

Spring Budget 2024 representation

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 over 24,000 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 submit this representation. Our submission is based on the views of our members, obtained through discussions at ASCL Council, with relevant advisory groups, prompted and unprompted emails and messages, and by working collaboratively with other organisations across the sector.
3. We were extremely disappointed that the November 2023 Autumn Statement contained barely a mention of education. Therefore, we have taken this opportunity to repeat our previous ask to the Chancellor that government does the right thing now to begin to address the poor and worsening condition of the education estate (see paragraphs 21 – 26) and to properly fund the growth in demand for SEND (see paragraphs 29 – 34).
4. Furthermore, 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 amidst a recruitment and retention crisis.
5. 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. We ask the Chancellor to take this opportunity to reinforce the commitment made by the [Prime Minister](#) last October and make education a funding priority. We couldn't agree more with the Prime Minister's assertion that '*[Education] is the best economic policy, the best social policy, the best moral policy*'.

B . Key points

6. In its December 2023 [Annual report on education spending](#), the Institute for Fiscal Studies (IFS) indicated that total spending on education has fallen significantly as a share of national income since 2010-11. In 2022-23, spending on education represented about 4.4% national income, compared with 5.6% in 2010-11.

Schools

7. ASCL welcomes the additional funding that has been targeted to the core schools budget. In 2024-25 the core schools budget will be £59.6bn. This is an increase of 3%, in **cash** terms, compared to 2023-24.
8. We understand that using the GDP deflator as a measure of calculating real-terms changes in funding indicates that, in 2024/25, spending will be returned to 2010 levels. However, we do not think that the GDP deflator is a sensible inflation measure to use in estimating school costs. We think that CPI is a more realistic measure. The impact of the differences in these two measures will determine the adequacy of the core schools budget.
9. The IFS suggests that school costs are likely to increase by almost 4% if staff salaries increase in line with CPI projections.
10. However, in our written evidence to the School Teachers' Review Body (STRB) in 2023, ASCL calculated that pay erosion was so severe for school leaders in the period since 2010 that a pay award of some 25% would have been required to fully correct the cumulative shortfall.
11. The teachers' pay award for 2023 delivered an average uplift of 6.5%. An inflationary pay award in 2024 will not be sufficient to reverse the significant, longstanding pay erosion. The STRB process for 2024 and the NJC pay negotiations are both ongoing at the time of writing. We urge the Chancellor to make a commitment to a fully funded pay award for both teachers and support staff in 2024.

Minimum per pupil levels and levelling up

12. In 2020-21 minimum per pupil funding levels were introduced as part of the government's levelling-up agenda and to support the [development of a national funding formula \(NFF\), based on need](#). Also in 2020-21 the NFF funding floor was set at 1.84% to mirror the GDP deflator, in order to protect per pupil allocations for all schools in real terms.
13. We note that in the current spending review (SR) period this protection has not been maintained:

Funding year	Funding floor uplift	MPPL uplift	GDP deflator
2022/23	2%	2%	6.8%
2023/24	0.5%	0.5%	6.10%
2024/25	0.5%	1.4%	1.6% (projection)

14. We would urge to Chancellor to make additional funds available in the final year of this SR to ensure that the real-terms protection [announced by ministers in 2019](#) can be delivered.

16-19 education

15. ASCL welcomed the additional funding of £1.6bn for the 16-19 sector in SR21. However, we fully support the IFS findings that indicate that, in real terms, college spending per student will be 10% below 2010 levels in 2024-25, and school sixth form spending per student will be 23% below 2010 levels.

16. 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.
17. According to the IFS, college staff have experienced significant real-terms pay cuts since 2010. Below-inflation pay awards have led to a decline of around 18%. ASCL urges the Chancellor to make funding available to correct this and also to consider the disparity with the salaries of teachers working in schools.

Recovery funding

18. We are very concerned about the impact of the withdrawal of several strands of recovery funding associated with the Covid-19 pandemic at the end of this academic year. In their annual report, [the Education Policy Institute \(EPI\)](#) indicate that the pandemic has caused the disadvantage gap to widen across all phases of education.
19. School leaders and their staff are well placed to target funding and support where it can have optimal impact. We estimate that £0.76bn will be allocated to the National Tutoring Programme (NTP), [Recovery Premium](#) and [16-19 Tuition Fund](#) in the academic year 2023-24. We would urge the government to continue to make this funding available in 5-16 and 16-19 revenue budgets in 2024-25 and beyond, but to reduce the administrative burdens currently involved in accessing this funding.
20. Furthermore, we call on the Chancellor to introduce a new recovery funding stream for all 231 schools impacted by RAAC. This will allow schools to use the funding to provide catch up for pupils with lost or impacted learning as a result of the RAAC crisis.

Capital funding for the school and college estate

21. 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.
22. 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.
23. We are extremely concerned that [the DfE Annual Report 2021-2022](#) included the condition of school buildings as one of six significant risks, classifying the risk as critical and worsening. It said '*There is a risk of collapse of one or more blocks in some schools which are at or approaching the end of their designed life-expectancy and structural integrity is impaired. The risk predominantly exists in those buildings built in the years 1945 to 1970 which used 'system build' light frame techniques.*'
24. [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 billion¹. This leaves a major shortfall of £4.4 billion.

¹ [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 1and 2, School rebuilding programme, school condition allocations.

Financial impact of RAAC in our schools and colleges

25. The government commitment to provide capital to fund emergency mitigation work needed to make school buildings containing RAAC safe is acknowledged. However, we urgently need assurance that current capital budgets will not be diverted to cover the cost of RAAC mitigation work. In the longer term, it is essential that the government commits to providing sufficient funding to totally eradicate RAAC in the school and college estate.
26. In addition, as the true cost of RAAC continues to emerge, we seek confirmation that school revenue budgets will also be protected. The unacceptable length of time taken to get approval for, commission and complete mitigation works means that schools are suffering increasing numbers of in-year pupil transfers to neighbouring schools, as parents start to lose confidence in the school and vote with their feet. ASCL members in RAAC-affected schools are also reporting reduced admission applications for September 2024. The impact of this will have a long tail and manifest in financial detriment at school level for many years.

Special educational needs and disabilities (SEND) funding

27. ASCL believes that reforms to the SEND system are essential to support the national objective to narrow the disadvantage gap. An adequately funded implementation plan will be necessary to drive the DfE's [SEND improvement plan](#) forward.
28. We call on the government to address the inadequacy of SEND funding, investing in a way that eradicates historic debt and supports the system to thrive. At the moment funding allocated to high needs is disappearing into the black hole of deficit recovery and is not getting to the frontline where it can make a difference and meet need.
29. Currently, significant sums are needed to meet existing deficit recovery commitments associated with the Safety Valve Programme (SVP) and Delivering Better Value (DBV) Programme. Both programmes are DfE interventions designed to support local authorities (LAs) on a journey back to financial sustainability. In March 2023, there were 34 authorities with SVP agreements and the DBV programme has capacity for 55 authorities where high-needs block deficit is a reality. In other words, over 50% of LAs have accumulated deficits that require intervention as they battle to meet increasing demands on their SEND provision. We are aware that in January 2024 there are more local authorities (possibly as many as five) in talks with DfE about entering into a safety valve deal.
30. ASCL understands and supports the principle that the education system must evidence value for money. However, we think that, to be effective, agreed deficit management plans must deliver on both reducing debt and supporting the system to improve and children and young people to thrive. It is unclear to us how much of the funding available for SVP and DBV programmes is for investment in desperately needed system improvements, rather than deficit recovery.
31. Working alongside other organisations, ASCL estimates that there is currently a £4.6 billion funding gap between available funding and what is needed to support increased demand and inflationary rises since 2015².

² <https://skillsfunding.service.gov.uk/view-latest-funding/national-funding-allocations/DSG/2023-to-2024>
<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>
<https://researchbriefings.files.parliament.uk/documents/CBP-8419/CBP-8419.pdf>

32. We are extremely concerned that the [DfE annual report 2021-2022](#) included high needs cost pressures as a key risk, classifying it as critical and likely. It said '*Notwithstanding the additional funding allocated in 2020-21, 2021-22 and 2022-23, in the medium term (2-5 years) high needs costs continue to increase significantly more than available funding. This results in the SEND and AP system becoming unsustainable and threatening the overall financial stability of LAs*'.

C. Summary and conclusion

33. We are asking the Chancellor to utilise the opportunity presented by the Spring Budget 2024 to consider the following:

- Make sufficient revenue funding available for pay awards for school and college staff which address the significant pay erosion that has accumulated since 2010.
- Make additional funds available in the final year of this SR to ensure that the real-terms protection for the NFF funding floor and minimum per pupil levels can be delivered.
- Introduce a VAT reimbursement scheme for colleges.
- Retain the funding currently available to support the pandemic recovery (estimate £0.76 billion in academic year 2023/24).
- Introduce recovery funding for schools dealing with RAAC.
- Provide financial protection for schools dealing with declining rolls as a consequence of RAAC.
- Deliver the shortfall of £4.4 billion that currently exists in the annual schools capital budget.
- Deliver the shortfall of £4.6 billion that currently exists in the high needs block.

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

Julia Harnden
Funding Specialist
Association of School and College Leaders
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