

Autumn Budget

Submission by the Association of School and College Leaders

A. Introduction

1. The Association of School and College Leaders (ASCL) is a trade union and professional association representing around 25,000 education system leaders, heads, principals, deputies, vice-principals, assistant heads, business leaders 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 children and young people across primary, secondary, post-16 and specialist education. 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 submission ahead of the Budget. Our submission is based on the views of our members, obtained through discussions at ASCL Council, with relevant advisory groups, and prompted and unprompted emails and messages.
3. When considering the impact of any proposals on different groups, it is ASCL's policy to consider not only the nine protected characteristics included in the Equality Act 2010, but also other groups which might be disproportionately affected, particularly those who are socio-economically disadvantaged.
4. ASCL set out a list of priorities for the incoming government as part of our 2024 General Election lobbying. These included:
 - End child poverty
 - Rescue the special educational needs system
 - Address the education funding crisis for schools and colleges
 - Fix school and college buildings
 - Stop the 'bonfire of the BTECs'

In this submission, we provide evidence of why these are among our key priorities and, where possible, indicate the funding required to address them.

5. We acknowledge the precarious financial position of the economy, and the challenges presented by surging inflation post SR21. However, we remain extremely concerned about the impact of inflationary cost pressures on school and college funding, and about the risks associated with years of pay erosion across the sector amid a recruitment and retention crisis.
6. The Institute for Fiscal Studies (IFS) refers to the "stubbornness of educational inequalities" in its report: '[The state of education: what awaits the next government?](#)' (6 June 2024). Its research indicates that, despite significant increases in the proportion of pupils achieving key GCSE benchmarks, the performance gap between pupils eligible

for free school meals and their more advantaged peers has remained essentially unchanged at between 26 and 29 percentage points for two decades.

7. In considering our call for improved capital funding to fix school and college buildings, we urge the government to take a big-picture view and avoid the risks of short-termism. Specifically, we make the following suggestions.
8. Place more focus on evaluating the needs of the whole school and college estate. Capital spending is more than a question of bricks and mortar. Well-maintained buildings support improved staff wellbeing and satisfaction. Research¹ suggests the quality of the physical environment also impacts student outcomes.
9. A [survey](#) of headteachers in England conducted by ASCL in June 2024 found:
 - Nearly 70% have classrooms which require replacement or refurbishment
 - More than half have sports facilities which require similar action
 - More than 40% have asbestos in ceilings or walls
 - A similar number have boilers or heating systems which require replacement

Eight in ten respondents said they were unable to access sufficient capital funding to pay for repairs and maintenance.

10. HM Treasury should work with government departments to produce a 10-year plan which includes maintenance and expansion needs. These plans should be published, and subsequent SR settlements tested for adequacy against them. This would promote better understanding of medium to long-term capital needs at department level.

B. Key priorities

Return mainstream school spending to 2010 levels

11. According to statistics produced by the previous government, school spending per pupil in 2024/25 will be equivalent to 2010 levels, with real-terms cuts in the intervening years having been reversed. However, these calculations use the economy-wide inflation measure (GDP deflator) whereas it is our view that school costs reflect the Consumer Price Index (CPI) measure more closely.
12. We welcomed the announcement of an additional £1.1bn into the core schools budget to support overall cost pressures in 2024/25, but this is not sufficient to return school spending power to 2010 levels.
13. According to the IFS (June 2024) school spending power overall is still 5% lower than in 2009/10. To correct that would require an additional £3bn.
14. A [survey](#) of headteachers in England carried out by ASCL in June 2024 found the impact of funding insufficiency will mean that over the next 12 months:
 - Nearly three-quarters will have to increase class sizes
 - Nearly 60% will have to reduce their curriculum offer

¹ <http://www.sciencedirect.com/science/article/pii/S0272494408000194>
<https://www.tandfonline.com/doi/abs/10.1080/03054980601094693>

- More than half are reducing subsidised school trips
- Three-quarters are cutting classroom resources
- Nealy two-thirds will have to cut pastoral support
- 62% will have to run an in-year deficit budget.
- More than 40% are planning to ask for parental donations

Protect school funding as pupil numbers reduce

- 15.** As the pupil population decreases schools cannot simply reduce costs in proportion to falling numbers because many costs are fixed, or vary by the number of classes, not by the number of pupils. Schools must not be left to manage the huge financial risk that this change in the national picture presents.
- 16.** Going forward into future SR periods the government must address this situation by committing, as a bare minimum, to maintain total school funding at 2024/25 levels rather than reducing it as rolls fall. This approach would begin to address the financial pressures caused by years of underinvestment and help to put education on a more sustainable footing without costing additional money.
- 17.** In its June 2024 report, the IFS indicated that maintaining total school spending in real-terms would deliver annual growth in per-pupil spending of 1.5% per year between 2024/25 and 2028/29 as rolls fall. This is still below the economy-wide inflation measure projected for the same period, which indicates a GDP deflator average of 1.7%.

Improve 16-19 funding

- 18.** Between the 2010–11 and 2019–20 financial years, spending per student aged 16–18 fell in real terms by 14% in colleges and 28% in school sixth forms.
- 19.** In the 2021 Spending Review, the government committed £1.6 billion in extra funding for colleges and sixth forms by 2024–25. The distribution methodology (targeted at high value subjects and maths & English resits) meant that the uplift was not spread evenly between providers. Despite the additional funding, college spending per student in 2024–25 remains around 10% below 2010–11 levels, and school sixth form spending about 23% lower than in 2010–11.
- 20.** At the time of writing, teachers in the college sector remain uncertain about their pay award or any funding to support it for 2024. In 2024/25 the 16-19 learner rate has been uplifted by 1.89%.
- 21.** According to the IFS, college staff have experienced significant real-terms pay cuts since 2010 with below-inflation pay awards leading to a decline of around 18%. ASCL urges the Chancellor to make funding available to correct this and to consider the disparity with the salaries of teachers working in schools.
- 22.** Unlike in schools, where pupil numbers are in decline, the population of post-16 students is expected to rise by 118,000, or 5%, by 2028. According to the [IFS](#) maintaining current levels of spend per student in real terms will cost £400 million. Given the paucity of funding currently available for this group of learners and the underinvestment since 2010 it is essential that government maintain real-terms growth per student as an absolute minimum. A decision to freeze total spending in cash terms would see per-student funding fall by 11% by 2028 which would be 19% lower than in 2010.

Introduce a VAT reimbursement scheme for college

23. In the college sector the VAT burden means that students are having even less spent on their learning. The introduction of a VAT reimbursement scheme for colleges would enable them to target more of their available funds into the classroom. According to the previous government's own calculations this would release £200 million into college budgets. ASCL believes that this was a missed opportunity as part of the 2022 Office for National Statistics review and subsequent reclassification of FE colleges as public sector organisations.

Eradicate the high-needs block deficit

24. ASCL notes that high-needs cost pressures are included as a key risk in the [DfE 2022/23 accounts](#). This risk was classed as 'critical and likely' in March 2023. The report concludes: "In the medium term (2-5 years) high-needs costs continue to significantly outstrip available funding, making the SEND and AP system unsustainable."
25. In their recent report [Isos partnership, County Councils Network and LGA](#) estimate that the cumulative high-needs deficit nationally is around £3.2 billion.
26. We recognise that high-needs block funding has increased significantly between 2015 and 2024. However, in the same period the [number of EHC plans has increased by 140% from 240,000 to 576,000](#). The increases in funding are not keeping pace with the increase in demand.
27. Reports suggest that current measures intended to recover high-needs block deficits are not working. Safety Valve arrangements and the Delivering Better Value (DBV) programme will cost around £1 billion by the end of the decade. ²These interventions have been in place since 2021 but deficits are continuing to rise. Isos estimate that cumulative deficits were £300 million in 2018/19.
28. ASCL calls on the government to eradicate the £3.2 billion high-needs block deficit so that all available funding reaches LAs and frontline provision.

Implement the SEND Improvement Plan

29. The Special Educational Needs and Disabilities and Alternative Provision Improvement Plan must be supported by sufficient funding. The government should provide a fully costed implementation plan that identifies roles and responsibilities for LAs, education and health.
30. LAs, schools and colleges must have sufficient resources to deliver on the expectations of the Change Programme including a review of commissioned place funding.
31. The expected increase in the breadth of Ordinarily Available Provision must be underpinned by a sustainable funding model for schools and colleges.

Review commissioned place funding

² [Council SEND deficit bailouts hit £1bn as 20 more issued \(schoolsweek.co.uk\)](#)
[SEND support: 4 councils agree Safety Valve funding deals | Tes](#)

32. Commissioned places have been funded at £10,000 per place since 2013. We estimate that at 2024 prices commissioned place funding should be around £13,600³.

Ensure capital spending meets need

33. The safety of all school and college buildings must be of the highest priority to government, as it is to the responsible bodies which run and maintain them. It is, therefore, disappointing to note that in the DfE 2022/23 accounts the risk of building collapse across the estate remains a key risk. The risk rating at March 2023 was 'critical and likely.' The department recognises that: "If buildings have not been carefully monitored and maintained by responsible bodies, the risk of structural failure increases." ASCL agrees with this assessment, but our view is that responsible bodies have not always had access to sufficient capital funding since 2010 to maintain the estate.
34. The House of Commons briefing, 'School buildings and capital funding (England)', confirms that between 2009-10 and 2021-23 capital spending declined by 46% in real terms.
35. In June 2023, the National Audit Office (NAO) indicated that the Office of Government Property (OGP) had calculated that £7 billion would represent the best-practice level of annual funding required to maintain the school estate. Average planned annual spend for 2021-22 and 2022-23 on priority schools building programmes (PSBP) 1 and 2, the schools rebuilding programme and school condition allocations is around £2.6 billion⁴. This leaves a major shortfall of £4.4 billion per year.
36. ASCL agrees with the NAO's findings that there are systemic problems in matching need to available funding. This can only contribute to the declining condition of the estate. For example:
37. As of March 2023, the DfE had awarded 24 contracts as part of the schools rebuilding programme agreed in 2020, compared with its forecast of 83.
38. Schools whose responsible bodies do not automatically receive funding allocations – that is, smaller academy trusts and sixth form colleges – have to apply for grant funding and may be missing out on funding for maintenance and repair.
39. As a consequence of under-investment at national level, responsible bodies restrict capital expenditure to buildings in the very worst condition, leaving less to spend on effectively maintaining other buildings and enhancing or developing their estate. Stakeholders told us that current funding levels mean responsible bodies may delay carrying out remedial work. This is likely to result in higher long-term costs because of the deterioration of buildings meaning poorer long-term value for money.
40. Delays in spending decisions and allocations are resulting in underspends at department level. According to the Institute for Government (IfG), between 2010 and 2023 the DfE had a cumulative underspend of £3.4 billion (4.9%). Spending controls should be reviewed at departmental level to ensure that allocated funding is used in full.

³ [Using BofE inflation calculator](#) 2013 - 2024

⁴ [Condition of school buildings \(nao.org.uk\)](#), [School capital funding - GOV.UK \(www.gov.uk\)](#)

Using average planned spend 21/22 and 22/23 PSBP 1 and 2, School rebuilding programme, school condition allocations.

Extend free school meal eligibility

41. It is unacceptable that [4.3 million children live in poverty](#) in the UK. Children are not in a fit condition to learn if they are hungry. We look forward to working with the cross-government taskforce to deliver the child poverty strategy. As an immediate step we call on the Chancellor to use the Autumn Budget to extend free school meal eligibility to all families in receipt of Universal Credit and to implement a process of automatic enrolment.
42. According to the [IFS \(March 2023\)](#) the cost of extending free school meals to all families on Universal Credit in England would be around £950 million.

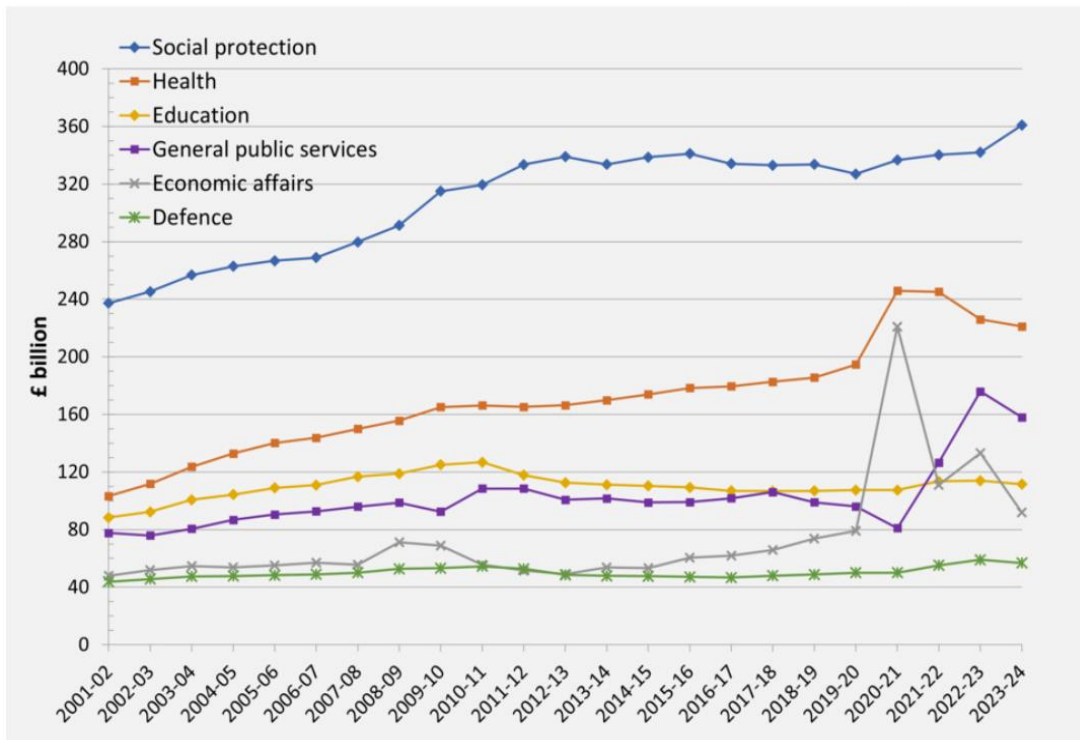
Consult fully on the impact of the VAT levy on independent schools

43. The VAT levy on independent schools represents a significant change in the education sector with implications for the viability of smaller independent schools and for independent schools serving children with special educational needs. The decision to levy VAT from January also risks the displacement of children into the state sector as in-year admissions.
44. It is disappointing that the government has only carried out a technical consultation on the draft legislation. We urge the government to carry out a full consultation with all stakeholders in the state and independent sectors in order to properly understand the impact of this policy

Summary of key asks

45. We ask the Chancellor to use the opportunity presented by the Autumn budget to take the following actions:
 - Return school spending power to 2010 levels, at a cost of £3 billion
 - Return 16-19 spending to at least 2010 levels in real terms, ensuring that there is sufficient resource for parity of pay between school and college teachers
 - Put £200 million into college budgets by introducing a VAT reimbursement scheme
 - Eradicate the £3.2 billion high-needs block deficit so that all available funding reaches LA and frontline provision.
 - Deliver specialist provision commissioned place funding at 2024 prices of £13,600 per place.
 - Eradicate the shortfall in capital funding available to maintain the school and college estate, at a cost £4.4 billion
 - Extend free school meal provision to all families on Universal Credit at a cost of £950 million.
 - Carry out a full consultation on the impact of the VAT levy on independent schools.
46. In our submission we have focused on the specific areas of education that our members represent. However, we also consider the education budget in the context of public spending as a whole. It is therefore disappointing to note that the [Trends in Public Spending, July 2024 release](#) indicated a significant gap between spending levels in 2010/11 and 2023/24. The chart below is extracted from the July 2024 release.

4.4 Chart 2: Real terms trends in Public Spending



47. I hope that this submission is of value. ASCL is willing to be further consulted and to assist in any way that it can.

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5 September 2024