



Pearson

Pocket Watch (2016/3) Budget 2016. The education bits



Introduction

With his talk of ‘*turbulence*,’ ‘*strong headwinds*’ and ‘*gathering storm clouds*,’ it seemed as if the Chancellor was delivering the weather forecast rather than the latest economic details when he stood up to announce his latest **Budget** details this week. The backcloth of course was the ‘*cocktail of risks*’ that the Chancellor had talked about earlier this year but in a well-worked routine, he went on to maintain that the economy was now stronger than before and that the aim of achieving a surplus by 2020 was still on, before managing to pull a couple of rabbits out of the hat in the form of a sugar tax and a new Lifetime ISA while providing a Budget for future generations.

“*Putting the next generation first*” was in fact one of the core themes of the Budget and as the media had widely trailed in the days before the Budget, this meant a number of announcements for the world of education in general and for schools in particular. Here’s some of the details.

For schools

- Complete the full academisation of the schools system. Strange perhaps that this was announced by the Chancellor but it’s something that the Conservatives have been talking about for some time and was a major feature in the Prime Minister’s Conference speech last autumn; that and the creation during this Parliament of 500 new Free Schools. So it’s not new but what is new is the setting of clear timescales: all schools to be academies by 2020 or if not to have plans in place by 2022. It therefore brings to a close the Local Authority school system, something that was legislated for in the 1902 Balfour Act but which has gradually been eroded in recent years. Arguments continue to rage about whether ‘freeing-up’ schools as the government puts it will improve things or not. Local Authorities will still have important responsibilities and in Russell Hobby’s **sage words** in the TES, there is no need to panic or rush. Much depends on getting the structures in place to support such a devolved system. The biggest anxiety may come from primary schools where as the Chair of the Education Committee reminded us, just 15% are currently academies so there’s a lot of work needing to be done to meet these deadlines. The danger is that it will consume a lot of valuable time over the coming years that might be better spent on teaching
- Raise standards in some northern schools. Much of the Chancellor’s Northern Powerhouse project rests on having a skilled workforce in the future and mindful no doubt of concerns raised by the think tank IPPR in a **report** last year as well as of course the stark messages about a North-South divide in education performance by the Chief Inspector in his annual **report** last December, the Chancellor announced a new Northern Powerhouse Schools Strategy. This will see £20m a year initially put into to support schools and teachers in the Northern Powerhouse region through the academy chain model. No specific mention of the London Challenge but it’s clearly the approach and the New Schools Network which is opening up a new office in Manchester will help drive the academy system envisaged. As the Chancellor noted, attracting ‘the best teachers’ to the region is key so the new National Teaching Service, due to launch in the N.W. this autumn may be critical. Either way, the government has called on the Academy chief, Sir Nick Weller to draft a more detailed strategy

Budget 2016. Pocket Watches are intended to provide quick, informal updates on national developments. Information is correct at the time of writing and is offered in good faith. No liability is accepted for decisions made on the basis of information given.



Pearson

- **Post-16 maths.** It's not quite compulsory maths up to the age of 18 as some of the headlines have it but the government remains concerned about our post-16 maths participation and levels when compared with competitor countries. We've already had new Core maths introduced this year and Functional Skills are under review but in PISA year, the government is keen to do more and so has called on Sir Adrian Smith whose previous major report into maths over a decade ago highlighted similar issues, to pick up the post-16 challenge. He won't have much time as he's due to report back later this year
- **Some extra money.** Two sources were announced by the Chancellor. First he's committing £500m up to 2019/20 to help push along the move towards the proposed new 'fair' funding formula announced the other week and still at first base when it comes to consultation. The aim appears to be not just speeding things up but also limiting the impact on any potential 'losers' under the new formula. Second, he's going to use the half a billion from the sugar levy to increase the sport premium in primary, expand breakfast clubs and encourage at least a quarter of secondary schools to extend the school day

For FE and skills

- **Apprenticeships.** The levy remains a source of concern to many but as work goes on to develop the operational details some of which will be revealed next month with draft funding rates due in June, the Chancellor restricted himself to announcing that employers will receive a 10% top-up to their monthly contributions from next April. Further details are expected
- **Local growth and City Deals.** The Chancellor spent some time in his speech praising the programme of infrastructure projects being drawn up by the Adonis Commission while the Budget Red Book has a large chunk on the latest devolution deals. Both may be of interest to FE particularly as local industries and employers increasingly drive the skills demands. The Local Growth Fund is important to FE and the Chancellor confirmed that a further £1.8bn would be made available through LEPs this year with additional funding for housing projects. The so-called single pot approach is alive and well but much depends on the progress of mayoral elections as accountable officers in the whole system

For HE

- **PhD loans.** These had been previously indicated but the Chancellor has now announced that loans of up to £25,000 will be available from 2018/19, this almost completing the loan offer
- **Alternative Providers (APs.).** Much hinges here on the next steps following last year's Green Paper which opened the door wider for APs and where legislation may follow. For the moment, the Budget simply endorses the case for APs as being important players in the degree market
- **Flexi-study and lifetime learning.** These were both referenced in the recent HE Grant Letter and the Budget adds its weight in wanting to see these forms of study developed with the government looking to investigate opportunities and returns

Steve Besley

Head of Policy @SteveBesley

Budget 2016. Pocket Watches are intended to provide quick, informal updates on national developments. Information is correct at the time of writing and is offered in good faith. No liability is accepted for decisions made on the basis of information given.