

Additional Grant Funding 2025/2026

Key Messages

Forum members are asked to note:

- a) The overall additional grant allocations for Sheffield of £20m to cover the teachers' pay award, funding pressures and national insurance contribution increases for 2025-26.
- b) There are four additional grants: Schools Budget Support Grant (SBSG); Core School Budget Grant (Special) (CSBG); National Insurance Contributions Grant (NIC); Early Years National Insurance Grant (EYNI). All payable to schools and centrally employed teachers.
- c) That all grants are to be paid in October 2025 covering April 2025 to March 2026, except the CSBG for Special/Alternative Provision (AP), which is paid in the summer term 2025.

1. Introduction

- 1.1 The Government recently announced (23rd May 2025) additional new funding of £615m to support the 2025 teachers' pay award for schools and to support them with their costs including support staff pay.
- 1.2 This funding takes account of both the local government employers pay offer in respect of support staff (for the full year), and the teachers' pay award (for seven-twelfths of the full award, up to March 2026; the Government will be taking into account the impact of the full year's costs of the teachers' pay award on schools for 2026 to 2027 budgets).
- 1.3 The intention, as with previous grants in recent years, will be to roll main grant funding for mainstream schools into the National Funding Formula (NFF) from 2026 to 2027 (including the usual arrangements to take account of academies' General Annual Grant [GAG] being paid on an academic year basis).
- 1.4 Alongside the announcement of this new funding to support settings with 2025 pay costs, they have also published allocations and conditions of grant relating to previously announced funding to support schools and post-16 providers with the increased NI contributions.
- 1.5 Nationally the Government is spending the following: mainstream (5-16) £470m; CET £10m; £85m special/AP; £40m early years (EY); £30m post-16.

2. Summary of Funding

Below is a summary of the expected funding for 2025-26 for Sheffield:

Grants Summary 2025-26

Supporting Teachers Pay/pressures:	Nationally £m:	Early Years	Mainstream	Special/AP	Other (CET; NMSS; Ind Sett)	Total	Period Covered		Paid to
									Schools
Schools Budget Support Grant (SBSG) – Mainstream schools	480		4,720,700			4,720,700	Sep-25	Mar-26	Oct-25
Special/AP – found in CSBG plus the 24/25 rolled in	85			4,329,076	266,892	4,595,968	Apr-25	Mar-26	May-25
EY – EYNTPG Early Years Teacher Pay Grant & NI	40	436,521				436,521	Apr-25	Mar-26	Sep-25
Supporting NI increases:									
NIC's – Mainstream Schools			7,864,598			7,864,598	Apr-25	Mar-26	Sep-25
CSBG – Special/AP (CSBG above will contain funding for both TP/NI plus 24/25 rolled in TPAG/TPECG)				1,045,109	124,992	1,170,101	Sep-25	Mar-26	Oct-25
EY NIC's – EY - see EYNTPG above						-			
Post 16 NIC's - Post 16	30		1,126,578		364,045	1,490,623	Apr-25	Mar-26	Sep-25
Total Grants 2025-26	635	436,521	13,711,876	5,374,185	755,929	20,278,511			

3. School Budget Support Grant – Mainstream Schools

- 3.1 The Government is providing schools (for 5 to 16 provision) and high needs settings with £567 million in financial year 2025 to 2026 to support them with their increased costs. They are also providing £15 million for schools with early years provision and £32 million for post-16 provision in schools and academies and further education colleges. Taken together, this is an increase of £615 million in financial year 2025 to 2026.
- 3.2 Sheffield mainstream schools will receive £4.7m to cover the period September 2025 to March 2026. The Local Authority will receive the funding at the end of October to be paid over to maintained schools, at the next available cash advance. Academies will receive the funding in November directly from the Department for Education (DfE).

Rates for mainstream schools - the base funding rates for 2025 to 2026 financial year are:

- A basic per pupil rate of £37 for primary pupils, including pupils in reception.
- A basic per pupil rate of £53 for key stage 3 pupils.
- A basic per pupil rate of £60 for key stage 4 pupils.
- A lump sum of £1,400.
- An FSM6 per pupil rate of £35 per eligible primary pupil.
- An FSM6 per pupil rate of £50 per eligible secondary pupil.

- 3.3 Allocations will be published in autumn, but meanwhile schools can use the [Online Calculator](#) to determine how much they will receive.

Further information can be found at [Schools budget support grant \(SBSG\) - GOV.UK](#)

- 3.4 Beyond 2025 to 2026, the funding for mainstream primary, secondary and all-through schools will be incorporated into core budget allocations by being rolled into the Schools Block of the schools NFF for 2026 to 2027.

- 3.5 Funding for specialist high needs settings, including AP, is being allocated through the core schools budget grant (CSBG) for 2025 to 2026.
- 3.6 Funding for early years settings is being allocated through the early years NICs and teachers' pay grant for 2025 to 2026.
- 3.7 Funding in respect of post-16 provision will be incorporated via a rates uplift.

4. Core School Budget Grant for Special/AP Schools

4.1 The 2025 to 2026 CSBG will total approximately £688 million. This comprises £480 million to provide special schools and AP schools with a continuation of the:

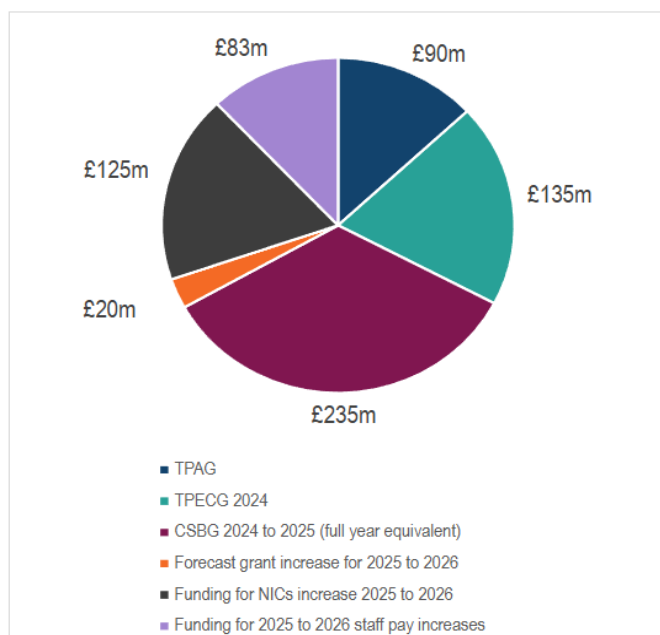
- 2024 to 2025 Teachers' Pay Additional Grant (TPAG).
- 2024 to 2025 Teachers' Pension Employer Contribution Grant (TPECG).
- 2024 to 2025 CSBG (full-year equivalent) and 2025-26 pay award.

4.2 This funding is combined into a single CSBG for special schools and AP for 2025 to 2026, covering all the above, and will continue to support these schools in meeting the additional staff costs arising from the teachers' pay awards in 2024 and 2025, the teachers' pension employer contribution increase, the NI increases and support staff pay increase from April 2025.

4.3 The following rates per place are payable for the first two payments:

- Consolidated grants (TPAG, TPECG), CSBG - £2,054.
- NICs - £496.

4.4 The special schools Core School Budget Grant 2025-26 consists of the following elements:



4.5 Local authorities will receive four payments of CSBG in 2025 to 2026.

4.6 The first of the CSBG allocations – covering both the consolidated 2024 to 2025 grants (TPAG, TPECG and CSBG) and the new NICs element, have been confirmed in May 2025. Updated allocations will be published in October 2025, covering the 2025 pay awards funding, and March 2026.

4.7 The first payment will be made in May 2025 – this will cover the consolidated funding from the 2024 to 2025 grants. The second payment will be of the NICs element of the CSBG and will be made in September 2025. The third payment will be of the 2025 pay award element of the CSBG and will be made in October 2025. The fourth and final payment will be made in March 2026, which will take account of any increase in place numbers.

4.8 Summary table shown below:

Payment	Date	Element covered	Place Numbers based on S251 x 12ths	Basis
Special Schools/AP				
1st	May-25	Consolidated 24/25 Grants (TPAG; TPECG) & CSBG	AY 24/25 x 5/12 + AY 25/26 x 7/12	Allocations published in May 25
2nd	Sep-25	CSBG & NIC's	AY 24/25 x 5/12 + AY 25/26 x 7/12	Allocations published in May 25
3rd	Oct-25	Pay Award 2025	AY 25/26 x 7/12	Revised Allocations
4th	Mar-26	Consolidated 24/25 Grants (TPAG; TPECG), CSBG, NIC's & Pay Award	Any increase due to most recent place numbers	Revised Allocations
Hospital Schools				
1st	May-25	Consolidated 24/25 Grants (TPAG; TPECG) & CSBG	% of 24/25 DSG	
2nd	Sep-25	CSBG & NIC's	% of 24/25 DSG	
3rd	Oct-25	Pay Award 2025	% of 24/25 DSG	
4th		No 4th payment		

5. National Insurance Contribution Grant for Mainstream Schools

5.1 The Government will provide over £930 million to support mainstream schools (in respect of their 5 to 16 provision) and high needs settings with the increase to employers' National Insurance contributions (NICs) from April 2025. NICs funding for high needs settings will be provided through the Core Schools Budget Grant (CSBG) as described above, in 2025 to 2026, rather than through the NICs.

5.2 The funding will relate to local authority maintained schools, academies, maintained nursery schools and school-based early years provision and local authorities employing centrally employed teachers (CETs) and support staff in England.

5.3 The allocations for schools and high needs settings were published in May 2025, with updated allocations for high needs settings with new and growing schools to be published in March 2026.

5.4 For the first time, schools will receive additional grant funding where they have special units and resourced provision (SURPs). This funding will support the higher staffing costs that schools with SURPs typically face.

5.5 The base funding rates for the 2025-26 financial year are as follows:

- A basic per-pupil rate of £78 for primary pupils, including pupils in reception.
- A basic per-pupil rate of £68 for key stage 3 pupils .
- A basic per-pupil rate of £77 for key stage 4 pupils.
- A lump sum of £2400.
- An FSM6 per pupil rate of £75 per eligible primary pupil.
- An FSM6 per pupil rate of £60 per eligible secondary pupil.

5.6 The 2025 to 2026 financial year funding rate for mainstream schools with eligible SURPs is £286 per place, and for the allocation calculations this full year rate has been split into:

- A flat rate of £119 per place for the April to August 2025 places in SURPs.
- A flat rate of £167 per place for the September 2025 to March 2026 places in SURPs.

5.7 Allocations published in May 2025 for schools with eligible SURPs will have the allocation based initially on places published in the 2024-25 S251 Budget Statement, using the April to August funding rate. Allocations covering September to March will be updated in February 2026, with place numbers published in the 2025-26 S251 Budget Statement, using the September to March funding rate. This update will also take account of any increase in place numbers in April to August as published in the 2025-26 S251 Budget Statement.

5.8 The funding for mainstream primary, secondary and all-through schools will be incorporated into core budget allocations for 2026 to 2027, by being rolled into the schools NFF for 2026 to 2027. Academies will receive a further 5/12 element to cover the April to August 2026 period, as usual.

5.9 Centrally employed teaching staff (CETs) will be paid on a per person basis, taken from the 2024 Workforce Census, and calculated by dividing the total quantum assigned to fund centrally employed teachers proportionally. This will lead to a 'per teacher' rate. Allocations expected to be published in Summer 2025.

6. Early Years National Insurance and Teacher Pay Grant (EY NTPG)

6.1 For the financial year 2025 to 2026, the Government is distributing an additional £40 million to local authorities through the EY NTPG grant – made up of £25 million in respect of increased National Insurance contributions (NICs) costs announced in the autumn 2024 budget and £15 million following the 2025 teachers' pay award.

6.2 Funding will be paid to local authorities in September 2025 and cover the April 2025 to March 2026 period. It will be paid over to schools, with nursery provision, at the next available cash advance based on a £ per pupil hourly rate.

6.3 The EY NTPG will provide additional funding in respect of early years provision for the following settings:

- Maintained schools and academies.
- Maintained nursery schools.

6.4 There will be a separate national base rate per PTE for each age group: under 2s, 2-year-

olds, and 3-and-4-year-olds.

6.5 PTEs are taken from the DSG average hourly funded rates, calculated for LAs.

The PTE data sources are as follows:

Data	Source
3 to 4-year-old (universal and additional hours)	January 2024 schools census, January 2024 early years census - governor-run settings only
2-year-old FRAS [footnote 2]	January 2024 schools census, January 2024 early years census - governor-run settings only
2-year-old working parent	autumn 2024 schools census
Under 2s working parent	autumn 2024 schools census

6.6 The Sheffield base rates are as follows:

- £94 for 3-and-4-year-olds.
- £132 for 2-year-olds.
- £173 for under 2s.

7. Post 16 National Insurance Contribution Grant (NICs)

- 7.1 Schools will receive funding to support increased costs related to their post-16 education from April 2025. The Government is providing up to £155 million in financial year 2025 to 2026.
- 7.2 The grant will be payable to all schools/academies with post-16 provision: Further Education (FE), Sixth Form Colleges and LAs for centrally employed staff.
- 7.3 The NICs grant will cover the period from April 2025 to March 2026. There will be one payment to cover the period and the DfE is expected to pay this to LAs in September 2025, and this will be cash advanced to maintained schools at the next available cash advance. Academies are to receive this funding direct from the DfE.
- 7.4 Allocations are calculated based on a % of income received and can be found on the Government website. [Post-16 National Insurance contributions \(NICs\) grant - GOV.UK](#). The average allocation amounts to around £32k.

8. Recommendations

Forum members are asked to **note** the additional grant allocations and payment arrangements as detailed above.