

Schools Forum

8th December 2015

Spending Review and Autumn Statement 2015

Introduction

1. The Chancellor of the Exchequer published the government's joint Spending Review 2015 and Autumn Statement on 25 November 2015, setting out public expenditure plans for 2016/17 to 2019/20.
2. The SR15 documents can be accessed via the HM Treasury website, using the following link:
<https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents>
3. SR15 sets out the government's spending plans for 2016/17 to 2019/20. They will announce further detail about specific programmes in due course.

Announcements

4. The main announcements made within the joint Spending Review and Autumn Statement Report which will be of interest to the Schools Forum are set out below.
5. It should be noted that further information will be required before a detailed understanding and evaluation of the impact of the announcements can be undertaken.
6. Relevant extracts from the Spending Review 2015 and Autumn Statement:-

Childcare

7. "From 2019-20, the government will spend over £6 billion a year supporting parents with their childcare costs. This includes doubling the free childcare entitlement from 15 hours to 30 hours a week for working families with three and four year olds from September 2017, worth up to £5,000 per child. It also includes introducing Tax-Free Childcare from early 2017, providing up to £2,000 a year per child to help working parents with their childcare costs. This means that, starting from 2017, a family with two children can begin to claim childcare support worth up to £40,000 through free hours and Tax-Free Childcare by the time both children are at school. The Autumn Statement and Spending Review sets an upper income limit per parent of £100,000 and a minimum weekly income level per parent equivalent to 16 hours (worked at the

National Living Wage) to the extended free childcare entitlement and Tax-Free Childcare. This saves £215 million by 2020-21”.

8. “doubling free childcare from 15 hours to 30 hours a week for working families of 3 and 4 year-olds, worth up to £5,000 per child per year from September 2017, and investing over £1 billion more a year by 2019-20 on free childcare places for 2, 3 and 4 year-olds”. “The government will invest over £1 billion more a year by 2019-20 in free childcare places for 2, 3 and 4 year-olds. To enable the doubling of free childcare for 3 and 4 year-olds with working parents, the government will invest at least £50 million of capital funding to create additional places in nurseries and over £300 million a year to increase the average hourly rate paid to childcare providers. From 2019-20 the government will spend a record £6 billion a year supporting parents with their childcare costs – this includes Tax-Free Childcare and Universal Credit”.
9. “The government has also undertaken a review of the cost of childcare provision, and from 2017-18 will invest £300 million to increase the average hourly rate childcare providers receive, and at least £50 million of capital funding to create additional places in nurseries. This will be delivered alongside the introduction of a national early years funding formula and other reforms, to ensure funding is fairly allocated”.

Schools

10. “The Spending Review protects the core schools budget in real terms, enabling the per pupil rate for the Dedicated Schools Grant to be protected in cash terms, including £390 million of additional funding given to the least fairly funded areas in 2015-16. The pupil premium will also be protected at current rates”.
11. “Funding for universal infant free school meals will also be maintained, saving families around £400 for every infant each year”.
12. “The government will introduce the first ever national funding formula for schools, high needs and early years. This will end the unfair system where a child from a disadvantaged background in one school attracts half as much funding as a child in identical circumstances in another school, simply because of where they live. There will be a transitional phase to help smooth the implementation of the new schools formula. The government will launch a detailed consultation in 2016 and will implement the new formulae from 2017-18”.
13. “This reform will give schools more certainty over future budgets, empowering head teachers to take decisions for the long term. The government will launch a detailed consultation in 2016 and implement the new formulae from 2017-18. There will be a transitional period to help smooth the implementation of the new formula”.

14. "The government is investing £23 billion in school buildings, opening 500 new free schools, creating 600,000 school places, rebuilding and refurbishing over 500 schools and addressing essential maintenance needs. The government is also investing in new school places for children with special educational needs and disabilities".
15. "The Spending Review and Autumn Statement represents the next step towards the government's goal of ending local authorities' role in running schools and all schools becoming an academy. This will accelerate the government's ambitious reform programme, giving more power to teachers".
16. "The Spending Review and Autumn Statement provides investment of over £1.3 billion up to 2019-20 to attract new teachers into the profession, particularly into Science, Technology, Engineering and Mathematics (STEM) subjects and to deliver the English Baccalaureate (EBacc), to raise educational standards for young people".
17. "The government will support 800 more National Leaders of Education to continue driving up performance in schools, while increasing funding for teacher training and recruitment to deliver the English Baccalaureate and more specialist STEM teaching".
18. "Savings of around £600 million will be made on the ESG, including phasing out the additional funding schools receive through the ESG. The government will reduce the local authority role in running schools and remove a number of statutory duties. The government will consult on policy and funding proposals in 2016".
19. "The government will help schools to make savings on procurement, including by exploiting economies of scale. In 2016 the government will publish a set of specific actions to support school leaders target over £1 billion a year in procurement savings by the end of the parliament through benchmarking, guidance and improved framework contracts".

16 – 19 Year Olds

20. "The Spending Review and Autumn Statement announces a cash terms protection of the current national base rate per student for 16 to 19 year olds in school sixth forms, sixth form colleges and further education colleges in England for the rest of the Parliament".
21. "As part of the government's one-off restructuring of post-16 education and training, Sixth Form Colleges in England will be given the opportunity to become academies, allowing them to recover their non-business VAT costs. They will have the option of joining a Multi Academy Trust if they choose to, which will help drive up standards and improve efficiency of 16-19 education by enabling further collaboration between schools and Sixth Form Colleges".

Recommendation

22. That the Schools Forum note the paper.

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