

Matters Arising – Pay Awards (School Budgeting)

The purpose of this brief report is to ensure that Forum members are aware of the teachers' pay award information that became available at the end of the summer term. The pay awards, as announced / offered, for both 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 2024/25 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 2023/24, it is very likely that schools and academies will need to revisit their spending plans for their respective 2023/24 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 2024/25 and 2025/26, 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 2023

The DfE published on 13 July [a statement](#) on the September 2023 Teachers' Pay Award. The DfE also published [the STRB Recommendations Report](#), and details of [a new additional Teacher Pay Grant for 2023/24](#), which accompanies the pay award. These together announced the proposals:

- For a 1 year pay award i.e. the announcements do not set pay awards after September 2023.
- A 6.5% pay award at September 2023 across all scale points and allowances, with the exception of Main Pay Scale 1 (MPS 1).
- That the final step to the minimum MPS 1 salary of £30,000 is taken at September 2023. This means that the MPS1 scale point value increases by 7.1%.
- That a new Teacher Pay Grant is established to support a proportion of the cost of this award. The Grant is intended to support the additional 3.0% cost, with the first 3.5% being met from already delegated formula funding. The new Teacher Pay Grant will remain in place for the 2024/25 financial year, after which the intention, for mainstream primary and secondary schools and academies, is to roll this grant into the National Funding Formula.
- Special schools, special school academies, PRUs and AP academies will also receive Teacher Pay Grant in 2023/24 and 2024/25, but via the Local Authority rather than having been calculated by the DfE and passed through.
- Further details on the grant in respect of early years and post 16 are still to be provided. The DfE also has still to provide details regarding access to a £40m 'exceptional circumstances' pot.

We advised our maintained schools to budget in 2023/24 for an overall 3.5% pay award at September 2023 (3.0% on scale points and allowances but with the movement to the MPS 1 £30,000 also included). Therefore, schools should already be budgeting to meet the expectation that the first 3.5% of the 6.5% award is met from already delegated funding. As such, this pay award, when combined with the new Teacher Pay Grant, generally should not produce significant bottom line budget changes.

Support Staff / Officers' Pay Award April 2023

On 23 February 2023, the National Employers [announced their pay offer](#) for support staff / officers (the NJC pay scales award) for April 2023. The Employers' offer is similar to the final pay award that was agreed for April 2022: £1,925 on all scale points (up to scale point 43 of the NJC scale), with a 3.88% uplift on all points above the NJC scale (point 43). This equates to a range of uplifts, between 9.42% at the bottom of the scale up to 3.88% at the top of (and above) the scale. This offer was rejected by the national unions. We do not yet have any further information on the position of the award or next steps. This will be a matter that requires continued monitoring and assessment.

We advised our maintained schools to budget in 2023/24 on the basis of the National Employer's offer. Should the final agreed award be higher than this offer, this will have bottom line budget consequences for schools. There will be no further funding for the cost of the NJC pay award; this award is not specifically funded within the DSG national settlement in the way that the teachers' pay award is.