



Education
Funding
Agency

Education Funding Agency
53-55 Butts Road
Earlsdon Park
Coventry
CV1 3BH

Tel: 0370 000 2288
www.education.gov.uk

Friday 6 February 2015

Dear colleague

Funding for academic year 2015 to 2016 for students aged 16 to 19 and students aged 16 to 25 with an education, health and care plan/learning difficulty assessment

Further to [my letter of 23 October 2014](#), I am writing to provide an update on the funding of education and training for young people by the Education Funding Agency (EFA) in the academic year 2015 to 2016. I would be grateful if you would share this with members of your management team and governing body as appropriate.

This letter covers:

- National funding rates
- Data accuracy – study programmes
- English and maths condition of funding
- Sub-contracting
- Charitable and commercial providers – allocations
- High needs students – allocations
- Traineeships – government response to technical consultation
- Free meals for disadvantaged students in FE – allocations
- Residential Support Scheme
- Improved information for institutions.

National funding rates

In the 2015 to 2016 academic year the national funding rate for full-time 16 and 17 year-olds will be maintained at £4,000 and the rate for full-time 18 year-olds at £3,300. As set out in my 23 October letter, there will be no change to the funding rate of £480 for full-time students qualifying for Block 2 disadvantage funding. The rates for part-time students will also be unchanged.

We have started to send out student number statements to schools, academies, colleges and local authorities and will complete this process by mid-February. The remaining timetable for informing institutions of allocations is as per my earlier letter, unless indicated below.

Data accuracy – study programmes

We have undertaken work to examine the accuracy of data supplied by institutions on the planned hours for students' study programmes in the academic year 2013 to 2014. That was the first year of the new funding formula which required institutions to collect and supply data on planned hours as the basis for future years' allocations. This work has shown that data returns have reflected a growth in programme size in line with the government's policy intent as set out in its response to the Wolf review.

Institutions should ensure that planned hours are both realistic and deliverable, supported by the appropriate evidence, and that the core aim is accurately recorded in the individualised learner record (ILR) or school census.

English and maths condition of funding

In February, we will feed back to FE institutions on their early 2014 to 2015 academic year data on the numbers of new students without a prior GCSE at Grade C or above in English or maths who are now studying these subjects. Institutions will wish to ensure that all students covered by the condition of funding are on programmes which include the relevant subjects, in time to meet the funding qualifying period of 6 weeks, before the end of the 2014 to 2015 academic year.

Sub-contracting

We published the [sub-contracting controls guidance](#) for academic year 2015 to 2016 on GOV.UK in December 2014. All institutions intending to enter into sub-contracting arrangements for academic year 2015 to 2016 must familiarise themselves with the content of this document. Institutions should note that we will only fund distance sub-contracting of the whole of a student's programme in exceptional circumstances. Where institutions enter into distance sub-contracting arrangements, they and their governing bodies should ensure that they have a clear rationale for the exceptional nature of the provision.

Charitable and commercial providers – allocations

I [wrote to charitable and commercial providers](#) on 28 November 2014 setting out the approach we are taking to calculating allocations in academic year 2015 to 2016. We will inform these institutions of their allocations in March.

High needs students – allocations

Following the exceptional case process for academic year 2015 to 2016 high needs place numbers in autumn 2014, we will provide an additional £9.1m of post-16 high needs place funding in the academic year 2015 to 2016.

On 17 December 2014 we notified local authorities of their high needs block allocations as part of a wider dedicated schools grant announcement. Within these allocations, we have also provided an additional £47 million in the 2015 to 2016 financial year for both pre and post-16 high needs across all local authorities, distributed using a methodology based on population data. Although we have now finalised place allocations at institution level, local authorities are free to commission extra places at any institution and can use their high needs block to meet the cost of those students' additional support.

Accurate and timely recording of high needs student numbers in the academic year 2014 to 2015 ILR and school census is vital to enable high needs funding to be simplified for the academic year 2016 to 2017 for institutions and local authorities. We have contacted FE institutions and specialist colleges regarding the data they recorded at R04 to request that any necessary corrections take place in time for R06. We will continue to monitor institutions' recording of high needs student numbers at each EFA ILR data collection points during this academic year seeking corrective action where necessary.

Traineeships – government response to technical consultation

In November 2014 the [government published its response to the technical consultation on developing the future of traineeships](#). For 16 to 18 year olds, there will be continuity of funding arrangements in academic year 2015 to 2016 within study programme funding flexibilities. The key changes are improved definitions of outcomes and a minimum standard for traineeships performance at institution level. The outcome definitions, which have been tested with the sector, will be confirmed in March 2015. We and Skills Funding Agency will also work with the sector to determine an appropriate minimum standard. To prepare for the introduction of the minimum standard in academic year 2015 to 2016, institutions should focus on improving the quality of their recorded data on outcomes for young people from traineeships.

We will continue to ensure that funding supports institutions growing traineeship numbers and will in March 2015 review the position based on R06 data received in February. If you do have exceptional growth in traineeships in academic year 2014 to 2015, please raise this with your territorial team during February.

Free Meals for Disadvantaged Students in FE - allocations

For academic year 2015 to 2016 we plan to allocate these funds based on the numbers of eligible students being provided with free meals in each institution in academic year 2014 to 2015. In the autumn R04 data return for academic year 2015 to 2016, a significant number of institutions returned either no data or volumes significantly below those allocated. We are contacting these institutions to ask them to provide accurate data for the R06 February return. This will enable us both to monitor the effectiveness of delivery of this new entitlement for students and to make allocations for academic year 2015 to 2016 on a reliable basis. Allocations for this funding stream will be made by March at the latest.

Residential Support Scheme

The Residential Support Scheme helps support students who need to live away from home because the substantial Level 2 or 3 qualification within their study programme is not available to them locally. We are changing the delivery model from the academic year 2015 to 2016 from a nationally managed applications model to an allocations-based one. This will save around £300,000 in central administration costs. This will increase funding available to students and enable institutions to meet their administrative costs to a maximum of 5% of the funding per institution. We will also streamline the process for institutions to verify that the substantial qualification sought is not available within daily travelling distance of the student's home address.

Improved information for institutions

We have published three online videos. These are:

- [an introduction to the post-16 national funding formula;](#)
- [funding changes for the 2015 to 2016 academic year;](#) and
- [the allocations process for the 2015 to 2016 academic year.](#)

To help institutions find information on funding quickly and easily, we are publishing information on GOV.UK in an accessible and searchable common format. We have recently published information on the [maths and English condition of funding](#) and on the [large programme uplift](#) in this style. We will publish information on topics where institutions commonly raise queries, with the next one being work experience. Details of when this and other topics have been published will be announced in our [weekly e-bulletin](#).

Yours faithfully



Peter Mucklow
National Director for Young People
Education Funding Agency

Annex - Contact details

LAs, schools, colleges and other (non-academy) providers should use the following email addresses to contact the EFA:

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

Academies should use the following email address to contact the EFA:

- Academy.QUESTIONS@education.gsi.gov.uk