



Autumn Budget 2025 Stakeholder Representation on behalf of SHINE and Northern Powerhouse Partnership

Introduction and Summary of recommendation:

We urge the Department for Education to prioritise pupils facing long-term disadvantage by redirecting savings from falling pupil numbers into a targeted uplift of the Pupil Premium. We also reiterate our previous call to extend the Pupil Premium to students post-16. The targeted reform of Pupil Premium would be a critical step in meeting the government's missions to break down barriers to opportunity and drive long-term economic growth.

Supporting evidence

Long-term disadvantage is one of the most powerful drivers of educational underperformance in England. Research for the Northern Powerhouse Partnership shows that the gap between pupils eligible for free school meals for four consecutive years and those never eligible widened further between 2019 and 2023, growing by a quarter of a grade per subject – from 1.3 to 1.56 of a grade. Nowhere is this challenge more acute than in the North East, which has the highest (and rising) proportion of pupils in this category.

The disadvantage gap is stark. For pupils in the high-impact group – including White British and White Irish children facing persistent disadvantage – the gap is three times larger than that experienced by long-term disadvantaged Gypsy/Roma, Chinese, and Bangladeshi groups, in both 2019 and 2023. These children are being consistently let down and their lack of opportunity is not only holding back their own life chances but damaging Britain's productivity and economic growth.

As the Education Secretary recently said, "there is one statistic that stands above the rest: in 2024, only 19 per cent of white British, working-class children achieved a strong pass in maths and English GCSE."¹ That figure is almost identical to 2017. It is shocking – and it tells us that, year after year, swathes of potential are being lost. Four-fifths of white working-class pupils still lack the English and maths skills needed to get on in life. When society writes off these children, it is not just families and

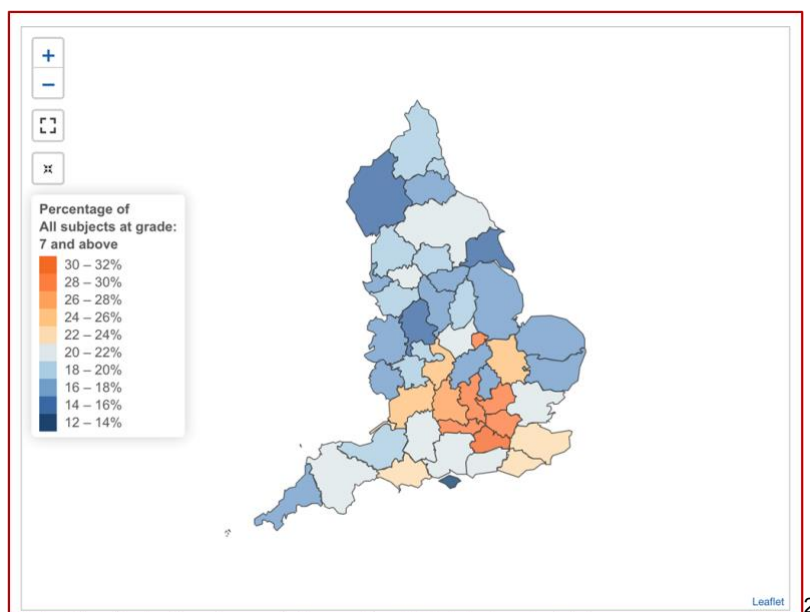
¹ <https://www.telegraph.co.uk/politics/2025/08/20/failure-white-working-class-children-holding-back-britain>

communities who pay the price – but the whole country, in lost capability, productivity, and growth.

Yet the current school funding system – including the National Funding Formula (NFF) and the Pupil Premium – fails to recognise the difference between short-term and persistent disadvantage. The children with the deepest and most entrenched needs receive no additional targeted funding. This is a missed opportunity to change the odds for those who are being most consistently failed.

As the graph below demonstrates, attainment remains deeply unequal across the country, with the highest grades overwhelmingly concentrated in London and the South East. Unless we act now, the North – and disadvantaged pupils everywhere – risk being permanently left behind.

Significant regional inequalities in education

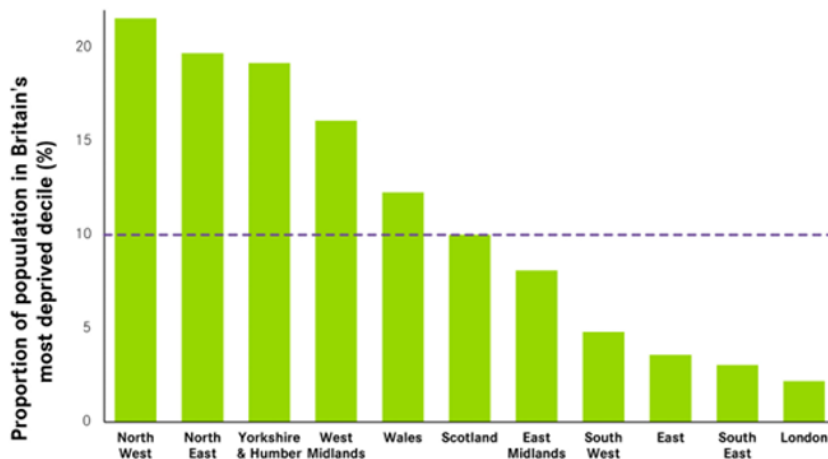


Reflecting wider indicators of deprivation

This reflects the concentration of long-term deprivation in parts of the North and West Midlands.

² <https://analytics.ofqual.gov.uk/apps/GCSE/County/>

Regional distribution of most deprived tenth of Britain's population



Source: mySociety 2020.

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The gap between disadvantaged school pupils in the North of England and their peers, particularly in Secondary Schools, is a huge and continuing challenge for the country. Addressing this is fundamental to closing the skills gap between the North and London.

In the latest GCSE results, students in London and the South East were far more likely to achieve top grades than their peers in the North and Midlands. In London, 28.4% of grades awarded were at the highest levels (7–9), compared with just 17.8% in the North East.

Research by the Northern Powerhouse Partnership (NPP) with Education DataLab published in 'Educating the North: Driving Ambition Across the Powerhouse'⁴ covers this in depth. The existing disadvantage gap in the North and its effects is also reflected in detail in the Children Commission's report, 'Growing up North'.⁵

There are parts of England where schools serve a significant proportion of children from long-term disadvantaged backgrounds. These schools should be given additional funding to help focus resources on the children who need it most.

The Northern Powerhouse Education Consortium supports recent calls from the EPI to reform Pupil Premium.

Recommendations in EPI report, 2024⁶.

- Prioritise targeted funding for persistently disadvantaged pupils: The report highlights the importance of directly supporting those pupils most at risk of falling behind. Persistently disadvantaged pupils require additional

³ <https://www.centreforcities.org/publication/donation-nation/>

⁴ <https://www.northernpowerhousepartnership.co.uk/wp-content/uploads/2018/01/Educating-the-North.pdf>

⁵ <https://assets.childrenscommissioner.gov.uk/wpuploads/2018/03/Growing-Up-North-March-2018-2.pdf>

⁶ <https://epi.org.uk/publications-and-research/tackling-the-persistent-disadvantage-gap-a-new-approach-to-deprivation-funding/>

resources that go beyond the current broad definitions of disadvantage used in the NFF and Pupil Premium.

- Invest £640 million a year in targeted funding: The DfE should allocate £640 million from the savings made by falling pupil numbers to reverse real terms cuts in the Pupil Premium and also target additional funding specifically for persistently disadvantaged pupils through an enhanced Pupil Premium. This enhanced premium would be worth a further £308 per primary persistently disadvantaged pupil and £255 per secondary persistently disadvantaged pupil. This funding could be phased in gradually to ensure affordability over the spending review period.
- The recommended additions of £308 for each persistently disadvantaged primary pupil and £255 for each persistently disadvantaged secondary pupil are relatively modest in scale given the overall value of the pupil premium. They have been set so as to be affordable within existing overall expenditure but should be considered a minimum given that existing funding has not been sufficient to narrow the attainment gap.
- Clear and transparent funding: To ensure clarity for schools, additional funds should be distributed through Pupil Premium as opposed to the National Funding Formula. The DfE should directly communicate how any changes will affect schools, particularly in terms of how additional funds will be distributed to persistently disadvantaged pupils.
- By 2028/29, primary schools are projected to have 200,000 fewer pupils, presenting an opportunity to rethink how resources are distributed. Instead of banking the savings (estimated at £750 million), the Treasury could reinvest some of these funds to support persistently disadvantaged pupils whilst using the remainder to deliver wider real terms uplifts and support the system as pupil numbers decline

We also support calls from the Sutton Trust and others to extend the Pupil Premium to post-16 students. The attainment gap doesn't end at 16, and neither should dedicated funding. Building on promising results from where this has been piloted already⁷, extension of the Pupil Premium to this age group would help open up opportunities for students in this critical phase.

How our proposal supports growth

Additional funding for persistently disadvantaged students is not only a moral imperative but also a key driver of long-term economic growth. As the Education Secretary has warned, too many young people – particularly white working-class children – are being “let down”⁸ leaving four-fifths of them without the English and

⁷https://assets.publishing.service.gov.uk/media/66f2adb386ba7c46c40c6e90/pupil_premium_plus_post-16_evaluation_interim_report.pdf

⁸ <https://www.telegraph.co.uk/politics/2025/08/20/failure-white-working-class-children-holding-back-britain/>

maths skills they need to get on in life. This represents “swathes of human capability and productivity lost”⁹ – a loss our economy cannot afford.

Additional funding for persistently disadvantaged students will act as a key driver of long-term economic growth by ensuring that all individuals, regardless of their socioeconomic background, have access to quality education. The Education Endowment Foundation has rightly described the Pupil Premium as “one of the most important tools we have to address the stubborn link between family income and education outcomes. Used purposefully, it can help tackle some of the barriers that stand in the way of eligible pupils’ progress”.¹⁰ When disadvantaged students receive additional support, they are more likely to gain the necessary skills to succeed in the job market. This results in a more educated and capable workforce, which is vital for economic development, as higher educational attainment leads to greater productivity and higher wages¹¹.

Better targeting of support could also help to reduce the cycle of poverty that can trap families and communities for generations. In the long run, investing in the education of disadvantaged students provides a significant return on investment for the economy¹². As disadvantaged students move into the workforce, they not only contribute to the economy directly but also help reduce the costs associated with unemployment, underemployment, and reliance on the state. By ensuring that all students have the opportunity to succeed, we create a more resilient, balanced, and sustainable economy, benefiting both individuals and the country as a whole.

About the Organisations in our consortium

- *SHINE (Support and Help IN Education)* is a charity based in Leeds that help to raise the attainment of disadvantaged children across the Northern Powerhouse. Trustees include Lord Jim O’Neill, also a co-founder of SHINE, and Raksha Pattni, Director of National Partnerships at Ambition Institute.
- The *Northern Powerhouse Partnership’s Education Committee* works as part of the Northern Powerhouse Partnership (NPP) focusing on the Education and Skills agenda in the North of England. It is business led and works on a cross-party basis, also including representation from significant political figures from major political parties.

⁹ <https://www.telegraph.co.uk/politics/2025/08/20/failure-white-working-class-children-holding-back-britain/>

¹⁰ <https://educationendowmentfoundation.org.uk/education-evidence/using-pupil-premium>

¹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1137822/Skills_and_UK_productivity.pdf

¹² <https://compass-lexecon.files.svdcn.com/production/editorial/2024/04/The-returns-to-investing-in-education-CL-report-for-the-CST.pdf?dm=1713255984>