

Matters Arising – Pay Awards (School Budgeting)

The purpose of this brief report is to ensure that Forum members are aware of the pay award information that became available at the end of the summer term. The pay awards, as announced / offered, for teachers and for support staff, will have budget implications for schools, academies and for other providers, as well as for the Dedicated Schools Grant. These implications are important to consider as we work through the 2023/24 Dedicated Schools Grant and formula funding setting cycle, between now and January.

Regarding school budgeting, we strongly recommend that all schools and academies present to their governing boards, as soon as possible, an updated 3-year budget forecast, which includes the new costs of the pay awards. Given the timing of budget setting for 2022/23, it is very likely that schools and academies will need to immediately revisit their spending plans for their respective 2022/23 financial years. Maintained schools should do this within their quarter 2 budget monitoring, which will take place in October. Schools and academies will also need to revisit their spending plans for 2023/24 and 2024/25, and this should be looked at as soon as possible. We strongly recommend that maintained schools do this alongside their quarter 2 budget monitoring.

Teachers' Pay Award September 2022

Further information on the teachers' pay award at September 2022 is available here:

<https://www.gov.uk/government/publications/school-teachers-review-body-32nd-report-2022>

This is a link to the STRB's report, which sets out this Body's recommendations. The STRB's recommendations for September 2022 have been accepted by the DfE in full. The further movement to the minimum £30,000 Main Pay scale salary is confirmed within the STRB's recommendations. Most maintained schools will already be budgeting for this. However, the STRB recommends that all other scale points and allowances increase at September 2022 by 5%, which is 2% more than the 3% the DfE suggested in its evidence submitted in February. Most maintained schools will have budgeted for a 3%, not a 5%, pay award at September 2022. The DfE has indicated so far that no additional funding will be allocated to schools to support the cost of the September 2022 pay award. Whilst the DfE has not yet accepted any recommendations on the pay award for September 2023, and this will be subject to the annual review process, the STRB currently recommends a basic increase of 3% at September 2023. Most maintained schools will currently be budgeting for a basic increase of only 2%. We recommend at this time that schools adjust their 2022/23 budgets and 2022-2024 forecasts, and spending plans, to incorporate 5% (September 2022) and 3% (September 2023) basic pay awards. Schools should continue to budget for the further movement (final step) to the £30,000 minimum MPS salary at September 2023.

Support Staff / Officers' Pay Award April 2022

Further information on the National Joint Council (NJC) officers' / support staff pay award at April 2022 is available here:

<https://local.gov.uk/our-support/workforce-and-hr-support/local-government-services/green-book-payscales-and-other-7>

This is a link to the offer, which was published at the end of July. Whilst this is still an offer (although stated as a 'final' offer), it is now appropriate for maintained schools to adjust their budgets and forecasts, replacing previous estimates. The offer is that all scale points at April 2022 will increase by £1,925. This means that scale points will increase in % terms by between 10.5% (scale point 1) and 4% (scale point 43). We anticipate that the average % increase for staff in schools will be around 8%. Most schools currently will have budgeted only for a 2% blanket increase in salaries at April 2022. As such, the pay award as currently offered will have budget implications. This is an award offer covering 2022/23 only. Most maintained schools will currently be budgeting for a continuing 2% annual pay award from April 2023. Whilst we do not know yet what the pay award offer for April 2023 will be, we do recommend that schools now budget for more than a 2% award - at least 3% going forward.