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## Update on Further Education Additional Funding 2025 to 2026

### Dear Colleague

I hope this finds you well as we approach the May half-term break. I want to share important information about additional funding for 16 to 19 education with you.

Today, I am announcing an additional £160 million in the 2025 to 2026 financial year to support colleges and other 16 to 19 providers with your immediate priorities, including recruiting and retaining expert teachers in high value subjects. The professional expertise of you and your staff makes the biggest difference to young people's education. The funding acknowledges just how important the work you all do is. Every day, you drive opportunity for our young people and growth for our economy.

As part of the £615 million funding, I announced today for schools, additional funding of over £30m will be included within 16 to 19 allocations for schools. Together, this means over £190 million extra will be available for 16 to 19 funding in financial year 2025 to 2026.

This investment is the next step for our pledge to recruit 6,500 new expert teachers in colleges and mainstream secondary and specialist schools over the course of this Parliament. It will boost opportunities for learners across the country and drive forward delivery of the critical skills needed to grow our economy.

It builds on work we are already doing to support the recruitment and retention of our excellent FE teachers. For example, the introduction of the Targeted Retention Incentive (TRI) scheme. Last year this saw around six thousand FE teachers receive up to a £6,000 payment after tax on top of their salaries. The majority of these teachers are in critical subjects such as construction, maths, and engineering. We are also offering bursaries worth up to £31,000 each, tax free, for those training to become FE teachers in a number of priority subject areas.

Additionally, we're continuing programmes like Taking Teaching Further. This supports FE providers to recruit and provide early career support to people with relevant knowledge and/or industry experience to retrain as FE teachers. Finally, we have the Teacher Mentoring Programme. This provides training for teacher mentors, helping to build mentoring capacity within the sector, ensuring new and less experienced FE teachers can access high-quality

mentoring. All of this will help to recruit new teachers, and keep existing staff in the profession, delivering for young people and our Plan for Change.

The investment announced today will be delivered via core 16 to 19 funding rates. It particularly reflects those areas where recruitment and retention challenges are greatest and linked to the need to support economic growth. Full details will be shared in due course, but we will direct this funding through:

- Increasing the per student funding rate, recognising the need for all providers to drive forward high-quality delivery, including recruiting and retaining staff in a competitive labour market.
- Increasing programme cost weightings for higher cost courses to boost capacity in priority sector subjects such as construction, manufacturing and digital which are vital to economic growth.
- Increasing funding for English and Maths delivery and disadvantage funding to boost opportunity for disadvantaged learners, and those who require further support to gain a grade 4 at English and maths GCSE, along with those in care, and care leavers.

This investment is on top of the £400 million of extra funding we are already planning to spend on 16 to 19 education in financial year 2025 to 2026. It is also additional to the £155 million to support schools, colleges and local authorities with increased National Insurance contributions. Finally, it is additional to the measures announced by the Chancellor on 23 March to address skills shortages in the construction sector.

We are on a mission as a government, to break down the barriers to opportunity for every young person. The economic context remains challenging, but I see the work you do day in, day out, to do what's best for our young people. That's what education is all about, to learn, explore, achieve and thrive. I know that with your partnership; we can deliver the changes in education that are needed to give opportunity to every young person.

I wish you a restful half-term break when it arrives. Thank you for everything that you do.

Your sincerely,



**Bridget Phillipson**  
**Secretary of State for Education**