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The funding shortfall in Sixth Form Education

Summary of findings for the Sixth Form Colleges Association
January 2024

Summary of findings



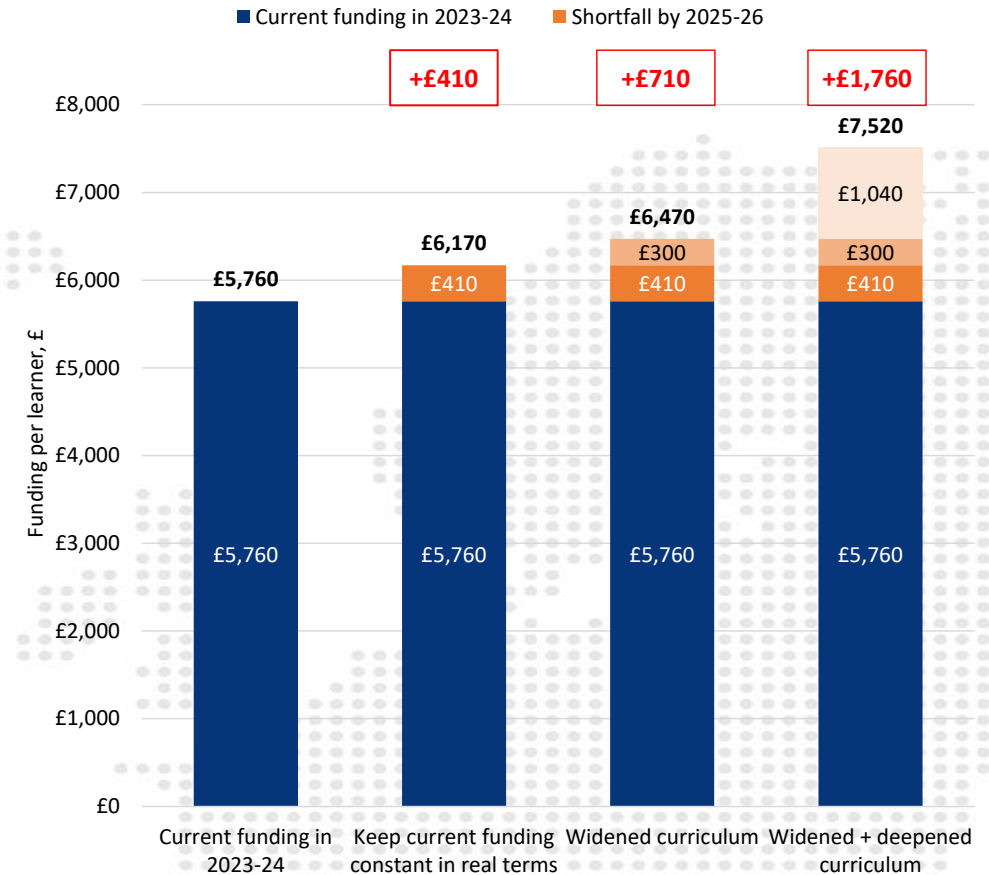
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Summary of findings

Compared to current 16-19 funding in 2023-24, by 2025-26, and accounting for inflation forecasts as well as potential teacher and support staff pay awards:

- **£410** of additional funding per 16-19 learner per year would be needed to ensure that funding in 2025-26 remains the same (in real terms) as current funding levels in 2023-24.
- **£710** of additional funding per learner per year would be required to widen the curriculum by increasing non-qualification and student support time to make sure that every student receives the education and support that they need. This includes:
 - The above **£410** to ensure that current funding remains the same in real terms, and
 - An additional **£300** to widen the curriculum.
- **£1,760** of additional funding per learner per year would be needed to widen *and* deepen the curriculum by further increasing weekly taught qualification time by an additional 2.5 hours per learner, in line with the Government’s proposals for the new Advanced British Standard (on top of the increase in non-qualification and student support time under the widened curriculum). This includes:
 - The above **£410** to ensure that current funding remains the same in real terms,
 - The above **£300** to widen the curriculum, and
 - An additional **£1,040** to deepen the curriculum.

Average funding per 16-19 learner per year, £



Source: London Economics’ analysis.

Note: All values are rounded to the nearest £10, presented in current prices, and may not add up precisely due to rounding. In terms of ‘future-proofing’ to 2025-26 values, all estimates here are adjusted for inflation forecasts as well as expected teacher and support staff pay awards for 2024-25 and 2025-26.

Introduction and overview of the analysis

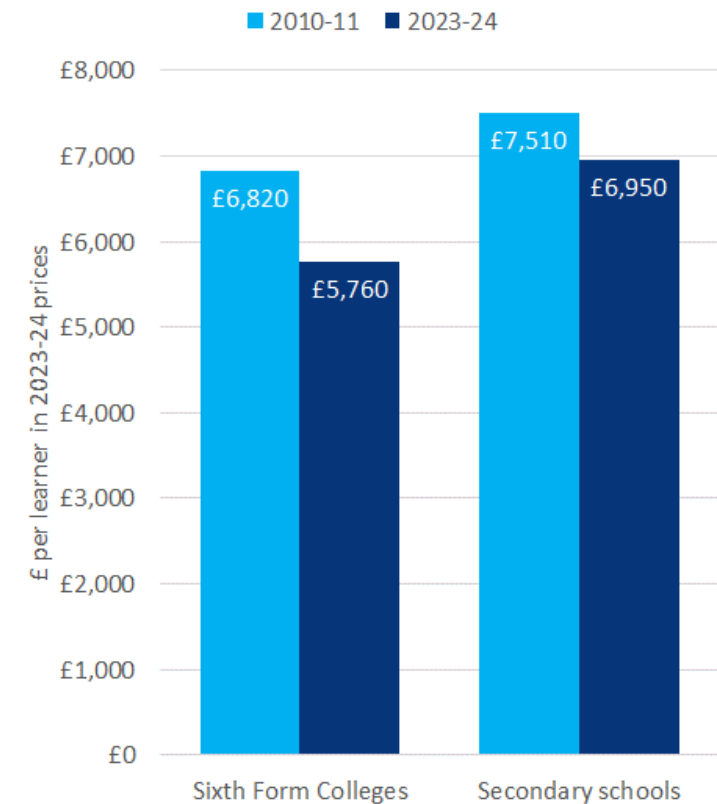


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Introduction and context

- Since 2010-11, there has been a large real-terms decline in 16-19 funding. While funding has started to increase in recent years (with additional amounts allocated as part of the recent spending reviews), this has only partially reversed the funding erosion experienced over the previous decade.
- In 2023-24, average funding per 16-19 learner in Sixth Form Colleges is still **15% lower** than in 2010-11, in real terms (**£6,820** in 2010-11 vs. **£5,760** in 2023-24). For comparison, funding for secondary schools is estimated to have declined by only **8%** over the period¹ (**£7,510** in 2010-11 vs. **£6,950** in 2023-24).
- On top of this funding erosion, Sixth Form Colleges are now facing several **additional financial challenges**, including:
 - **Rising cost pressures** from high inflation levels (also affecting the rest of the education sector), particularly in relation to staff costs (e.g. including the recent 6.5% school teacher pay award for 2023-24²);
 - **Lingering Covid-19 effects**, including lost learning but also the significant detrimental impact on students' mental health, resulting in an increase in students' education and support needs;
 - The ongoing **major government reforms to the English post-16 education landscape**, with the forthcoming removal of 16-19 funding for a wide range of Level 3 qualifications that are deemed to overlap with T levels, and the Government's newly proposed Advanced British Standard³; and
 - A **demographic boom in the number of 16-18 year-olds** moving through the education system.

Funding per learner in Sixth Form Colleges and secondary schools, 2010-11 vs. 2023-24 (£ in 2023-24 prices)



1. Based on information on public spending per secondary school pupil published by the Institute for Fiscal Studies (2023). Note that the information for 2023-24 is based on the Institute's own forecasts based on GDP deflators (as the data on actual spending was not available at the time that the Institute's analysis was undertaken). The information includes both learners aged 11-16 as well as 16-19 in secondary schools. All numbers are expressed in 2023-24 prices and rounded to the nearest £10.

2. See Department for Education (2023a).

3. See Department for Education (2023b).

Source: Secondary schools: Institute for Fiscal Studies (2023). Sixth Form Colleges: London Economics' analysis of 16-19 funding data published by the Young People's Learning Agency (2010) and the Education and Skills Funding Agency (2023a), and GDP deflators published by HM Treasury (2023a). All numbers are rounded to the nearest £10.

Overview of the analysis

- Given these challenges, we were commissioned by the Sixth Form Colleges Association to **analyse the funding shortfall in sixth form (16-19) education in Sixth Form Colleges (SFCs)¹**, focusing on **projected funding needs *per learner* for the 2025-26 academic year**. We assess **4 types of shortfalls**, by comparing the current 2023-24 funding levels for 16-19 learners provided by the Education and Skills Funding Agency (ESFA) to:
 - 1** **What the funding rate would need to be in 2025-26 to keep up with price inflation**, by adjusting *current* funding levels in 2023-24 for inflation to 2025-26 prices. In other words, this shortfall captures what additional funding would be needed to ensure that funding per learner in 2025-26 is the same as funding in per learner in 2023-24, in real terms.
 - 2** **What the funding rate would need to be in 2025-26 to fully reverse the erosion of funding since 2010-11**, i.e. to ensure that funding per learner in 2025-26 is the same as it was in 2010-11, again in real terms.
 - 3** **What the funding rate would need to be in 2025-26 to allow SFCs to widen the current curriculum** by increasing student support time (e.g. for additional mental health support, counselling, and welfare support) and non-qualification time (e.g. for additional employment, enrichment, and tutorial activities).
 - 4** **What the funding rate would need to be in 2025-26 to widen *and* deepen the current curriculum**, i.e. to increase total weekly contact time to 23.5 hours per learner (i.e. an additional average 2.5 hours of taught qualification time on top of the increase in non-qualification and support time under the widened curriculum; the 2.5 hours are based on the increase in taught hours proposed by the Government as part of its vision for the Advanced British Standard²).
- In terms of coverage, the analysis of these funding shortfalls is based on a total of **73 colleges**, including the **44 current SFCs** as well as the **29 former SFCs that have converted to 16-19 academies** (where possible³).

1. We previously undertook a similar assessment of the funding shortfall in sixth form education on behalf of the Sixth Form Colleges Association that focused on the 2016-17 academic year; for more information, see London Economics (2018).

2. For more information, see Department for Education (2023b).

3. i.e. where all of the required data is available for any given institution. Please refer to [Annex II](#) for more information on our methodological approach.

Overview of the analysis

- Each type of estimated funding shortfall is ‘future-proofed’ to account for key forthcoming price changes (i.e. inflationary pressures) between 2023-24 and 2025-26. Within each type of funding shortfall, we adjust the funding rate going forward for **2 types of price increases**:

A

Inflation only, based on GDP deflator forecasts published by the Office for Budget Responsibility¹. In other words, this implicitly (and conservatively) assumes that *all* cost components for SFCs are expected to increase with inflation (only) over time (where inflation is based on changes in the GDP deflator).

B

Inflation and forthcoming teacher and support staff pay awards. *On top of* inflationary increases in all other costs, this takes account of expected **forthcoming increases in teaching and support staff pay** in 2024-25 and 2025-26². As under A), we assume that all other cost components increase with inflation in each year (again based on the GDP deflator).

- In relation to ‘future-proofing’ the funding rate, note that our main findings here do *not* incorporate the proposed increase in employer contribution rates under the Teachers’ Pension Scheme (TPS; from approximately **23.7%** to approximately **28.6%**). Instead, we assume that the current TPS employer contribution grant (which is separate from the main ESFA 16-19 funding allocations) will be increased to cover the expected increase in the TPS employer contribution rate. However, [Annex III](#) provides indicative estimates of how much the 16-19 funding rate would need to be raised by if this was not the case.
- The resulting funding shortfalls are estimated separately for each college, and we then calculate **weighted average funding rates and shortfalls across all colleges** (weighted by the number of 16-19 learners at each college in 2023-24).

1. See Office for Budget Responsibility (2023); note that the forecasts are based on fiscal/tax years, rather than academic years. GDP deflators have been used here as they constitute the standard inflation measure that is used by HM Treasury to analyse public spending in real terms (e.g. see HM Treasury (2023b)).

2. Specifically, we assume an increase in teaching staff pay of **6.1%** in 2024-25, and **3.0%** in 2025-26, and that SFCs will need to apply a similar pay rise to their support staff. These assumptions are based on Office for Budget Responsibility (OBR) forecasts of Consumer Price Index (CPI) inflation in 2023-24 and 2024-25, respectively (see Office for Budget Responsibility (2023)). The focus on *CPI* inflation in the *past* year (rather than *GDP deflator* forecasts for the *forthcoming* year) mirrors the approach taken by the School Teachers’ Review Body (STRB) when assessing price inflation to inform its annual recommendations on teachers’ pay in England. See [Annex II](#) and School Teachers’ Review Body (2023) for more information.

Findings



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What is the funding shortfall in sixth form education?

1. Funding required to keep current funding constant in real terms:

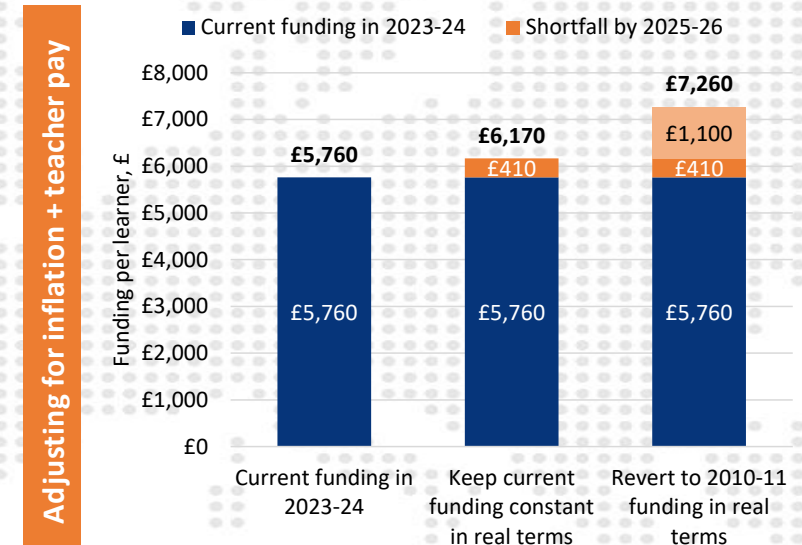
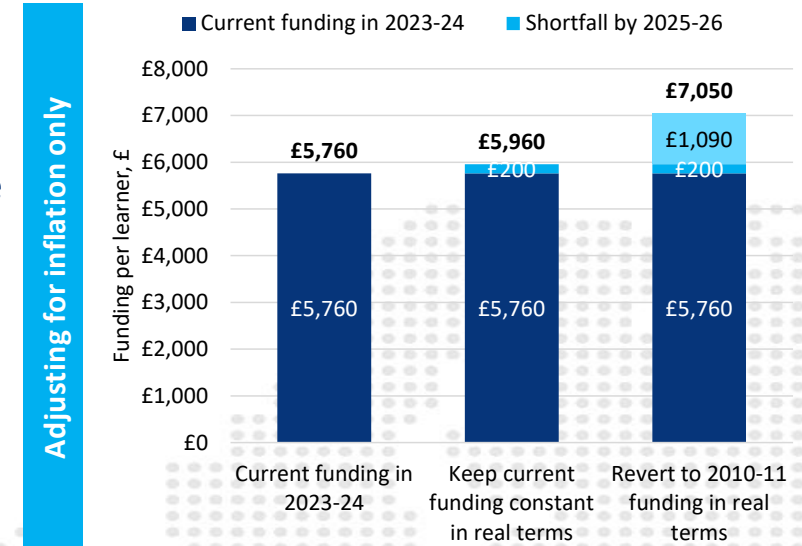
- The average funding per learner provided by the ESFA to Sixth Form Colleges¹ in 2023-24 stands at **£5,760²**.
- **At a minimum**, to ensure that this funding remains the same in real terms (accounting for inflation only) – i.e. to avoid any real-terms erosion going forward - an extra **£200** in additional funding would be required by 2025-26, thus increasing funding per learner to **£5,960** (top chart).
- These estimates do *not* account for expected teaching and support staff pay awards³. Once these are accounted for (if in line with historical CPI in each year; i.e. if teachers and support staff are fully compensated for CPI price increases over time), the funding shortfall increases to **£410** per learner, so that funding would need to increase to **£6,170** by 2025-26 (bottom chart).

2. Funding required to revert to 2010-11 funding in real terms:

- To fully reverse the substantial real-terms erosion of sixth form funding since 2010-11 (accounting for inflation only), compared to the current funding rate of **£5,760**, an extra **£1,290** would be needed by 2025-26, raising funding per learner to **£7,050** (top chart). This includes **£200** to ensure that current funding keeps up with inflation (as above), and an additional **£1,090** to reverse the funding erosion since 2010-11.
- When accounting for inflation *as well as* expected forthcoming teacher pay awards, this funding shortfall increases to **£1,500** per learner, so that funding would need to increase to **£7,260** by 2025-26 (bottom chart). This comprises **£410** to ensure that current funding keeps up with inflation and teaching and support staff pay (as above), and an additional **£1,100** to reverse the funding erosion since 2010-11.

1. And former SFCs with 16-19 academy status. All averages constitute weighted averages (weighted by the number of learners in 2023-24).
 2. All numbers are rounded to the nearest £10, and any totals here may not add up precisely due to this rounding.
 3. i.e. the **£200** funding shortfall here does not account for the fact that teacher and support staff pay awards are expected to be larger than forecast GDP deflator changes in each year.

Average funding per 16-19 learner per year, £



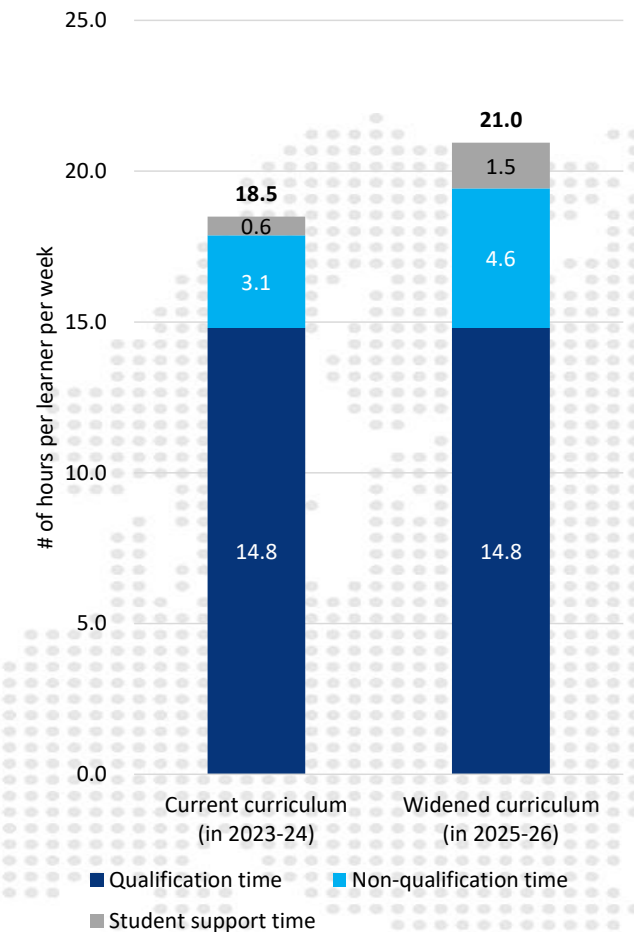
Source: London Economics' analysis. Note: All values are rounded to the nearest £10, presented in current prices, and may not add up precisely due to rounding.

What is the funding shortfall in sixth form education?

3. Funding required to widen the curriculum:

- To estimate the additional funding required to **widen the curriculum** so that all students receive the education and support that they need, we use **data collected by the SFCA as part of its recent Funding Survey**. The survey asked colleges to estimate (all for 2025-26):
 - The **additional hours of non-qualification time and student support time** (in terms of hours per learner per week) that would be necessary to deliver a curriculum that fully meets their students' needs; and
 - The **resources that would be required to provide the additional hours in 2025-26**, in terms of the additional number of teaching staff and support staff (in full-time equivalents (FTE)) as well as the associated additional non-staff costs needed.
- Colleges *currently* deliver an average of approximately **18.5 hours** of contact time per learner per week¹, including **14.8 hours** of qualification time, **3.1 hours** of non-qualification time (such as employment, enrichment, and tutorial activities), and **0.6 hours** of student support time (such as mental health and welfare support, and counselling).
- On top of these hours, colleges indicated that an *additional* **1.6 hours** of non-qualification time and **0.9 hours** of student support time per learner per week (on average) would be needed to provide a curriculum that ensures that all learners receive the necessary education and support. In other words, under the widened curriculum, total contact hours would increase by **2.5 hours**, to **21.0** (including **14.8 hours** of qualification time, **4.6 hours** of non-qualification time, and **1.5 hours** of student support time per learner per week).

Average contact hours per learner per week: Current vs. widened curriculum



1. All averages constitute weighted averages (weighted by the number of learners in 2023-24). All results here are based on 53 colleges that responded to the survey and for which financial and staff data was available (as the latter is required to allow us to estimate the funding shortfall associated with widening the curriculum). Note that the survey asked colleges to provide information on their contact current hours in 2022-23 (the survey was undertaken in July 2023), and we assume that the same hours apply to the 2023-24 academic year. For more information, again see [Annex II](#).

Source: London Economics' analysis based on SFCA Funding Survey data. Note: All numbers are rounded to the nearest 0.1 hours, and may not add up precisely due to this rounding.

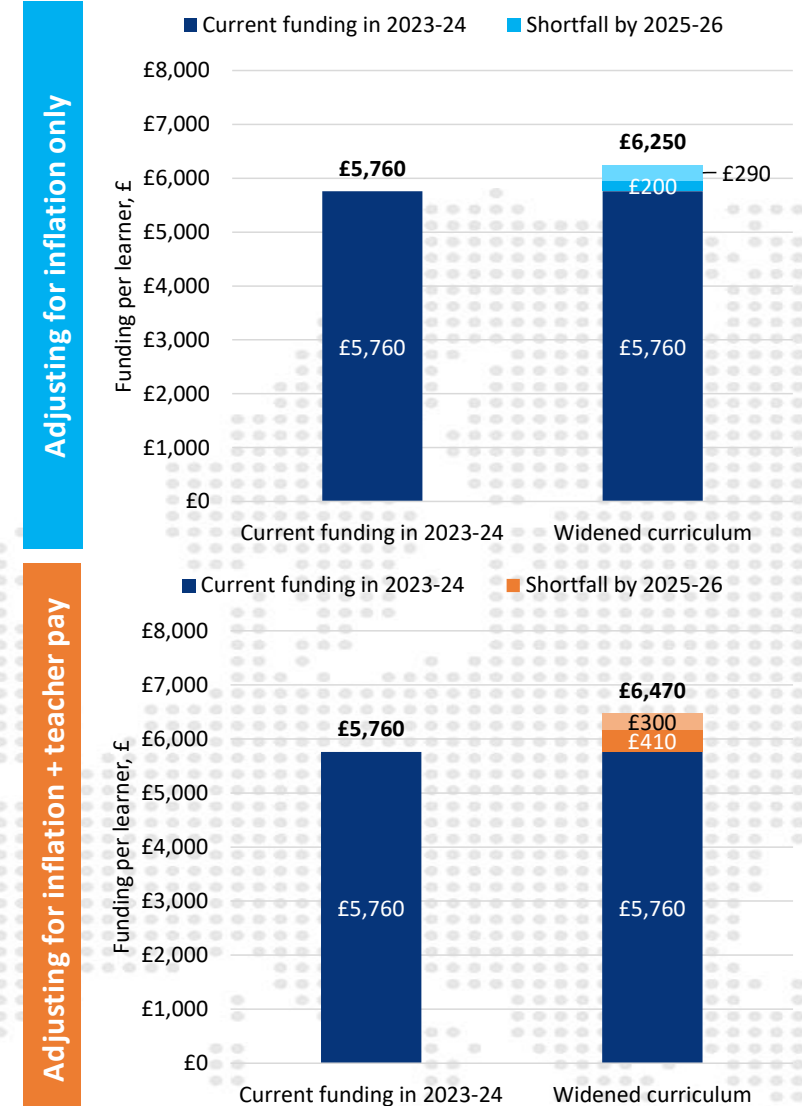
What is the funding shortfall in sixth form education?

3. Funding required to widen the curriculum:

- Compared to current funding per learner of **£5,760**, accounting for inflation only, the provision of this widened curriculum would require an extra **£490** in additional funding to be provided by 2025-26. This would raise funding per learner to **£6,250** (top chart). This **£490** funding shortfall includes:
 - **£200** to ensure that current funding keeps up with inflation (as [above](#)); and
 - An additional **£290** to widen the curriculum (including **£190** to fund the additional non-qualification time, and **£100** to fund the additional student support time).

- In addition, when accounting for inflation forecasts *as well as* assumed forthcoming teacher pay awards, this funding shortfall increases to **£710** per learner, so that funding would need to increase to **£6,470** by 2025-26 (bottom chart). In this case, the **£710** funding shortfall consists of:
 - **£410** to ensure that current funding keeps up with inflation and expected teacher pay awards (as [above](#)); and
 - An additional **£300** to widen the curriculum (including **£200** for the additional non-qualification time, and **£110** to fund the additional student support time¹).

Average funding per 16-19 learner per year, £



Source: London Economics' analysis. Note: All values are rounded to the nearest £10, presented in current prices, and may not add up precisely due to rounding.

11 1. Again, numbers may not add up precisely due to rounding (to the nearest £10).

What is the funding shortfall in sixth form education?

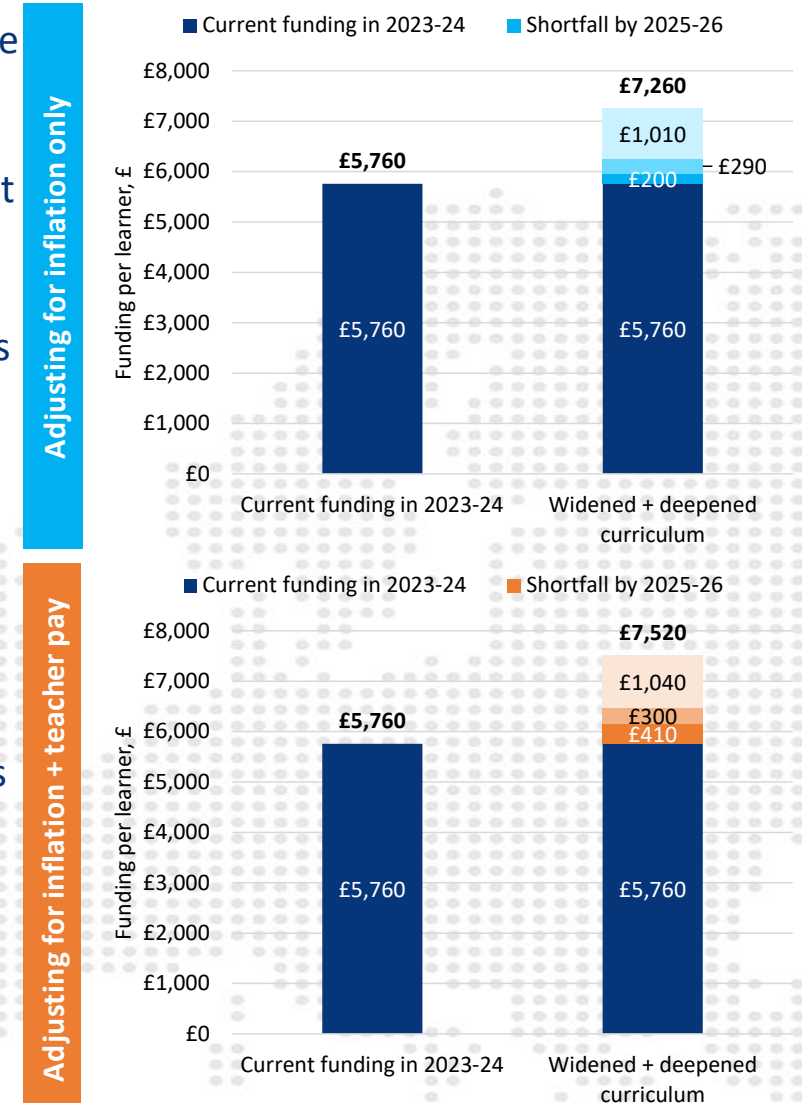
4. Funding required to widen and deepen the curriculum:

- Finally, we assessed the funding required to widen *and* deepen the curriculum. This would involve **increasing weekly total contact hours by another 2.5 hours** (to **23.5 hours**), reflecting the Government’s proposals for the new Advanced British Standard. This was estimated by extrapolating the above analysis of the costs of widening the curriculum (using the additional cost per learner per hour of additional non-qualification or support time)¹.
- Compared to the current funding level of **£5,760**, a widened *and* deepened curriculum would require an estimated additional **£1,500** of funding by 2025-26 (accounting for inflation only), thus raising funding per learner to **£7,260** (top chart²). This **£1,500** funding shortfall would include:
 - **£200** to ensure that current funding keeps up with inflation (as [above](#));
 - **£290** to widen the curriculum (as [above](#)); and
 - **£1,010** to deepen the curriculum.
- Again, the above estimates do *not* account for expected forthcoming teacher pay awards. Once these are included, the funding shortfall increases to **£1,760** per learner, so that funding would need to increase to **£7,520** by 2025-26 (bottom chart). Here, the **£1,760** shortfall includes:
 - **£410** to ensure that current funding keeps up with inflation and expected teacher pay awards (as [above](#));
 - **£300** to widen the curriculum (as [above](#)); and
 - **£1,040** to deepen the curriculum.

1. This is *on top of* the increase in non-qualification and student support time by 1.6 and 0.9 hours (respectively) estimated as part of the costs of widening the curriculum ([here](#)). Hence, we estimate the costs of raising contact hours from an average of 21.0 hours (the current average of 18.5 hours plus the 2.5 hours of non-qualification and support time under the widened curriculum) to 23.5 hours per learner per week.

2. Coincidentally, in rounded terms, this the same funding shortfall as the required additional funding to revert to 2010-11 funding levels in real terms when accounting for both inflation *and* teacher pay awards; see [above](#).

Average funding per 16-19 learner per year, £



Source: London Economics’ analysis. Note: All values are rounded to the nearest £10, presented in current prices, and may not add up precisely due to rounding.

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Annex I: References



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- School Teachers' Review Body (2022). 'Thirty-Second Report – 2022' ([here](#)).
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Annex II: Methodology



Methodology: Data collection and assembly

To undertake the analysis, we merged a range of college-level data, including information on:

- **Total 16-19 funding levels and associated funded learner numbers** in 2010-11 and 2023-24, based on data from the Young People's Learning Agency (for 2010-11) and the Education and Skills Funding Agency (for 2023-24) (see Young People's Learning Agency (2010) and Education and Skills Funding Agency (2023a))¹;
- **Financial and staff data** for 2021-22², including information on total staff costs and the associated number of staff (in FTE terms), allowing us to calculate the average staff cost per FTE for teaching staff and teaching/education support and other support staff³; and
- Data from the SFCA's recent **Funding Survey** (undertaken in July 2023) of current and former SFCs in relation to the **cost to colleges of widening the curriculum**, including:
 - **Average contact time delivered per learner per week in 2022-23** (separately for qualification time, non-qualification time, and student support time);
 - **The additional hours of non-qualification and student support time per learner per week** that will be required in the 2025-26 academic year to ensure that all students receive the education and support they need; and
 - The associated **additional number of teaching staff, support staff, and additional non-staff costs** that they would need in 2025-26 to deliver this widened curriculum⁴.

1. Note that the information for 2010-11 includes (a small level of) funding for provision for 19-24 learners with learning difficulties and/or disabilities. Similarly, the information for 2023-24 includes funding for students aged 19 to 25 with an education, health, and care plan.
2. 2021-22 was the latest year for which this information was available at the time of the analysis. In the absence of information for 2023-24, we used the financial outcomes and staff levels from the 2021-22 accounts, but:
 - Uprated colleges' teaching and support staff costs by historical teacher pay awards in 2022-23 (5.0%) and 2023-24 (6.5%) (see School Teachers' Review Body (2022 and 2023, respectively)); and
 - Uprated all other college costs by annual inflation in 2022-23 and 2023-24 (again using GDP deflator data published by HM Treasury (2023a)).
3. Financial and staff data for the 44 current Sixth Form Colleges was sourced from data published by the Education and Skills Funding Agency (2023b). Financial data for the 29 former SFCs that are now 16-19 academies were sourced from the Education and Skills Funding Agency (2022), while these academies' staff data were sourced from (unpublished) data from the SFCA's 2021-22 Workforce Survey provided to us by the SFCA.
4. In their responses to the SFCA's Funding Survey, colleges were asked to assume that qualification time would remain unchanged in 2025-26 as compared to their current curriculum, and to provide responses based on their *current* numbers of 16-19 learners (i.e. to assume that there would be no change in their learner numbers, to allow for a 'like-for-like'/'all else equal' comparison).

Methodology: Data collection and assembly

- We merged the above college-level data sources based on the list of 44 current SFCs and 29 former SFCs with academy status that are operating in 2023-24. We excluded any colleges that were operating in 2010-11 but that are no longer active in 2023-24. For colleges that merged between the two years, we included the merged new institution in 2023-24, but *not* the original separate institutions in 2010-11.
- The below table provides a summary of each of the above datasets and highlights the number of (current and former) Sixth Form Colleges from each source that are included in the analysis.

Overview of data sources used throughout the analysis

Dataset	Source	Number of colleges covered		
		Current SFCs	Former SFCs (now academies)	Total
Young People’s Learning Agency 16-19 funding allocations for 2010-11	Young People's Learning Agency (2010)	44	28	72
Education and Skills Funding Agency 16-19 funding allocations for 2023-24	Education and Skills Funding Agency (2023a)	44	29	73
College financial accounts in 2021-22	Education and Skills Funding Agency (2023b)	43	-	43
Academy financial accounts in 2021-22	Education and Skills Funding Agency (2022)	-	29	29
SFCA Workforce Survey 2021-22	Unpublished data provided to us by the SFCA	-	25	25
SFCA Funding Survey 2023	Unpublished data provided to us by the SFCA	34	23	57

Methodology: Estimating funding shortfalls

Using the above data, the different required funding levels in 2025-26 are calculated as follows (separately for each college):

1. Keeping current funding constant in real terms

- **A) 'Future-proofing' for inflation only:** Estimated by uprating funding per learner in 2023-24 with Office for Budget Responsibility (2023) GDP deflator forecasts for 2024-25 and 2025-26 (in terms of the % change on the previous year)
- **B) 'Future-proofing' for inflation and teacher pay awards:** Estimated by:
 - Adjusting average teaching staff costs and support staff costs per learner in 2023-24¹ with expected teacher pay awards for 2024-25 and 2025-26²
 - Uprating the *remaining* funding per learner in 2023-24³ with GDP deflator forecasts

2. Reverting to 2010-11 funding levels in real terms

- **A) 'Future-proofing' for inflation only:** Estimated by uprating funding per learner in 2010-11 with historical GDP deflator data for 2011-12 to 2023-24 published by HM Treasury (2023a), and GDP deflator forecasts for 2024-25 and 2025-26 published by the OBR (2023)
- **B) 'Future-proofing' for inflation and teacher pay awards:** Estimated by:
 - Adjusting average teaching staff costs and support staff costs per learner in 2023-24⁴ with expected teacher pay awards for 2024-25 and 2025-26
 - Uprating the *remaining* 2010-11 level of funding per learner (adjusted to 2023-24 prices)⁵ with GDP deflator forecasts

1. Again, note that, in the absence of actual cost data for 2023-24, we used the financial outcomes (including teaching and support staff costs) from the 2021-22 accounts, but uprated colleges' expenditures to 2023-24 levels (see [above](#) for more information).
2. As part of its annual recommendations for teacher pay in England, the STRB typically considers CPI inflation in the *past* year to inform its recommendations for the coming year. For example, in its report outlining the recommended pay award for 2023-24, the STRB assessed the level of CPI inflation in 2022-23 (specifically, in the year up to March 2023; see STRB (2023), p.15) as the most directly relevant period to consider when making recommendations on pay increases from September 2022 levels to levels effective from September 2023. We have mirrored this approach here, and therefore assume an increase in teacher (and support staff) pay of **6.1%** for 2024-25 and of **3.0%** for 2025-26, based on OBR forecasts of annual CPI inflation for 2023-24 and 2024-25, respectively (see Office for Budget Responsibility (2023)); in other words, we assume that teaching and support staff pay will increase with CPI inflation.
3. This 'remaining funding per learner' is calculated by deducting average teaching staff costs and support staff costs per learner in 2023-24 from the total amount of ESFA funding per learner in 2023-24 (i.e. we implicitly convert every £1 of additional teaching or support staff cost per learner into a £1 increase in the required funding rate).
4. Note that the estimates here likely underestimate the true funding shortfall, since our analysis does not take account of the (likely higher) average teaching staff costs and support staff costs per learner that would be required to deliver the much broader curriculum that was provided in 2010-11 (before the above-discussed significant erosion in 16-19 funding). Instead, our analysis here is based on the average teaching staff and support staff cost per learner *in 2023-24*.
5. Here, the remaining funding per learner in 2023-24 is calculated by uprating total funding per learner in 2010-11 to 2023-24 prices (using historical GDP deflator data), and then deducting average teaching staff and support staff costs per learner in 2023-24.

Methodology: Estimating funding shortfalls

Using the above data, the different required funding levels in 2025-26 are calculated as follows (separately for each college):

3. Widening the curriculum

- **A) 'Future-proofing' for inflation only:**
 - Based on SFCA Funding Survey data on the additional number of teaching and support staff and non-staff costs that would be required by colleges in 2025-26 to increase non-qualification and student support time to ensure that every student receives the education and support they need
 - Funding per learner = [Current funding per learner updated to 2025-26 values (1A)] + [Additional non-staff cost¹ + # of additional FTE staff x average staff cost per FTE staff (updated to 2025-26 values using *GDP deflator forecasts*)] / [# of learners]
- **B) 'Future-proofing' for inflation and teacher pay awards:** Estimated using similar approach as above, but instead updating teaching and support staff costs with expected teacher pay awards:
 - Funding per learner = [Current funding per learner updated to 2025-26 values (1B)] + [Additional non-staff cost¹ + # of additional FTE staff x average staff cost per FTE staff (updated to 2025-26 values using *expected teacher pay awards*)] / [# of learners]

4. Widening and deepening the curriculum

- **A) 'Future-proofing' for inflation only:**
 - Based on assumed 23.5 contact hours (per learner per week) and teaching staff/support staff/non-staff cost per additional hour of contact time² from 3A
 - Funding required = [Funding per learner required to widen curriculum (3A)] + [additional contact hours] x [cost per additional hour of contact time (3A)] / [# of learners]
- **B) 'Future-proofing' for inflation and teacher pay awards:**
 - Based on assumed 23.5 contact hours (per learner per week) and teaching staff/support staff/non-staff cost per additional hour of contact time² from 3B
 - Funding per learner = [Funding per learner required to widen curriculum (3B)] + [additional contact hours] x [cost per additional hour of contact time (3B)] / [# of learners]

1. In all instances, colleges' responses on the additional non-staff costs required to deliver the widened curriculum were updated for inflation to reflect 2025-26 values (again using GDP deflator forecasts).
 2. The costs of widening the curriculum only include increases in non-qualification and support time, but *not* qualification time. Here, in the absence of alternative information, we implicitly assume that an hour of additional qualification time would be associated with the same cost (per learner per hour per week) as an hour of additional non-qualification or student support time.

Methodology: Additional details

Core inflation and pay growth assumptions for ‘future-proofing’ the estimates to 2025-26 values (% growth on previous year)

Year	Inflation (growth in GDP deflator ¹)	Growth in teacher and support staff pay ²
2024-25	1.7%	6.1%
2025-26	1.7%	3.0%
Cumulative total	3.4%	9.3%

Source:

¹ Office for Budget Responsibility (2023) forecasts of annual changes in the GDP deflator for fiscal years 2024-25 and 2025-26.

² Office for Budget Responsibility (2023) forecasts of annual changes in CPI for fiscal years 2023-24 and 2024-25, respectively (i.e. as outlined above, we use CPI inflation in each past year to inform expected teacher pay awards for the next year (e.g. using 2023-24 CPI inflation to inform the assumed pay award for 2024-25)).

of colleges that the analysis of each funding shortfall is based on (i.e. for which all required data was available)

Type of funding shortfall	Future-proofing for:	
	Inflation only	Inflation + teacher pay awards
Increasing current funding levels in line with inflation	73	68
Reverting to 2010-11 funding levels	72	67
Widening the curriculum	53	53
Widening & deepening the curriculum	53	53

Source: London Economics’ analysis

Note: Numbers of colleges include both current SFCs as well as former SFCs that have converted to 16-19 academy status. Numbers are based on instances where all necessary data was available to calculate the respective funding shortfall for a given college.

Annex III: Supplementary findings



LE

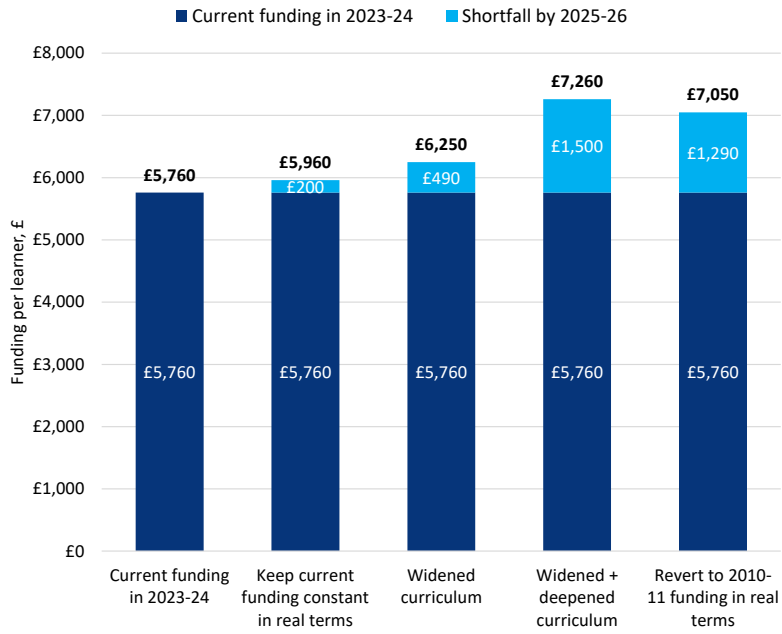
London
Economics

Funding shortfall in sixth form education with potential increase in teacher pensions

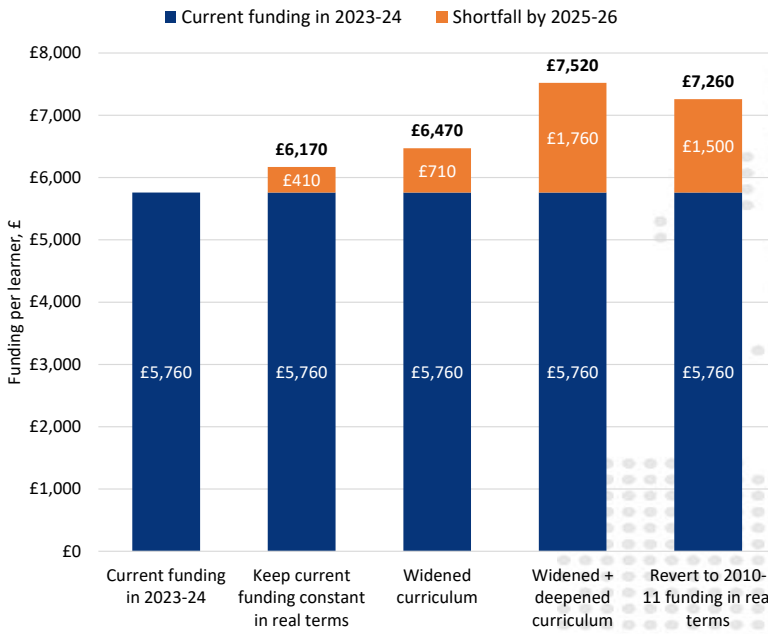


- Our above main findings do *not* incorporate the cost of the potential increase in employer contributions to the TPS, since we assume that the current TPS employer contribution grant would be increased in line with the rise in employer contributions. If this is not the case, to meet the resulting additional costs to SFCs, 16-19 funding per learner would have to increase by an estimated further **£110 to £120 per learner** in each instance (on top of the funding shortfalls accounting for inflation and expected teacher pay awards). In other words, compared to the current level of funding in 2023-24:
 - An additional **£530** would be required by 2025-26 to **ensure that current funding remains the same in real terms**;
 - An additional **£830** would be needed by 2025-26 to **widen the curriculum**;
 - An additional **£1,880** would be needed to **widen and deepen the curriculum**; and
 - An additional **£1,610** would be required by 2025-26 to **fully reverse the real-terms erosion of sixth form funding since 2010-11**.

Adjusting for inflation only



Adjusting for inflation + teacher pay



Adjusting for inflation + teacher pay + teacher pensions

