



## Schools Funding Forum 22<sup>nd</sup> September 2022 ITEM 12

**Subject Heading:**

**Cost pressures in education settings**

**Report Author:**

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(Schools)**

**Eligibility to vote:**

**All representatives**

### SUMMARY

This report considers some of the cost pressures facing education settings at the current time.

### RECOMMENDATIONS

That the Schools Funding Forum notes the report.

### REPORT DETAIL

#### **Introduction**

Education settings are facing increases in cost unprecedented since the delegation of funding to schools in 1990. Whilst most of the focus has been on the impact of the proposed rise in teachers' pay and the cost of energy, school budgets will also be impacted by a rise in support staff pay. Meanwhile, schools are reporting substantial increases in the price of certain resources such as paper.

For 2022-23 the DfE introduced the Schools Supplementary Grant for primary and secondary schools stating that this was intended to meet the cost of the 1.25% increase in employers' national insurance and 'other cost pressures'. Allocations

for schools were calculated using a formula that referenced pupil numbers in Years R – 11 and FSM Ever 6 numbers as well as containing a lump sum element. It should be noted that no such additional funding has been provided for Early Years.

In 2022-23 a 2FE primary school will have received a School Supplementary Grant allocation of around £50k - £55k whilst an 11-16 secondary school with 1,000 pupils will have received around £180k - £220k. For 2023-24 the Schools Standard Grant is being rolled into the main NFF.

### Teaching Staff Pay

The recommendations made by the School Teacher's Review Body (STRB) have been accepted by the Government and there is now a period of consultation. Pay on the Leadership Scale, the Upper Pay Scale, the Unqualified Teacher Scale and for Main Scale Point 6 is proposed to rise by 5% from September 2022. This is 2% more than the DfE submission to the STRB and likely to be 2.0% - 2.5% higher than the sum budgeted by schools. It should be remembered that at 5% the proposed increase is still well below the current rate of inflation.

Proposed increases for Main Scale points 1-5 are shown below, the higher increase being due to the Government's pledge for a starting salary of £30k, £34k in outer London, from September 2023.

Main Scale point	September 2021 £	September 2022 (proposed) £	% rise
1	29,915	32,407	8.3
2	31,604	34,103	7.9
3	33,383	35,886	7.5
4	35,264	37,763	7.1
5	38,052	40,050	5.3

For a two form entry primary school teaching staff costs are likely to be around £25k more than budgeted. For a 1,000 pupil secondary the figure could be around £90k.

### Support Staff Pay

The employers association have made an offer of a flat rate £1,925 on all spinal points. This has not been accepted by the trade unions so can be viewed as the minimum likely increase. This translates to a percentage rise as follows:

Spinal point	April 2021 £	April 2022 (offered) £	% rise
5	22,575	24,500	8.5
9	24,243	26,168	7.9
15	26,985	28,910	7.1
24	31,590	33,515	6.1
29	35,496	37,421	5.4
39	45,576	47,501	4.2

The spinal points shown are some of the most frequently occurring in schools.

At £1,925 the increase in pay is likely to be around 5% higher than the sum budgeted by schools. The impact of this, in terms of cash, will vary. Schools with a higher number of pupils with an EHCP are likely to face a larger increase as they will employ a greater number of teaching assistants. Looking at LA maintained, 2FE primary schools the figure ranges from £29k to £79k with a median of £38k. Looking at secondary schools with around 1,000 pupils the figure ranges from £18k to £76k with a median of £43k.

## **Energy**

The impact of the increase in energy prices will depend on type of contract the school has. LA maintained schools in the Council's corporate energy contract should see no rise in price between April 2022 and March 2023. Outside of this, increases of 150% are not unheard of, which means a secondary school having paid £100k more for energy in 2021-22 than in the previous year.

The Government has announced that the cost of energy for schools will be frozen for six months. Details of how this freeze will operate are awaited. If costs are frozen at the current rate this will still see schools on a variable tariff paying considerably more than they were a year ago.

## **The impact on budgets**

Cost pressures will see more schools facing financial difficulty if additional funding is not forthcoming. There has been no indication of additional funding from the DfE. Prior to the summer break the Government were still citing the additional funding schools had received from the School Standards Grant and the rise in total funding for schools in the current three year spending round.