Department for Education

Guidance

16 to 19 funding: in-year growth for 2025 to 2026

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Applies to England

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In-year growth for 2025 to 2026 (16 to 19 funding)

Each year, we review the early data returns from institutions delivering 16 to 19 education (including up to age 24 for those with high needs) and award in-year growth where necessary, subject to affordability.

This is our expected method for calculating in-year growth awards for academic year 2025 to 2026.

We are planning to make in-year growth payments in academic year 2025 to 2026. Based on our forecast of growth in student numbers, we expect to be able to meet the costs of funding institutions using the published method. We may need to amend our approach to ensure affordability, particularly if we find the number of additional students or the amount of in-year growth payments is higher than forecast.

Accurate data returns

To assist us in coming to an early view on affordability, it is important that institutions complete their data returns (school census or individualised learner record) as accurately as possible from September to November, to record student numbers.

We plan to:

- provide an update in February 2026
- aim to notify all institutions with growth awards by the end of

March 2026

- start to make payments in spring 2026

Summary

There are 3 strands to the in-year growth exercise:

- exceptional in-year growth for student numbers
- exceptional in-year growth for special post-16 institutions (SPIs) and centrally funded exceptions (CFEs)
- free meals in further education (FE) and bursary

All references to R04 in this guidance mean the R04 student figure with a 1 November reference date applied.

This process is entirely data driven; we do not accept business cases for any in-year growth, including data error. We also make growth awards on the assumption that the in-year data used is entirely accurate. If later data returns (usually the R14) show that the in-year data return used for the growth award is inaccurate, even by a single student, we will recover the relevant growth funding. We usually make any recoveries once we have reviewed the final R14 data. However, in exceptional cases, we may make some changes during the year.

Exceptional in-year growth for student numbers

The primary way in which we account for increases in student numbers is through lagged funding. In-year growth funding is exceptional and is intended only for those with significant recruitment above their allocation, to provide a contribution to the

additional in-year costs. It does not fund increases in programme size.

This process does not apply to independent learning providers (ILPs), which have a separate reconciliation process. However, we may apply similar adjustments for this process to ensure growth payments are affordable within the budget available. This process also does not apply to academies on estimates which are subject to the pupil number adjustment.

Process

We expect the methodology for calculating 2025 to 2026 in-year growth awards will follow a 5-step approach.

The overall method to be used does not set a precedent for the method used or thresholds in place in future years. Each year is assessed independently with thresholds, marginal rates dependent on levels of over-delivery and affordability.

1. calculate over-delivery (in numbers of students)
2. from the over-delivery, calculate growth
3. adjust for previous under-delivery
4. apply the growth award minimum
5. round to the nearest whole number

Step 1: over-delivery

The method for calculating student number over-delivery depends on the institution type.

For institutions that submit the individualised learner record (ILR) (colleges, local authorities and higher education institutions), over-delivery is the lower of:

- 2025 to 2026 R04 students multiplied by 2024 to 2025 R04:R14 ratio, less the 2025 to 2026 allocated students
- 2025 to 2026 R04 students less the 2024 to 2025 R04 students

For schools and academies submitting the school census:

- 2025 to 2026 autumn census students less the 2025 to 2026 allocated students

Step 2: growth calculation

There are 2 thresholds, and we will fund over-delivery at different marginal rates for the over-delivery above each threshold. The 2 thresholds are:

- lower threshold – 7.5% of the 2025 to 2026 allocated student number, with a minimum of 25 students and a maximum of 100 students
- upper threshold – 15% of the 2025 to 2026 allocated student number with a minimum of 50 students and a maximum of 200 students

We will not fund over-delivery below the lower threshold because the primary way in which we account for increases in

student numbers is through lagged funding. We will fund 100% of the over-delivery between the lower and upper thresholds. We will fund 50% of the over-delivery above the upper threshold.

Example:
An institution with an allocation of 2,000 students would have a lower threshold of 100 students and an upper threshold of 200 students. If the over-delivery is 250 students, we calculate the growth as follows:

- over-delivery below the lower threshold is not funded, therefore we do not fund the first 100 students
- over-delivery between the lower and upper thresholds is funded at 100%, therefore we fund the next 100 students in full
- we fund 50% of the over-delivery above the upper threshold, therefore we fund 25 of the final 50 students

Growth funding for this institution would be a total of 125 students.

Step 3: previous under-delivery

We will make a deduction for any under-delivery in 2024 to 2025 before finalising the growth award. If there was under-delivery in 2024 to 2025, we will deduct half of this figure from the growth award.

Step 4: minimum growth award

If the figure after step 3 is less than 10 students, we do not make a growth award.

Step 5: rounding

We round your student number growth award to the nearest whole number. The final student number growth award is added to the student number in your allocation statement; we then recalculate your total funding and upload a revised allocation statement for academic year 2025 to 2026 to Document exchange.

We will show this in the student numbers section, exceptional variations to lagged student number line in your allocation statement.

Exceptional in-year growth for SPIs and CFEs

Element 1 growth for SPIs

This section on element 1 growth applies to SPIs only. CFEs should refer to the ‘exceptional in-year growth for student numbers’ section.

The general principles for calculating programme funding increases under the national 16 to 19 funding formula (element 1 growth) are the same as set out above. However, we calculate over-delivery as:

- 2025 to 2026 R04 students less the 2025 to 2026 allocated

students

The thresholds are:

- lower threshold – 7.5% of the 2025 to 2026 allocated student number, with a minimum of 5 students
- upper threshold – 15% of the 2025 to 2026 allocated student number with a minimum of 10 students

Example:
An SPI with an allocation of 80 students would have a lower threshold of 6 students and an upper threshold of 12 students. If the over-delivery is 20 students, we calculate the growth as follows:

- over-delivery below the lower threshold is not funded, therefore we would not fund the first 6 students
- over-delivery between the lower and upper thresholds is funded at 100%, therefore we would fund the next 6 students at 100%
- over-delivery above the upper threshold is funded at 50%, therefore we would fund 8 students at 50% (4 students)

Growth funding for this institution would be a total of 10 students.

We deduct half of the under-delivery in 2024 to 2025 as outlined above, but there is no minimum growth award for element 1 growth for SPIs.

Element 2 growth for SPIs and CFEs

We calculate element 2 over delivery as:

- 2025 to 2026 R04 element 2 students less 2025 to 2026 allocated element 2 students

The threshold used to calculate growth awards depends on the number of element 2 students funded in the 2025 to 2026 allocation. If over-delivery exceeds the threshold, we will fund all over-delivery above the threshold at the full annual rate of £6,000 per place. There are no deductions for previous under-delivery.

1. SPIs/CFEs with a 2025 to 2026 allocation of up to and including 50 high needs students
The threshold will be 5% of the allocated element 2 places. We will fund high needs student places above the threshold at £6,000 per place.

> **Example:**
> An SPI/CFE has an allocation of 40 element 2 places, and records 50 in their ILR R04 return (an additional 10 high needs students). The threshold is calculated as 5% of 40 which is 2. Therefore, we will provide additional element 2 funding of £48,000 (8 × £6,000).

2. SPIs/CFEs with a 2025 to 2026 allocation of 51 or more high needs students
For SPIs/CFEs with 51 or more students in their 2025 to 2026 allocation, the threshold will either be 10% of their allocation or 10 students, whichever is lower. Over-delivery above this threshold will be funded at £6,000 per place.

> **Example:**
> An SPI/CFE has an allocation based on 72 high needs students; therefore, the threshold is 7.2 (as 10% of 72 is lower than 10). The SPI has recorded 90 high needs students in their ILR R04, therefore over-delivery is 18 students. We calculate the growth as 18 minus 7.2 which

is 10.8, rounded to 11 students (as we round to the nearest whole number). Therefore, we provide additional funding of £66,000 (11 x £6,000).

Free meals in FE and bursary in-year growth

Both bursary and free meals in FE allocations are linked to the allocated student number, so an increased student number allocation resulting from the exceptional in-year growth for student numbers process may also result in increased bursary and free meals allocations.

In addition, we will:

- release additional bursary funding outside the main growth process, where analysis of the data suggests that an increased student number could put an institution's bursary allocation under considerable pressure. Additional bursary funding will be awarded where student over-delivery is expected to be 25 or more above the number already allocated, but will be adjusted for bursary funding resulting from exceptional in-year growth
- release additional free meals in FE funding to ensure that institutions have sufficient funding to support the students they recorded as eligible for, and in receipt of free meals, in their in-year data return. Additional free meals funding will be awarded where there are more students recorded as being eligible for and in receipt of free meals than those already allocated plus any free meals award linked to the exceptional in-year growth

Growth calculator

We have provided growth calculators to enable providers to get an indication of their potential growth awards. Please read the cover page of the calculator before using. There are 4 different calculators depending on the provider type:

- colleges and other providers submitting the ILR (except SPIs)
- schools and academies
- SPIs
- CFEs (for element 2 only)

Payments

In most cases, providers will start to receive growth payments from spring 2026 and we will profile these payments across the remainder of the current academic year.

Growth for 2026 to 2027

We have not yet decided on in-year growth for 2026 to 2027. Institutions should not assume that we will continue the 2025 to 2026 rules next year or that early notification of the rules will be possible.

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