

BRIEFING PAPER FOR ASCL MEMBERS: AUTUMN BUDGET 2024 | NOVEMBER UPDATE

The Autumn Budget has delivered the outcome of Phase 1 of the Chancellor’s multi-year spending review. Phase 1 covers a single year, April 2025 to March 2026.

What did the Autumn Budget say about revenue funding for the education sector?

Revenue funding is the money used for ongoing operating expenses, our day-to-day spending on salaries, curriculum resources, and premises running costs.

REVENUE	2023/24	2024/25	2025/26	Average real-terms growth across 2 years (2023/24 - 2025/26)
Education (total)	81.8bn	88.8bn	93.0bn	3.5%
of which Core Schools Budget	57.7bn	61.6bn	63.9bn	1.8%

The core schools budget

The core schools budget includes schools (pre-16), high needs funding, Pupil Premium, and some other small grants. It also tends to include additional grants that are eventually rolled into national funding formula allocations. Things like the core schools budget grant (CSBG), for example. It represents over two thirds of the total education budget.

Additional £2.3bn cash allocated to the core schools budget in 2025/26. This represents 1.4% real-terms growth against current year spending (2024/25 to 2025/26).

- £1bn into the high needs block, distributed to local authorities via the high needs national funding formula (NFF). Includes funds for the high needs element of the CSBG. This represents 6% real-terms growth. It is unclear how much of the £1bn will get to schools and specialist provision and how much will support deficit recovery.
- £1.3bn to fund schools NFF, Pupil Premium, other small additional grants. It includes funds to cover the remaining costs of the 2024 teachers’ pay award. (The existing CSBG supported 7/12th cost of the pay award.)

When will we find out more about the national funding formulae for 2025/26?

DfE colleagues are in the process of calculating the schools and high needs national funding formulae (NFF) for 2025/26, to inform local authorities and schools of the funding they can expect to receive in 2025/26. DfE expects to publish the NFFs by the end of November. Provisional NFF factor values are now available see Appendix 1 of this briefing paper. Keep [checking here](#) for the most up-to-date information.

Early years

The budget confirmed the rollout of government funded childcare and the delivery of free breakfast clubs.

- £1.8bn to continue expansion of early years entitlement places. This funding, distributed via local authorities, includes consideration of inflation forecasts and the April 2025 uplift in the National Living Wage to £12.21 per hour.
- £30 million to fund the rollout of breakfast clubs. More details about the early adopter scheme is [here](#).

FE colleges

Additional funding confirmed, but distribution methodology for most of it is unclear.

- £300 million for FE sector (distribution / targeting not clear).
- £40 million for apprenticeships.

What did the Autumn Budget say about capital funding for the education sector?

Capital funding is for infrastructure projects including condition improvements, rebuild and refurbishment of the estate.

CAPITAL	2023/24	2024/25	2025/26	Average real-terms growth 2023 - 2026	Real-terms growth 24/25 to 25/26
Education	6.2bn	5.5bn	6.7bn	2.2%	19.3%

Capital funding is distributed in several ways, depending on the type and size of the organisation and also according to type of project.

- £1.4bn to continue the schools rebuilding programme. DfE indicates that 100 projects will begin in 2025/26.
- £2.1bn for condition improvement across the school estate.
- £300 million for maintenance and improvement of the college estate. This is part of a £950 million capital pot for skills.
- £15 million to create or expand 3,000 nurseries in primary schools. More details about the School Based Nurseries capital bid scheme [here](#).

Increases to employer National Insurance Contributions (NICs)

Employer NICs will rise by 1.2% in April 2025. The Treasury has said that public sector employers will be compensated for the increase in their NICs contributions, and work is underway to agree how much the DfE will receive as a result.

What happens next?

1. As soon as we have more details about the school level NFF indicative allocations for 2025/26 we will let members know.
2. As soon as we have information about 16-19 programme funding for the 2025/26 funding year we will let members know.
3. The Autumn Budget set the fiscal envelope for government spending for the spending review (SR) and delivered budgets for Phase 1 of the SR. This means that government departments will soon go back into negotiations with the Treasury to determine their settlements for Phase 2 of the SR period (April 2026 onwards). This tends to suggest that multi-year settlements will be available for 2026/27 and beyond.

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November 2024

Appendix 1 | National Funding Formula (NFF) for schools: Policy update 6 November 2024

The table below sets out provisional NFF rates for 2025/26, including baselined grants and the uplift to reflect the cost of twelve months of the September 2024 teachers' pay award.

	2024 to 2025 NFF values	Additions to baselines from grants	CSBG uplift	Provisional 2025 to 2026 NFF values
Basic per pupil funding				
Basic entitlement				
Primary basic entitlement	£3,562	£213	£51	£3,847
Key stage 3 basic entitlement	£5,022	£300	£71	£5,422
Key stage 4 basic entitlement	£5,661	£339	£80	£6,113
Minimum per pupil				
Primary minimum per pupil funding	£4,610	£257	£62	£4,955
Secondary minimum per pupil funding	£5,995	£350	£83	£6,465
Additional needs funding				
Deprivation				
Primary free school meals (FSM)	£490	£0	£0	£495
Secondary FSM	£490	£0	£0	£495
Primary free school meals Ever 6 (FSM6)	£820	£188	£45	£1,060
Secondary FSM6	£1,200	£277	£68	£1,555
Primary income deprivation affecting children index (IDACI) A	£680	£0	£0	£685
Primary IDACI B	£515	£0	£0	£520
Primary IDACI C	£485	£0	£0	£490
Primary IDACI D	£445	£0	£0	£445
Primary IDACI E	£285	£0	£0	£285
Primary IDACI F	£235	£0	£0	£235
Secondary IDACI A	£945	£0	£0	£950
Secondary IDACI B	£740	£0	£0	£745
Secondary IDACI C	£690	£0	£0	£695
Secondary IDACI D	£630	£0	£0	£635
Secondary IDACI E	£450	£0	£0	£450
Secondary IDACI F	£340	£0	£0	£340
Low prior attainment (LPA)				
Primary LPA	£1,170	£0	£0	£1,175
Secondary LPA	£1,775	£0	£0	£1,785
English as an additional language (EAL)				
Primary EAL	£590	£0	£0	£595
Secondary EAL	£1,585	£0	£0	£1,595
Mobility				
Primary mobility	£960	£0	£0	£965
Secondary mobility	£1,380	£0	£0	£1,385
School-led Funding				
Lump sum				
Primary lump sum	£134,400	£8,006	£1,915	£145,100
Secondary lump sum	£134,400	£8,006	£1,915	£145,100
Sparsity				
Primary sparsity	£57,100	£0	£0	£57,400
Secondary sparsity	£83,000	£0	£0	£83,400
Split sites				
Split sites	£80,600	£0	£0	£81,000

The 2025/26 NFF allocations will include funding previously provided through the teachers' pay additional grant (TPAG), the teachers' pension employer contribution grant (TPECG) and the core schools budget grant (CSBG). A small amount of additional funding available to schools has been included to increase factor values on top of the baselined grants.

It is important to note that these are provisional values and that final values may vary slightly. The provisional values suggest that minimum per pupil funding levels (MPPL) will rise by around 1.9%. The MPPL is a protection factor that guarantees a minimum amount of funding for every pupil. The MPPL factor values will remain compulsory in local formulae.

High Needs Funding: 2025/26

The Autumn Budget allocated an additional £1bn to the high needs element of the core schools budget. This brings the total level of high needs funding to £11.9bn in 2025/26. Out of that total the DfE has indicated that £480 million is set aside for allocation to special schools and AP through a grant that combines the high needs elements of the 24/25 TPAG, TPECG and the full year equivalent of the CSBG. This will be called 25/26 CSBG for special schools and AP. We expect detailed methodology for this grant to be available by the end of the year.

The high needs NFF for 2025/26 will include a minimum increase of 7% per head of local authority's 2–18-year-old population. Gains under the formula will be limited to 10%. High needs funding will be allocated via local authorities.



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