

## **Introduction**

Further to the YPLA's *16-19 Funding Statement*, published on 13<sup>th</sup> December 2011, this explanatory note sets out the background details behind the figures in your 16-19 learner number statement for the 2012/13 academic year.

## **Purpose**

We are providing this information now so that you have an opportunity to check and comment on it, or raise any queries you may have. It will also give you a basis on which to plan.

## **Policy Implementation – 2012/13**

In your 2011/12 allocations statement we detailed the funding approach being taken over the spending review period in a very tight financial climate. The 2012/13 academic year will be the second year of these measures. This means we are not introducing any new policy changes that will affect your allocation. As we do every year the data we use to calculate allocations has been updated and we would like to draw your attention to the following key points and changes to data being used.

- Lagged learner numbers: the number of learners funded in 2012/13 will be determined through lagged learner numbers based on the number of learners participating in the previous academic year for FE Institutions and the previous 12 months for independent private providers. This simplifies the allocations system and removes the need for *detailed* individual 'provider dialogue' around allocations – other than in exceptional cases<sup>1</sup>.
- Learners aged over 19 continuing a programme which they began aged 16-18 are included in the lagged learner numbers where they are funded by the YPLA, for example in Sixth Form Colleges.

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<sup>1</sup> Exceptions to lag will be rare but include: infrastructure changes (new institutions/mergers/closures); provision which falls below national Minimum Levels of Performance (MLP) and Ofsted minimum standards, and where insufficient improvement is in hand; redistribution of provision, in the best interest of learners, *agreed by all parties* in consultation with local authorities.

- Programme size – we are continuing with our policy of building up the size of Foundation Learning programmes towards full time and have applied a minimum Standard Learner Number (SLN) to Learner Ratio of 0.7 SLN/Learner. Where the 2010/11 ratio is higher than 0.7 we have applied the higher ratio.
- Disadvantage Funding; the Index of Multiple Deprivation (IMD) used to calculate your disadvantage uplift factor has been updated from the 2007 version to the 2010 release and the uplifts calibrated to maintain our overall investment in disadvantage.
- Success Factor: the qualification success rate used to calculate your success factor will be the 2009/10 academic year success rate. A maximum of 2 percentage points has been applied to reductions in the success factor between 2011/12 and 2012/13.
- Provider Factor: the data used to update the other elements in your Provider Factor is actual data from the 2010/11 academic year.

### **Learners aged 16-18 with High Cost Additional Learning Support (ALS)**

We have included here all learners aged 16-18 that have a recorded ALS spend of over £5,500. For clarity this number is included in the lagged learner number and is not additional.

### **Learners aged 19-24 with High Cost ALS**

We are working with the Department for Education (DfE) and Skills Funding Agency to review the arrangements for funding young adults aged 19-24 with Learning Difficulties and/or Disabilities. For the purposes of this statement we have determined the number of learners in this category in the same way as we did for 2011/12 using 2010/11 LR05 data, or if 2010/11 data is not available, your 2011/12 R04 data. This statement includes the number of learners aged 19-24 that have a recorded ALS spend of over £5,500.

### **High Cost ALS allocations**

Should you have evidence to show that either the number of learners who receive high cost ALS (16-18 or 19-24) will change for 2012/13 (for example because you have been working with your local authority to increase capacity for a specific group of high needs learners) you should provide a short case and your evidence to us, in line with the details in the accompanying letter, so that your case can be reviewed. High cost ALS allocations can be made to any learner responsive provider.

## **Transitional protection**

Transitional protection was introduced in 2011/12 in order to help schools, Academies, colleges and other providers to manage the changes brought about largely as a result of the move towards fairer funding and the reduction in learning hours for non-core programme activities. We will continue to provide transitional protection for these policy changes for 2012/13 and are extending the period for transitional protection to 2015/16.

Your allocation statement in March 2011 for 2011/12 enables you to calculate the amount of transitional protection per learner received for the 2011/12 academic year. This will be removed in four equal instalments or at 3% of your total funding per learner in 2011/12, whichever is the greater.

Please note that changes in funding as a result of the routine updating of the funding formula and changes in learner numbers are not transitionally protected and these changes will affect your allocation. Further details on the transitional protection you will receive will be included in your allocations statement in March 2012.

## **16-19 Bursary Fund**

The data from these two sources is included in your statement (boxes X, Y and AB) for you to check and comment on if necessary:

- firstly the number of learners in the defined vulnerable groups who received a (full or pro rata) bursary in 2011/12 as reported in your Management Information return in October/November 2011; and
- secondly the number of learners in receipt of EMA at £30 per week in the 2009/10 academic year.

The second of these will be used to inform your bursary allocation and the first may be.

## 16-19 Learner Number Statement 2012/13

Each element of the statement is coded with a letter. The notes below explain these elements and the supporting data that underpin that statement using the letter codes.

	<b>Element</b>	<b>Description</b>	<b>Data Source</b>
A	Total Funded Learners for 2012/13	This is the total of G + H below.	
B	Total Funded SLN for 2012/13	This is calculated as A x C	
C	SLN to Learner Ratio for 2012/13	This is the ratio to be used in your 2012/13 allocation and is based on your actual SLN/learner ratio from 2010/11 end-year data.	2010/11 LR05
D	Provider Factor for 2012/13	This is the overall Provider Factor obtained by multiplying individual elements below O x P x Q x R x S x T x U	

## 2012/13 Volumes - 16-19

	<b>Element</b>	<b>Description</b>	<b>Data Source</b>
E	2011/12 R04 Total Learners	For most FE providers this is the actual learner numbers recorded on your 2011/12 R04 return  Not applicable to Independent Private Providers (IPPs) and some small FE institutions	2011/12 R04
F	2012/13 LR01 to LR05 ratio (16-19 learners)	This is your actual LR01 to LR05 ratio for 2010/11  Not applicable to IPPs and some small FE institutions	2010/11 LR05 2010/11 LR01
G	Lagged learner numbers	These are derived by uprating the 2011/12 R04 numbers to a full year estimate by applying the LR01 to LR05 ratio (E x F)  For some small FE institutions where the above is not appropriate, all year	

		<p>2010/11 learner numbers will be used</p> <p>For IPPs a variant of the lagged approach will be applied taking a simple learner count: number of learners carrying into programme in November 2010 plus number of starts from Nov 2010 to Oct 2011. Note: for final allocations Feb 2011 to Jan 2012 data will be used.</p>	<p>2010/11 LR05 2011/12 R04</p>
H	Exceptional variations to lagged learner numbers	<p>An increase or decrease to be applied to the lagged learner numbers above. This is where an exceptional case has been agreed (as detailed in paragraph 31 of the Statutory Guidance).</p>	<p>Statutory Guidance: Funding Arrangements for 16-19 Education and Training</p>
I	Total 16-19 Funded Volumes	<p>Learners: This is the total of G + H.</p> <p>SLN: This is the number of SLN associated with these learners.</p> <p>calculated by learners x C</p>	

J	Total 16-19 Funded Volumes of which Learners without High Cost ALS	<p>Learners: The number of 16-19 learners without high level ALS</p> <p>This is a subset of the overall total learners in I above and derived by subtracting the number of learners with High Cost ALS from those at I.</p> <p>SLN: The SLNs associated with 16-19 learners without High Cost ALS.</p> <p>Calculated as learners x C</p>	2010/11 LR05 or 2011/12 R04
K	16-19 learners with High Cost ALS	<p>Learners: The number of 16-19 learners with high level ALS (over £5500).</p> <p>This is a subset of the overall total learners in I above. This will be taken from 2010/11 LR05 data or 2011/12 R04 data where 2010/11 data is not available.</p> <p>SLN: The SLNs associated with 16-19 learners with High Cost ALS.</p> <p>Calculated as learners x C</p>	2010/11 LR05 or 2011/12 R04

### 2012/13 Volumes - 19-24 with High Cost ALS

	Element	Description	Data Source
L	19-24 Lagged Learners	<p>The number of 19-24 learners with high level ALS (over £5500).</p> <p>This will be taken from 2010/11 LR05 data or 2011/12 R04 data where</p>	2010/11 LR05 or 2011/12 R04

		2010/11 data is not available.	
M	Exceptional variations to lagged learner Numbers	An increase or decrease to be applied to the lagged learner numbers above. This is where an exceptional case has been agreed (as detailed in paragraph 31 of the Statutory Guidance).	Statutory Guidance: Funding Arrangements for 16-19 Education and Training
N	Total 19-24 Funded Volumes	Learners: calculated as L + M above  SLN: calculated as learners x C	

#### Elements of the Provider Factor

	Element	Description	Data Source
O	Area cost	This uplift is based on the higher costs of learning in some areas of the country	The full set of uplifts are set out in YPLA Funding Guidance: Rates and Formula 2011/12 paragraphs 55-60
P	Disadvantage uplift	This is calculated using the Index of Multiple Deprivation (IMD).	2010/11 LR05 This index has been updated to use IMD 2010 for the 2012/13 allocations
Q	Programme weighting	This reflects the different costs of different subjects. It is calculated at learning aim level and then aggregated to provider level	2010/11 LR05 The programme weightings for learning aims are included on the Learning Aim Reference Application (LARA) 16-18 LR section within the weighting factor field
R	Success factor	Success rates based on 2009/10 data have been used. The success factor is midway between 100% and	2009/10 success rates from F05

		<p>the provider success rate.</p> <p>As success rates are not available for Entry to Employment (E2E) provision, any provider that has previously delivered mostly E2E provision will be funded using a qualification success rate of 76%, giving a success factor of 0.88.</p>	
S	Short course modifier	This is calculated from the learner level annual guided learning hours (glh). It only applies to learners with an annual glh of less than 225	2010/11 LR05
T	Care standards factor	An uplift to allow for the extra costs in relation to residential 16 and 17 years olds from complying with the Care Standards Act 2000 and subsequent legislation/regulations	2010/11 LR05 Field L34 of ILR
U	Long term residential factor	An uplift for specialist residential provision in providers designated long term residential colleges	2010/11 LR05 Field A09 of ILR

Note: The above includes impact of the reduction in entitlement curriculum which was implemented in 2011/12. This mainly affects programme weighting.

### 16-19 Bursary Fund Learners

	Element	Description	Data Source
X	Number of learners in the defined vulnerable groups receiving a full £1200 bursary	<p>This figure has been taken from providers' in-year data returns or from any additional funding requests.</p> <p>A zero is shown where a provider submitted a nil return.</p> <p>NR is shown where a provider did not submit a return.</p>	<p>In-year returns or correspondence from providers.</p> <p>Only data received up to 16 December 2011 has been used for this statement</p>
Y	Number of learners in the defined	This figure has been taken from providers' in-year data returns.	In-year returns or correspondence from providers.

	vulnerable groups receiving a pro-rata bursary	A zero is shown where a provider submitted a nil return. NR is shown where a provider did not submit a return.	Only data received up to 16 December 2011 has been used for this statement
Z	2010/11 LR01 to LR05 ratio (Capped at 2.0)	LR01 to LR05 ratio capped at 2.0	ILR data
AA	Total number of learners in the defined vulnerable groups (uplifted by LR01 to LR05 ratio)	Calculated by $(X + Y) \times Z$	
AB	Number of learners in 2009/10 in receipt of EMA at £30 / week	Where a provider had no EMA learners in 2009/10, or where the provision is new, a zero is shown. In those cases, allocations will be based on 36% of your 2012/13 funded learner numbers.	EMA take-up data for 2009/10
<p><b>Notes:</b> The defined vulnerable groups are: Young people in care, care leavers, young people in receipt of income support and disabled young people in receipt of Employment Support Allowance who are also in receipt of Disability Living Allowance will be eligible to receive a bursary of £1,200 a year (pro-rated where the course is less than 30 weeks).</p>			

### Process towards your final allocation in March

The following further actions will take place in order to reach a final allocation in March 2012:

- Determining the national funding rate and then multiplying this by the SLN and the Provider Factor identified in your statement.
- Adding any funding for low level Additional Learning Support.
- Adding any additional funding for disadvantaged students, using a similar approach to that applied in 2011/12
- Adding any additional funding for learners receiving high level Additional Learning Support

- Adding any additional funding for learners who are aged 19-24 and have Learning Difficulties and/or Disabilities and need Additional Learning Support over £5500. This allocation will be agreed with the Skills Funding Agency and added to your final allocation if applicable
- Adding the amount of transitional protection available based on the agreed approach
- Calculating 16-19 bursary funding
- Calculating any residential support funding, if applicable.