

Spending Review 2021: Submission of the Association of School and College Leaders

A. Introduction

1. The Association of School and College Leaders (ASCL) represents over 21,000 education system leaders, heads, principals, deputies, vice-principals, assistant heads, business managers and other senior staff of state-funded and independent schools and colleges throughout the UK. ASCL members are responsible for the education of more than four million young people in more than 90 per cent of the secondary and tertiary phases, and in an increasing proportion of the primary phase. This places the association in a strong position to consider this issue from the viewpoint of the leaders of schools and colleges of all types.
2. ASCL welcomes the opportunity to make a representation to HM Treasury.
3. Our education system must prepare young people for life in a sustainable, digitised global community while continuing to equip them with the core skills, knowledge and understanding they need in their adult lives. The Department for Education's (DfE) 2021-22 [delivery plan](#) states that 'Education will be the driving force to help unleash Britain's potential and build back better after coronavirus (COVID-19)'¹. This can only be achieved if our education system is properly funded.
4. ASCL's recently published [Blueprint for a Fairer Education System](#)² starts from the overarching principle that a wealthy, democratic country in the 21st century should support all its citizens to succeed. A priority outcome of the DfE delivery plan is a similar aim to 'Level up education standards so that children and young people in every part of the country are prepared with the knowledge, skills, and qualifications they need'. There are no quick fixes to achieving these goals; meaningful, sustainable change requires appropriate investment and targeted resource.
5. The ASCL Blueprint is constructed around five building blocks which together will deliver a great education for every child. We call on the government to use this spending review to deliver sufficient investment into our education system to support these building blocks. They are as follows:
 - i. **Curriculum:** A core national curriculum focused on what we collectively agree are the most important things that children and young people should know and do, with a range of high-quality pathways that young people can follow as they get older.
 - ii. **Teachers and leaders:** Leaders, teachers and support staff in every school and college with expertise and capacity developed through strong initial teacher education and ongoing, effective professional development.
 - iii. **Assessment and qualifications:** National assessments and qualifications which link to the core curriculum and post-16 pathways.

¹ <https://www.gov.uk/government/publications/department-for-education-outcome-delivery-plan/dfe-outcome-delivery-plan-2021-to-2022>

² <https://www.ascl.org.uk/Microsites/ASCL-Blueprint/Home>

- iv. **Resources.** A level of investment in our education system which provides sufficient resources for all schools and colleges to deliver the education to which all children and young people are entitled.
 - v. **Structures and systems.** Structures and systems which encourage and enable schools and colleges to act for the good of all children and young people, not just those in their own institution.
6. ASCL believes that change will only happen when it is driven by a range of different stakeholders across the system including national and local government, schools, colleges and trusts. Our priorities for the spending review, building on the principles outlined above, are detailed below.

B. Priorities for the spending review

Education recovery

7. ASCL has welcomed the £3 billion education recovery funding to which the government has committed so far. However, this figure goes nowhere near far enough in addressing the impact of the pandemic on children and young people – particularly the most disadvantaged. Working in partnership with a group of stakeholders across the education sector, we recently put together a [costed proposal](#) for an additional investment of £5.8 billion³ over the next three years.
8. ASCL priorities for recovery funding, as set out in more detail in the full proposal, are as follows:
- i. increased provision for early years
 - ii. a catch-up premium targeted specifically at children and young people in persistent poverty
 - iii. a post-16 pupil premium
 - iv. national coverage from mental health support teams

Dedicated Schools Grant (DSG) for schools and high needs.

9. The 2019 spending review delivered a three-year plan for schools and high needs block spending. The resulting additional £7.1 billion into the DSG by 2022/23 is a step in the right direction. This will help to grow the capacity of the National Funding Formulae (NFF) to address the continuing funding imbalance across the country for both mainstream and specialist provision. However, funding committed in the 2019 spending review will only deliver spend per pupil levels similar to those in 2009/10, according to [analysis by the Institute for Fiscal Studies](#) (IFS)⁴.
10. ASCL has grave concerns about the delay in decisions about the future of funding for children and young people with special educational needs and disabilities (SEND) at all levels, including at post-16. This delay creates uncertainty both for learners and for the providers of education and training. There are significant risks if reforms to the NFF, and indeed the outcomes of this spending review, are agreed prior to decisions about high needs funding. Such a piecemeal approach is unlikely to deliver the education and care needed to support some of our most vulnerable children and young people.

³ <https://www.ascl.org.uk/ASCL/media/ASCL/News/Press%20releases/A-proposal-for-education-recovery-31-08-21.pdf>

⁴ <https://ifs.org.uk/publications/15588>

11. We are looking to the 2021 spending review to deliver funding certainty for a further three years. Our priorities for revenue are as follows:
 - i. A three-year revenue settlement for schools which delivers annual increases in funding. These increases should be sufficient to deliver real terms growth in spending per pupil. Funding distributed by the schools NFF in 2022/23 represents an increase of 3.2% compared to 2021/22. This spending review must deliver at least similar increases in years two and three of the settlement period. This would require additional funding of around £1.2 billion per year (before adjusting for changes in pupil numbers) to be available for distribution via the schools NFF.
 - ii. A three-year settlement which supports increases in the high needs block, at least in line with recent allocations at local authority level. In 2022/3 high needs block funding will increase by £780 million and each local authority will see cash increases of around 8% per head of population. This spending review should include at least similar increases for the remaining two years of the settlement period as demand for high needs support grows.
 - iii. Capacity within the core schools' budget to deliver changes required by the SEND Review, when this is finally published.
 - iv. Removal of the public sector pay restraint and continuation of the commitment to raise the starting salary of teachers to £30,000 per annum. This should also be matched across all pay ranges to maintain the current differentials between points and ranges. These increases must be fully funded.
 - v. A commitment to fully fund the 1.25 percentage point increase in employer National Insurance contributions for public sector employers.

Post-16 funding

12. The increase in the post-16 learner rate to £4,188 in 2020/21 was a welcome step. However, [research from London Economics](#)⁵ has shown that this rate needs to increase to at least £4,760 per student, per year to ensure that schools and colleges can continue to deliver a high-quality, internationally competitive education. The college sector still receives far less funding for its learners than secondary schools (Key Stage 4) or higher education. The ongoing underinvestment in 16-19 education is bad for students, bad for our international competitiveness and bad for social mobility.
13. This spending review is an opportunity to address the shortfall in the post-16 learner rate. Using [DfE participation rate statistics](#)⁶ and school census data, it is possible to estimate the number of 16 and 17 year olds in education over the next three years. An additional £1.8 billion is required to fund these students at a learner rate of £4,760 over the next three years.
14. [The IFS](#)⁷ indicates that an additional £570 million is needed by 2022/23 just to maintain real terms spending per student since 2020/21.
15. We know that adult education funding is currently under review. Our view is that this should keep pace with that for younger students, as developing the skills of adults is critical for jobs now as well as in the future.

⁵ <https://raisetherate.s3.amazonaws.com/uploads/document/Report-Understanding-the-funding-shortfall-in-sixth-form-education.pdf?t=1564143255>

⁶ <https://explore-education-statistics.service.gov.uk/find-statistics/participation-in-education-and-training-and-employment/2020>

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf

16. [Research by the IFS](#)⁸ indicates that colleges and sixth forms have seen the largest falls in per-pupil funding of any sector over the past decade. Funding per student aged 16–18 fell by over 11% in real terms between 2010–11 and 2020–21 in further education and sixth-form colleges, and by over 25% in school sixth forms.
17. The government’s own election manifesto, along with a number of research studies in 2019 (including the [independent review of post-18 education and funding](#)⁹ and the [Education Select Committee’s ten-year plan](#)¹⁰) demonstrated how significantly colleges contribute to the growth of the economy.
18. ASCL welcomes the current consultation on adult education funding and the skills fund. However, the vast majority of the 1.7 million adults in education each year are on courses at Level 2 and below, and this level is not part of the remit of this consultation.
19. Our priorities for post-16 revenue are:
 - i. Tackle the underfunding in post-16 education.
 - ii. Review the withdrawal of funding for BTECs and other applied general qualifications (AGQs).
 - iii. Extend the funding available for the pupil premium grant to include 16-19 year-olds. This is also a recommendation from the Education Select Committee.
 - iv. Commit to fully funding the annual pensions increases for all college staff in 2022-23 and beyond.
 - v. Commit to fully funding the 1.25 percentage point increase in employer National Insurance contributions for public sector employers.

Capital

20. The government’s own figures highlight the impact of a lack of capital funding across the school sector. The DfE’s May 2021 [Condition of School Buildings Survey](#)¹¹ indicates that the modelled cost of required remedial works across the school estate is £11.4 billion.
21. Access to capital funding is inconsistent across different age ranges and types of school and college. The way it is allocated lacks coherence.
22. This spending review must deliver for:
 - i. **Schools:** A capital settlement that has capacity to address the cost of required remedial works across the school estate, and provides sufficient and accessible capital funding to properly maintain schools and colleges in future years.
 - ii. **Colleges:** A capital settlement that is affordable for all colleges and which has capacity to address the condition needs of the college estate, in which around 25% of colleges require replacement, and support the sector in its commitment to sustainability.

⁸ <https://ifs.org.uk/publications/15578>

⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf

¹⁰ <https://publications.parliament.uk/pa/cm201719/cmselect/cmeduc/969/969.pdf>

¹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/989912/Condition_of_School_Buildings_Survey_CDC1_-_key_findings_report.pdf

D. Conclusion

23. ASCL's submission to the 2021 spending review is structured around the government's stated aims to Build Back Better and our own [Blueprint for a Fairer Education System](#). We believe that we and the government have a shared aim of ensuring we have a strong education system which supports all children and young people to succeed, and to recover from the impact of the pandemic.
24. Sustainable change requires appropriate investment and targeted resource. The government must commit to providing schools and colleges with the funding they need to deliver on these shared aims.
25. It is our view that at least £5.76 billion extra revenue is required over the next three years (i.e. 2022/23, 2023/24 and 2024/25), above and beyond that to which the government has already committed as part of the 2019 settlement. This consists of:
- £2.4 billion for the schools block (on top of the £1.2 billion already committed)
 - £1.56 billion for high needs (on top of the £780 million already committed)
 - £1.8 billion for post-16 education
26. Additional investment will also be required in order to properly maintain the school and college estate.
27. I hope that this response is of value to your consultation. ASCL is willing to be further consulted and to assist in any way that it can.

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30 September 2021*