



Department  
for Education

# **Devolved Areas Post-16 Capacity Allocations: Methodology**

**May 2026**

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# Introduction

## Background

A demographic bulge is currently working its way through the education system. In previous years it has impacted mostly schools, but it is now moving through post-16 education.

The Department for Education (DfE) was granted **£29 million** of capital funding for the 2025-26 financial year to address immediate capacity concerns.

An additional **£375 million** of capital funding was secured in the 2025 multi-year spending review to create additional capacity and ensure places for learners entering further education (FE) between 2026-2030.

This brings the total post-16 capacity fund (P16CF) for 2025-2030 to **£404 million** to be distributed to eligible further education providers - Sixth Form Colleges, FE colleges and 16-19 academies - across England. Delivery of the funding will differ depending on whether an area is devolved or non-devolved.

**Devolved areas:** Allocations will be provided using a funding formula to 'Devolved areas'. These are defined as, Strategic Authorities with Level 2 devolution deals, sufficiency duties, and devolved Adult Skills Funding. The Devolved Areas Post-16 Capacity Allocations (DAPCA) funding formula is based on projected population growth in 16- and 17-year-olds, with allocations adjusted for regional differences in construction costs.

**Non-devolved areas:** Funds will be distributed through a DfE-administered application process, which opened on 10 February 2026<sup>1</sup> and closed on 20 April 2026.

## Purpose of this document

This document sets out the methodology used in the DAPCA funding formula to calculate the allocations for each of the devolved areas. It also explains how the total to be distributed to non-devolved areas has been calculated.

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<sup>1</sup> [Post-16 and construction skills capacity funding: 2026 to 2030 - GOV.UK](https://www.gov.uk/government/news/post-16-and-construction-skills-capacity-funding-2026-to-2030)

# The Funding Allocation Formula

## Summary

A formula has been developed to distribute funding to devolved areas, based on projected demographic growth in 16–17-year-olds. It uses ONS 2022 sub-national population projections<sup>2</sup> to identify where demand for post-16 education is projected to increase and allocates a proportion of funding in line with projected growth. The funding allocations are adjusted for regional differences in construction costs and funding already provided in 2025-26 is deducted. The formula calculates the allocation to each devolved area and a total “non-devolved areas” fund that DfE will distribute to providers not covered by a devolved area.

1. Using [ONS LA District lookup](#) update the population projections to 2025 LA Districts.
2. Calculate the population of 16- and 17-year-olds in each LA District from 2024 to 2030.
3. Assign LA Districts to devolved areas or the “non-devolved area” group using [ONS LA District to County Authority lookup \(April 2025 version\)](#) and [ONS LA District to Combined Authority lookup](#) alongside the eligibility of authorities covered above. LA Districts in the Greater London Authority (GLA) are assigned to GLA here using the LA District code. GLA districts have an LA District code starting “E09”.
4. For each devolved area, and LA District not in a devolved area, identify the year of peak population between 2026 and 2030.
5. Calculate the LA District’s population change between 2024 and the peak year identified in the step above.
6. Weight the LA District’s population change using the regional location factors set out in the annex.
7. Calculate each area’s location-weighted population change:
  - for devolved areas, this is the sum of location-weighted population changes for all LA Districts in the area. This includes LA Districts with negative growth.
  - for non-devolved areas, this is the sum of location-weighted population changes for all LA Districts in the area. This does not include LA Districts with a projected population decrease from 2024.
8. Distribute the £404m funding in proportion to the location-weighted population growth.
  - Adjust the allocations to account for the £23m already allocated in 2025-26 to meet acute capacity pressures:
    - Greater Manchester – deduct £10m that has already been allocated.
    - West Yorkshire – deduct £10m that was allocated to Leeds City Council.
    - Non-devolved areas – deduct £2m allocated to Bedford College Group and £1m to Newcastle and Stafford Colleges Group.

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<sup>2</sup> [Population projections for local authorities by single year of age and sex, England - Office for National Statistics](#) - 2022-based “Migration Category Variant” as recommended by ONS [The potential future direction of local population change: the power of variant projections | National Statistical](#).

## Annex: location factors

We apply these location factors, produced by Building Cost Information Service, to reflect the different cost levels around the country.

Region	Location factor
North East	0.93
Yorkshire and the Humber	0.94
West Midlands	0.95
North West	0.99
East of England	1.01
South West	1.02
East Midlands	1.05
South East	1.08
Outer London	1.19
Inner London	1.26



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