**Chancellor's Autumn Budget Statement**

The Chancellor of the Exchequer, Rishi Sunak, has made a statement to the House of Commons on his Autumn budget. The speech and document includes a number of points of relevance to education, academy trusts, public sector pay and other economic and financial policy developments. *Below is our summary of the key points, interwoven with comment and opinion from Forum Strategy.*

*Education, academy trusts and schools*:

· New £1.8bn package including a Recovery Premium

o There will be a *new package of £1.8 billion over the SR period (2022 to 2025) to help schools to deliver evidence-based approaches to support the most disadvantaged pupils*. This includes a*£1 billion Recovery Premium* for the next two academic years to help schools to deliver evidence-based approaches to support the most disadvantaged pupils. It also provides *£324 million in 2024-25 for additional learning hours for 16-19 year-olds*. **As a 'recovery package', this is far below the investment recommended by Sir Kevan Collins in the Summer, and still somewhat less than that called for by sector leaders in recent weeks.**

o Treasury documents state that - through the £1bn Recovery Premium - primary schools will continue to get an additional £145 per eligible pupil, while funding for secondary schools will be doubled. It means the average secondary school can now get up to £70,000 per year.

· Core Schools Budget

o The Spending Review also confirms an *additional £4.7 billion by 2024-25 for the core schools budget in England (*over and above the last spending review settlement for schools in 2022-23). Together this is broadly equivalent to a***cash increase of over £1,500 per pupil by 2024-25***compared to 2019-20.

o The budget also **re-iterates the government's commitment t*o increase teacher starting salaries to £30,000 a year***, as well as a long-term school rebuilding programme to rebuild 500 schools over the next decade.

o SR21 announces that **public sector workers will see pay rises over the next three years** as the recovery in the economy and labour market allows a return to a normal pay setting process.

o The government will be seeking recommendations from Pay Review Bodies where applicable. To ensure fairness and the sustainability of the public finances, **public sector pay growth over the next three years should retain broad parity with the private sector and continue to be affordable**.

o Reza Schwitzer of Public First has commented today that *"The Red Book is clear that this settlement will need to fund future pay increases - and the pay freeze for teachers has been lifted. If the Government wants to meet its manifesto commitment to raise teacher starting salaries to £30,000, this will cause a significant additional pressure on budgets. It is possible - but by no means confirmed - that the department is holding back money for a teacher pay grant in the event the pay review body recommends a substantial rise in teacher pay en route to £30k."*

o However, it does appear that the additional core schools budget funding will be used to compensate the DfE for the employer costs of the new Health and Social Care levy.

· Other key points

o This settlement also makes available*£2.6 billion over the SR21 period for new school places for children with special educational needs and disabilities (SEND) in England*.

o £500 million will be invested over the next three years to transform ‘Start for Life’ and family help services in half of the council areas across England.

o £200 million per year will be provided to continue the holiday activities and food programme.

o The hourly rate to be paid to early years providers for the government’s free hours offers will be increased.

o There was no mention in the Chancellor's statement or within the Treasury documentation, of an extended school day (which has been subject to an evidence review by the DfE

*Employment, economic and financial developments of relevance to trusts and schools*

· **The economy is recovering**. In its latest forecast the OBR expects the UK economy to grow by 6.5% in 2021, followed by growth of 6.0% and 2.1% in 2022 and 2023, respectively. The OBR now expects the economy to regain its pre-pandemic size around the turn of the year, earlier than mid-2022 previously expected.

· I**nflation is expected to rise further to peak at 4.4%** in Q2 2022 before *"returning to target by the end of 2024".*The OBR expects inflation to remain elevated during 2022 and 2023. This will of course have a knock-on effect for schools and academy trusts needing to budget for sustained increases in energy, resource and service costs.

· Meanwhile, **the pressures around recruitment and retention, including rising wage costs across the economy, seem to be with us for some time to come**. The Chancellor confirmed that unemployment is expected to peak at 5.2% next year, lower than 11.9% previously predicted. Meanwhile wages have grown in real terms by 3.4% since February 2020/

· From 1 April 2022 the **National Living Wage (for those aged 23 and over) will rise** to £9.50 per hour - this will apply from 1 April 2022.

· There will be a**5% business rates discount for the retail, hospitality, and leisure sectors** in England in 2022-23, up to a maximum of £110,000. This will be of help to those trusts owning/ running leisure facilities.

*Universal credit*

· The taper rate in Universal Credit will be reduced from 63% to 55%, meaning Universal Credit claimants will be able to keep an additional 8p for every £1 of net income they earn - this will apply from 1 December 2021.

· Universal Credit Work Allowances (the amount that households with children or a household member with limited capability for work can earn before their Universal Credit award begins to be reduced) will be increased by £500 a year.

*Apprenticeships*

· The £3,000 apprentice hiring incentive for employers has been extended until 31 January 2022. The government is increasing apprenticeships funding to £2.7 billion by 2024-25.

· As part of this, the government is continuing to meet 95% of the apprenticeship training cost for employers who do not pay the Apprenticeship Levy and delivering apprenticeship system improvements for all employers, including:

o an enhanced recruitment service by May 2022 for small and medium-sized enterprises (SMEs)

o supporting flexible apprenticeship training models to ensure that apprenticeship training continues to meet the needs of employers

o introducing a return on investment tool in October 2022 to ensure employers can see the benefits apprentices create in their business

Further information can be found in the Chancellor's statement to Parliament: <https://www.gov.uk/government/speeches/autumn-budget-and-spending-review-2021-speech>; in the associated budget documentation from HM Treasury: <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents>; and in the DfE press release: <https://www.gov.uk/government/news/all-schools-and-colleges-to-receive-extra-funding-for-catch-up>

**Further funding for new laptops and tablets for care leavers and disadvantaged pupils**

The Department for Education (DfE) has announced (22 October) an expansion of the Get Help with Technology programme, including **up to 10,000 devices for children with a social worker and those leaving care**. Laptops and tablets will help these vulnerable young people stay in touch with their social workers, personal advisors and wider support networks, along with supporting their education or training. Devices will also be allocated to children who have recently arrived from Afghanistan, to help them to adjust to life in England and support their education.

The **£126 million funding programme will enable up to half a million more disadvantaged children and young people** in England to receive new devices to support their education and help keep them connected to peers and professionals.

The DfE is also making **£13 million** available to schools and colleges that need to buy IT support to set up the devices. The funding also covers the costs of resetting and reconfiguring devices previously received via Get Help With Technology, which will allow schools to make full use of them in the long-term.

Further information can be found: <https://www.gov.uk/government/news/care-leavers-and-disadvantaged-pupils-to-benefit-from-126-million-investment-in-new-laptops-and-tablets>

Following this weekend's KOP26 Climate Summit in Glasgow, how can we make our schools more aware of Climate Change and our staff and children's part in this issue?  There are lots of links for children and teachers, here is the best one I have found:

<https://together-for-our-planet.ukcop26.org/schools-pack-get-inspired/>

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