

2015/11

19 March 2015

Pocket Watch – Education and Budget 2015

Introduction

Whether it was to help Britain *'walk tall'* and *'keep the sun shining'* as the Chancellor claimed or it was something that *'people won't believe and don't trust'* as Ed Miliband claimed, this week's **Budget** was more about *"sticking with the plan"* than pulling rabbits out of hats. When it came to education, there were some honourable mentions of Apprenticeship Vouchers, Local Growth arrangements and postgrad support and in the big Budget book itself, reference to school efficiencies but that was about it, leaving many in the education sector distinctly underwhelmed. *'A missed opportunity to boost skills,'* as the adult education body put it, while the teacher union NASUWT bemoaned the *'lack of recognition of the crisis in education.'*

Of course this final Budget before the general election was always going to be defined by the forthcoming campaign and the Chancellor who notably used the word *'choose'* seven times in his opening comments was helped by a bunch of encouraging figures on employment, growth and inflation but for the world of education, the key issue remains the impact of further cuts. The Chancellor carved out more room for manoeuvre by lowering his initial target of a surplus of £23bn the end of the next Parliament to one of £7bn by 2019, but it still leaves, as even the independent experts of the OBR highlighted, *'a rollercoaster'* ride for public services with sharp cuts likely for the next three years, some of which will have to come from Dept spending. For the moment, these were the main education bits in this year's Budget.

Budget 2015: Education headlines

- Public Spending. Total Managed Expenditure (TME,) that's the money set aside for Dept budgets and some annually managed areas like welfare will continue to fall at the same rate up to 2018/19 as the last five years. There's considerable debate about whether, given the failure to meet earlier targets, this means sharper cuts as the OBR and IFS claim or more of the same as the Chancellor claims. Specific Dept Expenditure Limits for 2015/16 have already been set, those for 2016 and beyond will be set in this year's Spending Review
- School efficiencies. The government is concerned about the differential in costs and efficiencies between schools which can range from £200 per pupil to over £1,400 per pupil. It will therefore pilot this year a cost comparison tool and introduce new management information and benchmarking tools allowing parents to compare school spending
- Mental health. Amid growing concerns about the importance of this issue among young people, the government will invest £1bn over the next 5 years into developing new access standards and further funds into the access to psychological therapies programme
- Apprenticeship funding. Confirmation that the government will test out its proposed Voucher model this year with a view to roll out from 2017. Further detail awaited
- Local Growth and devolution. Continued support for stimulating growth throughout the country through the Northern Powerhouse project, Greater Manchester Agreement and extended Enterprise Zones and Hubs. Of particular interest is the incorporation of skills planning in the devolved powers to London and Sheffield
- Science and innovation. Continued support for Innovate UK, Catapult Centres, Smart City technology and further funds to support *'cutting edge'* research and innovation
- Postgrads. A package of measures, following concerns by Universities UK and others about a decline in postgrad numbers, that include income-contingent loans up to £25,000 to support PhDs and research masters and a review into funding for postgrad research



Steve Besley
Head of Policy

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.

Education and the Budget March 2015