

Preparing for  
**Adulthood**



Education & Skills Funding Agency

# Funding of students 16-25 with SEND

## A Quick Guide



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## 1. Introduction and background

This guide provides information on the way the Education & Skills Funding Agency (ESFA) and, in some cases, local authorities will calculate and allocate funding to institutions who provide education to young people with SEND. The guide provides a summary of the structure of the funding system and provides a quick reference guide; further information is available from the links in the document.

This guide does not and is not intended to replace published ESFA funding rules and regulations on gov.uk. ESFA funded institutions and local authorities must abide by and refer to the latest published funding rules, conditions and regulations at all times.

## 2. Education, Health and Care (EHC) plans

The decision by a local authority to issue an EHC plan should be made in accordance with all relevant legislation and the 'Special educational needs and disability code of practice: 0 to 25 years'

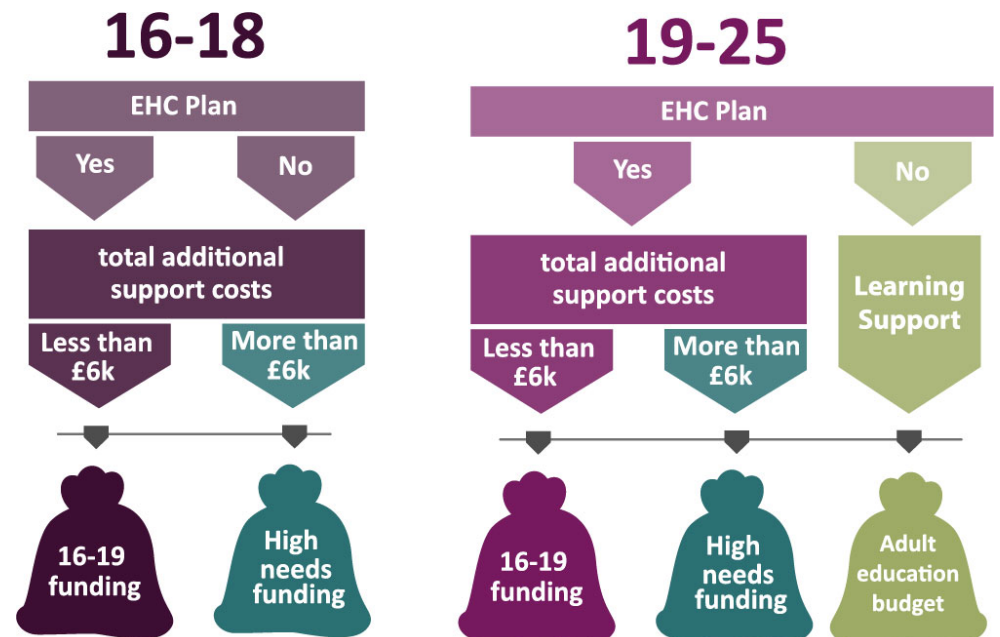
<https://www.gov.uk/government/publications/send-code-of-practice-0-to-25> . Chapter 9 of the Code of Practice covers all the key stages in statutory assessment, planning and preparing the EHC plan, and guidance on related topics.

The EHC plan must set out, among other things, the special educational provision required by the young person. EHC plans should not be awarded in order to determine or secure a particular funding route: the decision should be based solely on the needs of the young person. This guide provides more information on the way the funding works for institutions and local authorities in order to support their students.

## 3. How are institutions funded?

The age of the student, the costs of their additional support and whether or not they have an EHC plan will determine the way the ESFA allocates funding to an institution and whether or not a local authority is able to provide additional ESFA Adult Education Budget Learning Support funds to an institution to support that young person's education.

The flow chart below sets out how the ESFA (and, where relevant, local authorities) will calculate and allocate funding to institutions for students in different situations. Please note that the hyperlinks below will take you to the most commonly asked questions on those funding arrangements.



## 4. Commonly asked questions

Question	Response	Additional Information
<p>How does 16-19 funding work?</p>	<p>The ESFA funds sixth-form colleges, further education colleges, sixth-forms in schools, sixth-forms in academies, special schools, special academies, independent learning providers, local authorities, special post-16 institutions and some higher education institutions. These institutions are funded to provide study programmes for young people.</p> <p>Funding is provided to institutions through the 16-19 national funding formula for students aged 16-19, or up to the age of 25 when they have an EHC plan.</p>	<p>A national funding formula is used to calculate an allocation of funding to each institution, each academic year*. The national funding formula calculates an allocation of disadvantage funding which can be used to provide additional ESFA Adult Education Budget Learning Support to students with SEND where their support costs are less than £6,000.</p> <p>Disadvantage funding is not ring-fenced. This means institutions are free to use this element of the funding to choose the best way to attract, retain and support disadvantaged students and those with SEND.</p> <p>More information on the 16-19 national funding formula can be found at <a href="https://www.gov.uk/guidance/16-to-19-funding-how-it-works">https://www.gov.uk/guidance/16-to-19-funding-how-it-works</a></p> <p>*The national funding formula is not used for special schools and special academies. These institutions are funded on £10,000 per place.</p>

Question	Response	Additional Information
<p><b>How does high needs funding work?</b></p>	<p>The high needs funding system has two main components: core funding and top-up funding.</p> <p><b>Core funding</b> (sometimes called Element 1) is allocated to institutions through the 16-19 national funding formula as described above, alongside <b>place funding</b> (sometimes called Element 2) of £6,000 for each high needs student at the institution.*</p> <p><b>Top-up funding</b> (sometimes called Element 3) is paid from the high needs budget of the local authority in which the student is resident or to which they belong.</p> <p>*The national funding formula is not used for special schools and special academies; the core funding for these institutions is £10,000 per place.</p>	<p><b>Further information about core funding, place funding and top-up funding</b> can be found in the ‘the ‘High needs funding arrangements: 2018 to 2019’ at <a href="https://www.gov.uk/government/publications/high-needs-funding-arrangements-2018-to-2019">https://www.gov.uk/government/publications/high-needs-funding-arrangements-2018-to-2019</a></p>

Question	Response	Additional Information
<p><b>What is high needs 'top-up' funding? (Sometimes referred to as Element 3)</b></p>	<p>Top-up funding is the funding needed over and above place funding to enable a student with high needs to participate in education and learning.</p> <p>It is paid by the local authority in which the student is resident (or belongs in the case of looked after children), from their high needs budget.</p> <p>Local authorities are responsible for high needs students in their area and can decide how much to spend on high needs from the high needs block funding as part of their Dedicated School Grant (DSG) allocations.</p>	<p><b>Top-up funding is:</b></p> <ul style="list-style-type: none"> <li>• Known as Element 3 for 16-19 students</li> <li>• Based on the student's assessed need</li> <li>• Provided by the commissioning local authority and agreed directly with the educational institution in real time and without reference to the ESFA</li> </ul> <p><b>In all instances, high needs funding is allocated to an individual based on assessed need by the responsible local authority.</b> A high needs student's placement must be agreed between the local authority and the institution, and the local authority must pay the institution top-up funding in order for the student to be counted as high needs for funding purposes.</p> <p><b>Further information about top-up funding</b> can be found in the 'High needs funding arrangements: 2018 to 2019' at <a href="https://www.gov.uk/government/publications/high-needs-funding-arrangements-2018-to-2019">https://www.gov.uk/government/publications/high-needs-funding-arrangements-2018-to-2019</a></p>

Question	Response	Additional Information
<p><b>Can an institution access high needs funding from a local authority if the young person does not have an EHC plan?</b></p>	<p>Students aged 16-19 do not require an EHC plan for a local authority to be able to pay top-up funding from its high needs budget. However, this should not circumvent the assessment and/or EHC plan procedures where a plan is needed.</p> <p>19-25 year olds must have an EHC plan to be eligible for support from a local authority's high needs block, although local authorities cannot use this to support 19-25 years olds in schools and academies.</p>	<p>The decision by a local authority to award an EHC plan should be made in accordance with all relevant legislation and the 'Special educational needs and disability code of practice: 0 to 25 years'; the latter can be found at <a href="https://www.gov.uk/government/publications/send-code-of-practice-0-to-25">https://www.gov.uk/government/publications/send-code-of-practice-0-to-25</a></p> <p>EHC plans should not be awarded in order to determine or secure a particular funding route: the decision should be based solely on the needs of the young person.</p>
<p><b>Does funding automatically stop at 18?</b></p>	<p>No. If a young person has an EHC plan, 16-19 funding or high needs funding can continue up to 25.</p> <p>If a student aged 19-25 does not have an EHC plan, they may still be eligible for funding under the ESFA Adult Education Budget Learning Support outlined below.</p>	<p>The guidance makes it clear that the local authority must not cease an EHC plan simply because a young person has reached 19 years of age. However, there is no automatic entitlement to education provision up to age 25.</p> <p>Guidance on 19-25 year olds' entitlement to EHC plans can be found at <a href="http://www.gov.uk/government/publications/send-19-to-25-year-olds-entitlement-to-ehc-plans/send-19-to-25-year-olds-entitlement-to-ehc-plans">www.gov.uk/government/publications/send-19-to-25-year-olds-entitlement-to-ehc-plans/send-19-to-25-year-olds-entitlement-to-ehc-plans</a></p>

Question	Response	Additional Information
<p><b>When should an EHC plan be ceased after age 19?</b></p>	<p>The EHC plan will cease when the student no longer requires the special educational provision within their plan. If the young person is over 19, the institution would no longer be eligible for 16-19 or high needs funding for them. The ESFA Adult Education Budget Learning Support can be used by institutions to fund students aged 19-25 with SEND but without an EHC plan. In this situation, <u>ESFA Adult Education Budget Learning Support funding</u> should be used.</p>	<p>When the student is over 19 years old, the local authority must consider whether the education/training outcomes within the EHC plan have been met. If the learning goals have not been met and a student requires more time to achieve them, the annual review will indicate if the plan needs to continue (up to 25).</p> <p>The local authority should always ensure that social care is informed of any decision to cease an EHC plan. If a student is eligible for social care as an adult, the funding usually commences from their 18<sup>th</sup> birthday. For further information about social care funding and transition refer to the Care Act 2014 at <a href="http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted/data.htm">http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted/data.htm</a></p>
<p><b>Who funds supported internships?</b></p>	<p>Supported internships can either be funded by institutions using their allocation of 16-19 funding or the high needs funding methodology outlined above, depending on the cost of the student's additional support package.</p>	<p>From August 2013, all young people aged 16-19 in full or part-time education (16-24 where the student has an EHC plan) have been expected to follow a study programme – a coherent, personalised learning programme that offers breadth, depth and progression.</p> <p>A supported internship is one type of study programme specifically aimed at young people aged 16-24 who have an EHC plan, who want to move into employment and need extra support to do so.</p> <p><b>Further information about supported internships</b> can be found at <a href="https://www.preparingforadulthood.org.uk/downloads/supported-internships">https://www.preparingforadulthood.org.uk/downloads/supported-internships</a>  <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620920/Supported_Internship_Guidance_updated_with_EFA_funding_advice_May_2017_2.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620920/Supported_Internship_Guidance_updated_with_EFA_funding_advice_May_2017_2.pdf</a></p>



Question	Response	Additional Information
<p>What happens if a young person, over 19, does not have an EHC plan but needs some support?</p>	<p>The ESFA Adult Education Budget Learning Support can be used by institutions to fund students with SEND aged 19-25 without an EHC plan. In this situation, <u>ESFA Adult Education Budget Learning Support funding</u> should be used.</p> <p>It funds students with SEND as set out in the Apprenticeships, Skills, Children and Learning Act 2009. That Act states that these are adults who:</p> <ul style="list-style-type: none"> <li>• are aged 19-25, who do not have an EHC plan; or</li> <li>• are aged 25 and over who have an identified learning difficulty or disability</li> </ul>	<p>ESFA Adult Education Budget Learning Support is available to meet the cost of putting in place a reasonable adjustment, as set out in the Equality Act 2010, for students with SEND to achieve their learning goal. ESFA Adult Education Budget Learning Support must not be used to deal with everyday difficulties that are not directly associated with a student’s participation in their programme.</p> <p>Some students may need significant levels of support to start or continue learning. These students are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These students can get access to <b>exceptional ESFA Adult Education Budget Learning Support</b> if their support costs more than £19,000 in a funding year.</p> <p>However, students aged 19-25 requiring significant levels of SEN support would normally be expected to have an EHC plan provided by their local authority and would therefore be funded through the high needs funding approach.</p>

Question	Response	Additional Information
<p><b>Who funds an apprentice aged 19-24 with an EHC plan?</b></p>	<p>An apprentice with an EHC plan receives funding for the core cost of their training in the same way as all other apprentices. This funding comes from the apprenticeship budget, but employers choose the apprentices and apprenticeship training they need in their business and negotiate how much funding will be paid for it.</p> <p>If an apprentice is 16-18, or aged 19-24 and has an EHC plan, then their employer and training provider each receive an additional £1000 to meet any extra costs in their training.</p>	<p>If an apprentice requires a reasonable adjustment, their training provider can claim ESFA Adult Education Budget Learning Support funding.</p>
<p><b>If a young person aged 19-25 does not have an EHC plan but has requested an assessment from the local authority, can they still enrol with a further education provider?</b></p>	<p>Yes, if eligible, the young person can enrol on a course and the funding will be from the ESFA. Until a decision about their assessment is made by the relevant local authority, a young person aged 19-25 could access learning offered by a provider who receives funding from ESFA Adult Education Budget Learning Support, providing they meet the residency and eligibility rules.</p>	<p>If a student aged 19-24 arrives at a college and, based on the institution's assessment, is likely to need additional support costing over £6,000, the institution can request a statutory assessment for an EHC plan from the student's local authority. In these cases, the local authority has up to six weeks to decide whether to conduct an assessment.</p> <p>While the decision to assess is being made, or the actual assessment period is ongoing, the institution should enrol the student as an adult learner funded by ESFA Adult Education Budget Learning Support. If the student subsequently goes on to receive an EHC plan, the institution should make a change to the individual learner record to indicate that they are to be funded by a combination of place funding from the ESFA young people's funding methodology and top-up funding from the local authority.</p>

Question	Response	Additional Information
<p>What about Traineeships?</p>	<p>These are education and training programmes with work experience, focused on giving young people the skills and experience they need to help them compete for an apprenticeship or other jobs. Traineeships last a maximum of six months and include core components of work preparation training.</p>	<p>Traineeships are currently open to young people aged 16-24 including those with EHC plans. Young People with EHC plans can retain their plan when undertaking a traineeship. The programme lasts a maximum of six months and include core components of work preparation training, a work experience placement and English and Maths (unless GCSE A* - C, grade 4, or higher has already been achieved).</p>
<p>What happens when an individual reaches 25 and wants to continue in education? Does their EHC plan continue?</p>	<p>The latest that an EHC plan can be ceased is when the student is 25.</p> <p>For students with SEND over the age of 25, the ESFA adult funding methodology assumes the responsibility for provision. When a plan is due to cease because a student is about to turn 25, the local authority must discuss the transition arrangements for them with the ESFA.</p>	<p>A local authority must keep under review the ongoing need for an EHC plan. For those students with an EHC plan, local authorities have the power to extend an EHC plan until the end of the academic year in which the student turns 25. If a local authority decides to extend the EHC plan until the end of the academic year, then they remain an ESFA young people's funding methodology-funded student, and the local authority must continue to provide top-up funding to the institution until that time.</p> <p>Place funding will already have been passed to the institution by the ESFA young people's funding methodology for the full academic year as part of their allocation and will not be clawed back because place funding is not associated with individual students.</p> <p>The local authority must liaise with the ESFA young people's funding methodology before they commission a programme for a student that is likely to continue past the academic year in which the student turns 25, as this means that the commissioning and funding will transfer to ESFA Adult Education Budget Learning Support.</p>

## 5. Case Study

### Example of when to use Education & Skills Funding Agency adult funding

This case study details the issues raised by the further education provider and the local authority in identifying how a student should be funded.

#### Young person aged 24, with a hearing impairment

- They do not have an EHC plan
- They want to attend an FE college and are currently not in education
- The college feel they will need high needs funding to be able to provide the support for the student to attend the course and a request an assessment for an EHC plan

The student had a statement of SEN (the predecessor of EHC plans) but it ceased five years previously. A **young person has the right to request an EHC plan and go through a needs assessment to obtain one, a process which can take up to 20 weeks**. Having a needs assessment carried out does not mean a plan will automatically be agreed; it could also be deemed that an EHC plan is not required and that needs can be met using alternative routes. The student did not have high needs the previous academic year, which suggests that their needs had been met within the budget that is ordinarily available through disadvantage funding and did not tip over into the high needs block. The decision whether to agree to an EHC Needs Assessment for the student was taken to the local authority. Based on the evidence and information available, **the local authority panel agreed that the student required support to access the chosen course; however, there is a mechanism to do that which is via the ESFA Adult Education Budget Learning Support.**

The local authority did not dispute that the student would require support to enable them to access their chosen education route, but as the student is 24, it questioned why the college did not enrol the student as an adult student and draw down the additional support costs through their ESFA adult funding contract. The student does not have an EHC plan therefore they are not eligible for high needs funding. The college felt they could not support the student without high needs funding, and stated that the extent of the costs they would have to incur to put in place sufficient support are of a level to define the student as eligible for high needs funding.

However, the local authority reviewed the student's needs and did not think they met the criteria to have an EHC plan, and therefore advised the college that they should be treated as an adult learner. **The college then reviewed the ESFA funding and performance management rules and agreed that the student could be supported through ESFA Adult Education Budget Learning Support and they should be enrolled on their chosen course with support through the ESFA Adult Education Budget.**

**Reference:** <https://www.gov.uk/government/publications/high-needs-funding-arrangements-2018-to-2019>