

## **Bury Schools' Forum**

**23<sup>rd</sup> November 2021**

### **Update on Comprehensive Spending Review (CSR) 27 October 2021**

#### **Response from the Department for Education (DfE)**

The Chancellor delivered his Autumn Budget and 2021 Spending Review speech on 27 October 2021, announcing spending plans across government over the next spending review period.

The spending review delivered a strong settlement for the Department as a whole. On the core school budget in particular we secured an increase of £4.7bn by 2024-25, compared to our original 2022-23 plans.

This includes £1.6bn in additional funding for 2022-23 budgets, on top of the year-on-year increase of £2.4bn already confirmed at Spending Review 2019 (SR19) - and which is intended to help the sector respond to the pressures we know they are seeing: in overall costs, in national insurance, on high needs, in managing Covid and in supporting children and young people to recover from the pandemic. We will confirm in due course how this funding will be allocated in 2022-23 for schools and high needs.

Beyond 2022-23, the funding announced today will mean that we can deliver year on year, real terms per pupil increases to school funding, equivalent to a cash increase of £1,500 per pupil by 2024-25 compared to 2019-20.

The additional £1.6bn comes on top of the previous funding we have already announced for 2022-23: we announced in summer 2021 that high needs funding will increase by £780 million, or 9.6%, in 2022-23 compared to 2021-22; this follows the increase of more than £1.5 billion over the previous two years. We have also previously announced that the schools NFF is increasing by 3.2% overall, and 2.8% per pupil, in 2022-23.

#### **High Needs Capital**

Alongside increases in revenue funding, this announcement confirmed that we will invest £2.6bn between 2022 and 2025 to deliver new places and improve existing provision for pupils with Special Educational Needs and Disabilities (SEND) or who require Alternative Provision (AP).

This funding represents a transformational investment in new High Needs provision and will help deliver tens of thousands (30,000 estimated) of new places - trebling current capital funding.

#### **Early Years Funding**

At the Spending Review on 27 October we announced that we are investing additional funding for the early years entitlements worth £160m in 2022-23, £180m in 2023-24 and £170m in 2024-25. This is for local authorities to increase hourly rates paid to childcare providers for the government's free childcare entitlement offers and reflects the costs of inflation and national living wage increases.

The government has confirmed continuation of Maintained Nursery School (MNS) supplementary funding throughout the Spending Review period, providing the sector with long-term certainty.

We will confirm the 2022-23 hourly funding rates for individual local authorities in due course, followed by the initial allocations in December.

## What does this mean for Bury?

### 1. £1,500 increase per pupil by 2024-25

- a. Schools' Forum should note that this increase in in comparison to the funding per pupil levels at 2019-20 (reference to Spending Review 2019) and does not represent an increase that schools will see from already notified 2022-23 funding levels.

Bury's per pupil funding levels are summarised below:

#### Guaranteed Unit of Funding (GUF) per pupil

Primary Unit of Funding (PUF)	19-20	20-21	21-22	22-23	23-24 estimate	24-25 estimate
	£	£	£	£	£	£
	3,938	4,134	4,471	4,588	<b>5,013</b>	<b>5,438</b>
Annual Variance		196	337	117	<b>425</b>	<b>425</b>
Cumulative Variance		196	533	650	<b>1,075</b>	<b>1,500</b>
% Cumulative Variance		5%	13%	16%	<b>27%</b>	<b>38%</b>

Secondary Unit of Funding (SUF)	19-20	20-21	21-22	22-23	23-24 estimate	24-25 estimate
	£	£	£	£	£	£
	4,961	5,284	5,749	5,934	<b>6,197</b>	<b>6,461</b>
Annual Variance		323	465	185	<b>263</b>	<b>264</b>
Cumulative Variance		323	788	973	<b>1,236</b>	<b>1,500</b>
% Cumulative Variance		6.5%	16%	20%	<b>25%</b>	<b>30%</b>

Without any further detail published by the DfE, expected December 2021, the following assumptions have been applied to the estimates above:

- The £1,500 per pupil increase applies equally to Primary and Secondary sectors
  - An enquiry has been submitted to the DfE to clarify if it is their intention that Primary will see proportionately a larger increase to the 2024-25 unit value when compared to 2019-20 and the Secondary cumulative percentage increase.
- The balance to achieve the £1,500 increase per pupil by 2024-25 is determined using the already published 2022-23 unit values

- The balance to achieve the £1,500 increase per pupil is added 50/50 to the 2023/24 and 2024-25 unit values
- The above assumes the increases will be applied to the Guaranteed Unit of Funding (GUF) per pupil for each sector and not only to the Minimum Funding Level (MFL) as the MFL, if used in isolation, will mitigate any announced increase for any schools where their per pupil funding is already greater than the MFL.

The Primary and Secondary units of funding detailed above are the unit amounts used in determining the overall Schools Block allocation of the Dedicated Schools Grant when multiplied by the validated pupil census numbers used for funding i.e. October census each year.

Individual schools and academies can receive greater or lower than the above unit values subject to their pupil on roll characteristics which determine a schools annual Pupil-Led formula allocation based on factors for Deprivation, Free School Meals eligibility, Low Prior Attainment, English as an Additional Language, Secondary Key Stage level, and Mobility if applicable.

#### Minimum Funding Level (MFL) per pupil

Primary Minimum Funding Level	19-20	20-21	21-22	22-23	<b>23-24 estimate</b>	<b>24-25 estimate</b>
	£	£	£	£	£	£
	3,500	3,750	4,180	4,265	<b>4,632</b>	<b>5,000</b>
Annual Variance		250	430	85	<b>367</b>	<b>368</b>
Cumulative Variance		250	680	765	<b>1,132</b>	<b>1,500</b>
% Cumulative Variance		7%	19%	22%	<b>32%</b>	<b>43%</b>

Secondary Minimum Funding Level	19-20	20-21	21-22	22-23	<b>23-24 estimate</b>	<b>24-25 estimate</b>
	£	£	£	£	£	£
	4,800	5,000	5,415	5,525	<b>5,912</b>	<b>6,300</b>
Annual Variance		200	215	110	<b>387</b>	<b>388</b>
Cumulative Variance		200	615	725	<b>1,112</b>	<b>1,500</b>
% Cumulative Variance		4%	13%	15%	<b>23%</b>	<b>31%</b>

Without any further detail published by the DfE, expected December 2021, the same assumptions have been applied as per the estimates for Guaranteed Unit of Funding (GUF) earlier.

The MFL estimates above demonstrate the potential MFL per sector that all schools funding per pupil will be compared to when determining if any protected levels of funding need to be applied to any individual school to guarantee at least these minimum levels of funding per pupil are received in the budget allocation for each financial year.

### DfE update – 17 November 2021

The £1500 per pupil figure gives an indication of how much the overall core schools budget is increasing by, rather than the level of increase that primary and secondary mainstream schools themselves will see between 2019-20 and 2024-25.

The £1500 per pupil includes significant funding for high needs, and because we have not confirmed funding splits for schools and high needs in 2023-24 or 2024-25, we would suggest not trying to break this down into primary and secondary figures for schools to use at this stage.

### DfE update – 18 November 2021

#### DSG Schools and High Needs

- Increase in core schools budget:-

	Already Announced	Spending Review	Total
	£bn	£bn	£bn
2022-23	2.4	1.6	4.0
2023-24		1.5	1.5
2024-25		1.6	1.6
	2.4	4.7	7.1

- The additional funding in 2022-23 (£1.6bn) will be paid as a grant outside DSG because the NFF has already been announced
  - o the grant will then roll into baseline NFF allocations in 2023-24
  - o all schools will benefit from the additional grant, i.e. even those on MFL will see an increase
- The Spending Review figures cover all cost pressures eg inflation, staff costs, demographics over the 3 years
- **The split between schools and high needs still not known**
- Timescale for announcements – assume the day before Parliament breaks up for Christmas – this would mean 15<sup>th</sup> December.
- DfE understand the need for multi-year announcements but the December announcement will be just 2022-23.

## 2. High Needs Capital

- a. The announcement confirming the £2.6b investment for High Needs places has resulted in Bury being given confirmation that the application for a second Free Special School has been approved.
- b. Current thinking from the DfE is that the £2.6b will be allocated on formulaic basis to Local Authorities. There is no timeline at present to when further detail of the formula and allocations to LAs will be announced
- c. Bury is currently finalising its' specification for the new school in accordance with DfE requirements and deadline of February 2022. This specification will be published by the DfE when they launch the application process in late February 2022 and will be considered by prospective Trusts looking to submit their application to be considered for sponsoring the new provision.
- d. The application window is open for 4 weeks and following scrutiny, validation and interviews to be held with prospective Trusts, the Regional Schools Commissioner (RSC) will confirm the outcomes and successful sponsor in May 2022.

## 3. High Needs Funding Review

- a. Not specifically referred to in the Spending Review and remains subject to further DfE consideration and announcements.

**See SEND Update paper – Item 6**

- b. Current thinking from the DfE is that the will be allocated on formulaic basis

## 4. Early Years Funding

- a. The commitment to fund the Maintained Nursery School (MNS) supplementary funding provides, at long last, some financial stability and confidence in the funding allocation to Hoyle Nursery School, at least for the next 3 years covering this Spending Review period.
- b. Maintained nursery settings hourly rate increases will be notified following further updates expected from the DfE in December 2021

## 5. Other headlines within the CSR announcement

- a. The Department for Education (DfE) settlement provides a £18.4 billion cash increase over the Parliament to £86.7 billion in 2024-25, which is equivalent to a real-terms growth rate of 2% per year on average over the SR21 period.
- b. The settlement provides significant investment in skills and supports the government's commitment to level up education, through additional funding for schools and a package of support to recover lost learning.

- c. In addition, SR21 reaffirms and expands support to recover children and young people's learning lost as a result of the pandemic. It provides a new package of £1.8 billion over the SR period to help schools to deliver evidence-based approaches to support the most disadvantaged pupils and more learning hours for 16-19 year-olds. This brings total investment to specifically support education recovery to £4.9 billion since academic year 2020-21.
  - i. 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.
  - ii. It also provides £324 million in 2024-25 for additional learning hours for 16-19 year-olds.
- d. The government has also committed to increase teacher starting salaries to £30,000 a year
- e. In addition, SR21 offers:
  - i. over £200 million a year for the continuation of the holiday activities and food programme, providing enriching activities and healthy meals for disadvantaged children during school holidays
  - ii. a new funding package of £104 million by 2024-25 to take forwards reforms to unregulated provision in children's social care, improving safeguarding standards for some of our most vulnerable children and young people
  - iii. £7 million in 2024-25 to implement DfE's Adoption Strategy 'Achieving Excellence Everywhere', to improve access to services and support for adopted children and their families
  - iv. £259 million over the SR21 period to maintain capacity and expand provision in secure and open residential children's homes. This will provide high quality, safe homes for some of our most vulnerable children and young people.
- f. SR21 also provides funding for the continuation of the Turing Scheme for the next three years, including £110 million for the academic year 2022/23, funding thousands of students across the UK to go on placements and exchanges overseas. The government will set out further details of the Higher Education settlement alongside the response to the Augar report, which will be published in the coming weeks.
- g. In Summary, SR21 will:
  - i. The settlement will support the delivery of the following priority outcomes:
  - ii. level up productivity and employment by improving the skills pipeline and supporting people to work
  - iii. level up education standards in every part of the country and support children and young people to catch up on learning lost due to COVID-19

- iv. support the most disadvantaged and vulnerable children and young people through high-quality education and local services so that no one is left behind
- v. support families and provide the best start in life for all, through improved family services and high-quality early education and childcare to raise standards and help parents to work

### **Conclusion**

Further details and estimates of the impact on funding for Bury will be developed following more detailed announcements and data from the DfE expected in December 2021. These will be brought for Schools' Forum consideration in January 2022.