those who receive additional learning support funding from their local authority high needs budget (often called top-up funding or element 3), in order to gain access to, progress towards, and successfully achieve their learning goals. High needs students include:

- a. students aged 16 to 18 whose additional learning support costs are more than £6,000 who receive top-up funding from the local authority high needs budget. Most, but not all, of these young people will have EHC plans, or
- b. those aged 19 to 24, in FE providers and SPIs, who have an EHC plan and require additional learning support costing over £6,000 from the local authority high needs budget<sup>8</sup>

157. High needs places in non-maintained special schools (NMSS), maintained special schools, special academies, and special free schools are funded at £10,000 per place, rather than element 1 and 2 as described below. They receive top-up funding from the local authorities in which their students are resident.

158. Maintained schools receive place funding directly from the local authority in which they are located. Academies, free schools, NMSS, FE providers, ILPs and SPIs receive place funding through their allocation from ESFA. High needs students in mainstream and alternative provision academies and free schools, FE providers, ILPs and SPIs receive elements 1 and 2 from ESFA and element 3 (top up funding) from the local authorities in which their students are resident.

- a. element 1 – core education funding: programme funding, as described in this document. Providers must not seek funds from local authorities for shortfalls in element 1 in 2023 to 2024
- b. element 2 – additional education support funding: £6,000 per high needs student (place numbers determined by local authorities, apart from SPIs and NMSSs, who

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<sup>8</sup> Only students who meet the above definition are high needs students. Schools must not use money from the schools budget to fund places, or incur other expenditure (such as top-up funding), for 19- to 24-year-olds. (In this context, 'schools' means maintained mainstream schools, maintained special schools, mainstream academies, special academies, non-maintained special schools.) The rules are set out in the [School and Early Years Finance \(England\) Regulations](#) for the relevant year. The young people's model does not fund students aged 19 and over who do not meet the high needs definition; they are funded at adult rates.

are funded directly by ESFA on the basis of lagged ILR and lagged school census data)

- c. element 3 – top-up funding: the additional education support funding provided on a per-student basis by the local authority in which a student is resident

159. We also consider young people to be high needs students when they are part-time and the local authority in which a student is resident has agreed to provide additional support funding that would total more than £6,000 if provided over the full academic year.

160. In all instances, the local authority in which a student is resident must commission a high needs student's placement and include the top-up funding (element 3) to be paid to a provider. An agreement must be in place between the 2 parties to that effect. If the resident local authority does not agree a placement and top-up funding, these students must not be recorded as high needs for funding purposes, even when the provider has assessed a student as requiring additional support or has offered the student a place. We publish information on [high needs funding](#) on GOV.UK.

## Care standards: residential accommodation for young people aged under 18

161. Providers incur additional costs when they provide accommodation for young people aged under 18 who are living away from home and the provider is considered in loco parentis. Some of the costs are associated with complying with legislation such as the Care Standards Act 2000 and related regulations.

162. Care standards funding is available to providers where students are in residence primarily because similar provision is not available locally.

163. To be eligible for care standards funding a provider must:

- a. be registered with Ofsted or the Care Quality Commission (CQC) for inspection under the Care Standards regulations
- b. have a minimum of 12 students funded under the 16 to 19 young people's model aged under 18 in residential accommodation on campus, as recorded in the ILR at 2021 to 2022 R14

164. Care standards funding will be calculated based on the amounts in [the table below](#) and applied to provision for the appropriate year.

**Table 13: Funding for providers with residential accommodation**

<b>Funding per full year student aged under 18</b>	£817
<b>Funding per provider</b>	£12,252

## **Industry placement: capacity and delivery fund (CDF)**

165. The [capacity and delivery fund \(CDF\)](#) will help providers prepare to deliver substantive industry placements for students on vocational and technical study programmes at level 3. In 2023 to 2024, it is only available to providers with an Ofsted rating of 'requires improvement' or 'inadequate' who have previously received CDF funding and who do not opt out. 2023 to 2024 is the last year in which CDF funding will be available.

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

167. We have taken the student numbers in your allocation from your 2021 to 2022 data (ILR R14 or autumn 2022 school census). Students are eligible for CDF funding when they meet all of the following criteria:

- a. they are [full time](#)
- b. they have met the qualifying period for their study programme
- c. they are aged 16, 17 and 18 on 31 August of the relevant academic year – students who are 19 at the beginning of their programme are not included
- d. they are enrolled on a level 2 or level 3 programme, with a vocational core aim – the qualification types that count as vocational are listed on GOV.UK

168. The number of industry placements delivered must be no fewer than 25% of the number of funded students.

169. The funding rate per student is £160.

170. The CDF allocation includes additional student support funding, to recognise that some placements will incur extra costs for students, and that providers may want to offer them financial support. More information is available in the [16 to 19 bursary fund guide](#) on GOV.UK.



## Additional guidance on student programmes

### 14- to 16-year-olds at further education providers

171. FE and sixth form colleges can enrol and claim funding from ESFA for 14- to 16-year-olds. ESFA will fund this provision where colleges express an interest in doing so, and can confirm that they meet the programme eligibility criteria.

172. We fund 14- to 16-year-olds who are in a school or academy through the usual school funding methodologies.

173. Full guidance on [full time 14 to 16 funding enrolment](#) is available on GOV.UK.

174. The funding formula for directly recruited 14- to 16-year-old students is very similar to the formula for all other provision funded by ESFA under the 16 to 19 funding model. The 'Funding arrangements' section of the [14 to 16 guidance](#) gives further information on the formula.

175. Learning aims recorded for 14- to 16-year-old students must be approved in the 14 to 16 EFA funding stream. We publish this information in the [find a learning aim service](#) on GOV.UK.

176. ESFA uses the standard 16 to 19 funding formula to fund students under 16 who hold qualifications that are at least equivalent to a full level 2 (achieved at an earlier age than normal) who wish to enrol on a full level 3 course. Providers do not need to meet the direct recruitment criteria to enrol and record funding for these students.

177. ESFA also funds children who are currently electively home educated (EHE) who attend FE and sixth form colleges. These students can only be enrolled and funded for part-time courses<sup>9</sup> – if a provider recruits them for full-time courses, then they are no longer home educated and the provider will need to meet the criteria for direct recruitment.

178. ESFA does not fund EHE children who attend schools and academies under 16 to 19 funding arrangements: these children are funded through the pre-16 school funding methodology.

179. ILPs who wish to deliver provision for 14- to 16-year-olds must comply with the legislation on independent schools, which may involve [registering as an independent school](#).

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<sup>9</sup> Part-time programmes are those with annual planned hours under 580. Full time is defined in the '[National funding rate](#)' section. We might also consider a course to be full time if it provides, or is intended to provide, all of a child's education.

## Pupil premium funding

180. Some 14- to 16-year-old students will also be eligible for the pupil premium. When providers have directly recruited 14- to 16-year-olds students, we will calculate pupil premium funding outside the formula and in addition to the total programme funding. The eligible groups are:

- a. students who are entitled to free school meals
- b. children of service personnel
- c. children in care and those who have recently left care

## Traineeships

181. From 1 August 2023, we will no longer fund a standalone national traineeships programme. Traineeship provision will be integrated into 16 to 19 study programmes from 1 August 2023. The last start date for traineeships under the current programme is 31 July 2023. Traineeships started on or before this date will continue to be funded as set out below. These are funded as part of the young people's funding methodology and are subject to all the guidance within these documents.

182. For funding purposes, a traineeship programme uses the same principles as any other 16 to 19 study programme, apart from some additional situations in which we count students as retained.

183. Traineeships can last up to 12 months. Therefore traineeship programmes can be full time.

184. When a student progresses from a traineeship to another 16 to 19 study programme, the second programme must have a new core aim of its own as set out in the [funding regulations](#). Providers must also update the planned hours to include the additional activity planned for the year.

185. Providers must record a programme aim in the ILR for all traineeships. We will use the programme aim to calculate retention for students on traineeships.

186. There is an indicator in the school census to identify learning aims that contribute towards a traineeship. Providers must use this indicator for all traineeship aims.

187. We have published more information on [delivering traineeships](#) on GOV.UK.

## Supported internships

188. Supported internships are study programmes that are delivered mainly on an employer's premises, for young people aged 16 to 24 who have learning difficulties and/or disabilities. We fund them in the same way as any other study programme.

189. More information on [supported internships](#) is on GOV.UK.

## T Levels

190. We use the 16 to 19 funding methodology for T Levels. Where there are differences, we have noted them in the relevant section.

191. We fund T Level transition programmes as standard study programmes and at standard study programme rates.

192. More information on [T Levels](#) is available on GOV.UK.

## Annex A: Programme cost weightings by sector subject area (SSA)

Table A1: Programme cost weighting by SSA

SSA tier 2 code	SSA tier 2 description	Programme cost weighting factor
1	Health, public services and care	
1.1	Medicine and dentistry	1.13
1.2	Nursing and subjects and vocations allied to medicine	1.13
1.3	Health and social care	1
1.4	Public services	1
1.5	Child development and wellbeing	1
2	Science and mathematics	
2.1	Science	1/1.13 <sup>10</sup>
2.2	Mathematics and statistics	1
3	Agriculture, horticulture, and animal care	
3.1	Agriculture	1.52/1.975 <sup>11</sup>
3.2	Horticulture and forestry	1.52/1.975
3.3	Animal care and veterinary science	1.52/1.975

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<sup>10</sup> The low programme weighting (1.1) applies to vocational science programmes and academic programmes of 2 or more A levels in physics, biology and chemistry. Other programmes get the base weighting.

<sup>11</sup> The high weighting for SSA 3 includes non-specialist agriculture and animal care. The specialist weighting applies where there is a requirement to maintain specialist facilities such as a farm or equine stables. All criteria for identifying specialist institutions are set out in [annex C](#).

<b>SSA tier 2 code</b>	<b>SSA tier 2 description</b>	<b>Programme cost weighting factor</b>
3.4	Environmental conservation	1.52
4	Engineering and manufacturing technologies	
4.1	Engineering	1.65
4.2	Manufacturing technologies	1.65
4.3	Transportation operations and maintenance	1.65
5	Construction, planning and the built environment	
5.1	Architecture	1.26
5.2	Building and construction	1.65
5.3	Urban, rural and regional planning	1.26
6	Information and communication technology	
6.1	ICT practitioners	1.39
6.2	ICT for users	1
7	Retail and commercial enterprise	
7.1	Retailing and wholesaling	1.26
7.2	Warehousing and distribution	1
7.3	Service enterprises	1.26
7.4	Hospitality and catering	1.39
8	Leisure, travel and tourism	
8.1	Sport, leisure and recreation	1
8.2	Travel and tourism	1

<b>SSA tier 2 code</b>	<b>SSA tier 2 description</b>	<b>Programme cost weighting factor</b>
9	Arts, media and publishing	
9.1	Performing arts	1.26
9.2	Crafts, creative arts and design	1.26
9.3	Media and communication	1
9.4	Publishing and information services	1
10	History, philosophy and theology	
10.1	History	1
10.2	Archaeology and archaeological sciences	1
10.3	Philosophy	1
10.4	Theology and religious studies	1
11	Social Sciences	
11.1	Geography	1
11.2	Sociology and social policy	1
11.3	Politics	1
11.4	Economics	1
11.5	Anthropology	1
12	Languages, literature and culture	
12.1	Languages, literature and culture of the British Isles	1
12.2	Other languages, literature and culture	1
12.3	Linguistics	1

<b>SSA tier 2 code</b>	<b>SSA tier 2 description</b>	<b>Programme cost weighting factor</b>
13	Education and training	
13.1	Teaching and lecturing	1.26
13.2	Direct learning support	1.26
14	Preparation for life and work	
14.1	Foundations for learning and life	1
14.2	Preparation for work	1
15	Business, administration and law	
15.1	Accounting and finance	1
15.2	Administration	1
15.3	Business management	1
15.4	Marketing and sales	1
15.5	Law and legal services	1

## Annex B: Area cost uplifts by region

1. To identify location, we use postcodes and boundaries set by the Office of National Statistics. The table gives the area cost uplifts by local authority.
2. The [full list of area cost uplifts by postcode](#) is available on GOV.UK.

**Table B1: Area costs uplift by region**

<b>London A – 1.20</b>	<b>London B – 1.12</b>
Camden	Barking and Dagenham
City of London	Barnet
Greenwich	Bexley
Hackney	Brent
Hammersmith and Fulham	Bromley
Haringey	Croydon
Islington	Ealing
Kensington and Chelsea	Enfield
Lambeth	Harrow
Lewisham	Havering
Newham	Hillingdon
Southwark	Hounslow
Tower Hamlets	Kingston upon Thames
Wandsworth	Merton
Westminster	Redbridge
	Richmond upon Thames
	Sutton



<b>London A – 1.20</b>	<b>London B – 1.12</b>
	Waltham Forest

<b>Bedfordshire and Hertfordshire non-fringe – 1.03</b>	
Bedford	North Hertfordshire
Central Bedfordshire	Stevenage
Luton	

<b>Berkshire, Surrey, and West Sussex fringe – 1.12</b>	
Bracknell Forest	Slough
Crawley	Spelthorne
Elmbridge	Surrey County Council
Epsom and Ewell	Surrey Heath
Guildford	Tandridge
Mole Valley	Waverley
Reigate and Banstead	Windsor and Maidenhead
Runnymede	Woking

<b>Berkshire non-fringe – 1.12</b>	
Reading	Wokingham
West Berkshire	

<b>Buckinghamshire non-fringe – 1.07</b>	
Aylesbury Vale	Wycombe
Milton Keynes	

<b>Cambridgeshire – 1.02</b>	
Cambridge	Huntingdonshire
East Cambridgeshire	Peterborough
Fenland	South Cambridgeshire

<b>Hampshire and Isle of Wight – 1.02</b>	
Basingstoke and Deane	Isle of Wight
East Hampshire	New Forest
Eastleigh	Portsmouth
Fareham	Rushmoor
Gosport	Southampton
Hampshire County Council	Test Valley
Hart	Winchester
Havant	

<b>Hertfordshire and Buckinghamshire fringe – 1.10</b>	
Broxbourne	South Buckinghamshire
Chiltern	St Albans
Dacorum	Three Rivers
East Hertfordshire	Watford
Hertsmere	Welwyn Hatfield

<b>Kent and Essex fringe – 1.06</b>	
Basildon	Harlow
Brentwood	Sevenoaks
Dartford	Thurrock
Epping Forest	

<b>Oxfordshire – 1.07</b>	
Cherwell	South Oxfordshire
Oxford	Vale of White Horse
Oxfordshire County Council	West Oxfordshire

<b>West Sussex non-fringe – 1.01</b>	
Adur	Horsham
Arun	Mid-Sussex
Chichester	Worthing

## Annex C: Criteria to identify specialist land-based providers

1. Eligible providers offer provision that includes significant volumes of full-time students that require the operation of credible land-based enterprises, operated to industry standards through 365 days per year, needing cover for 24 hours per day. This specialist provision involves plant and/or animal production and management that will normally entail using a significant area of land, estates and gardens. An additional higher cost feature associated with this type of specialist provision is the need to recruit from and manage widely and thinly dispersed catchments.
2. When land-based providers merge with non-specialist providers, the resulting provider will only receive the specialist weighting for qualifying delivery at the land-based provider's premises, as identified by the delivery location postcode in the ILR. The effect is that we only apply the specialist weighting to the part of the merged provider that has specialist resources.

### Screening criteria

3. Providers must meet these criteria:
  - a. an offer in at least 6 of the 12 land-based occupational areas, at least one of which will be agriculture or horticulture
  - b. a minimum of 200 full-time, full-year students in land-based subjects (all modes). Figures include FE and taught HE. Full-time programmes must last at least 30 weeks
  - c. funded provision with progression routes up to and including level 3 or above in at least 4 of the occupational areas
  - d. clear progression pathways to HE
  - e. evidence of substantial involvement of representatives (leaders) of local land based industries in the provider's activity
  - f. levels of investment in physical resources consistent with the vocational levels and range of provision
  - g. existence of commercial enterprises in either agriculture or horticulture that are controlled or managed by the provider and supports a realistic working environment for students to experience in acquiring an appropriate range of industrially relevant skills

## Occupational areas

4. These are the land-based occupational areas:
  - a. agriculture, crops and livestock
  - b. animal care
  - c. aquaculture
  - d. equine
  - e. food manufacture and processing
  - f. game and wildlife management
  - g. landscape
  - h. land-based engineering
  - i. horticulture
  - j. professions allied to veterinary trade
  - k. trees and timber
  - l. viticulture



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