

## Response ID ANON-2NJM-X3P4-6

Submitted to **Funding the education sector for teacher pensions increases**

Submitted on **2019-02-11 10:40:20**

### Introduction

#### 1 What is your name?

**Name:**

Councillor Richard Watts, Chair of the Resources Board at the Local Government Association. Leader of Islington London Borough Council.

#### 2 What is your email address?

**Email:**

jackie.wood@local.gov.uk

#### 3 What is your organisation?

**Organisation:**

Local Government Association

### Questions on the Department for Education's current proposal

#### 4 Which sector do you represent? (If more than one please select the sector which you work with/represent most closely)

Maintained Schools sector (Mainstream and special maintained schools, Maintained nursery schools)

text box:

#### 5 What is your role? (If more than one please select your primary role):

Sector representative

text box:

#### 6 Do you agree with the proposal to fund schools (as defined in 4.6) for these increased costs?

text box:

- We note that the Government has recognised the budget pressures that the significant increase in employer contributions would place on maintained schools and local authorities.
- We support the proposal to fully fund these increased costs for 2019/20 for all public-funded schools and centrally employed teachers working in local authorities.
- Schools and children services in the local government sector are already under significant funding pressures. In March last year the LGA responded to a report by the Education Policy Institute that highlighted school funding pressures and raised concerns that local authorities may not be able to meet their statutory duties, with rising demand pressures for special educational needs and disability support, children with high needs or disabilities could miss out on a mainstream education.  
<https://www.local.gov.uk/about/news/lga-responds-report-school-funding-ppressures>
- The Institute of Fiscal Studies' 2018 Annual Report on Education Spending in England also drew attention to the funding pressures faced by maintained schools, reporting that total school spending per pupil fell by 8% in real terms between 2009–10 and 2017–18.
- The Education Policy Institute's 2019 report 'School revenue balances in England' has revealed that the number of maintained schools with a deficit balance is increasing with nearly one in three maintained secondary schools now having a deficit balance. The LGA responded to this report, highlighting that the findings are further evidence of the funding pressures schools and local authorities are under, including support for children with special needs, which faces a shortfall of £472 million this year.  
<https://www.local.gov.uk/about/news/lga-responds-epi-report-school-revenue-balances>
- The LGA wrote to the Secretary of State last autumn with our concerns about the omission of centrally employed teachers (CETs) from the teachers' pay grant methodology. CETs generally either provide direct teaching to children and young people for example the provision of music lessons or play key roles in supporting professionals within education. We estimated a shortfall of approximately £5.5 million over the same funding period as set out by the pay grant. This takes no account of additional costs linked to employment in London or fringe areas.
- We support the Government's proposal to fully fund the increased pensions costs for the 3,800 CETs that work across local authorities, in total we estimate these costs will be nearly £5 million.

- Maintained nursery schools support some of our most disadvantaged children. Whilst the Government is providing local authorities an additional £59 million a year up to 2020 in recognition that the Early Years Funding formula would not cover the costs of maintained nursery schools, these schools are unlikely to be in a position to absorb the additional employer contributions costs and we support the proposal to fully fund maintained nursery schools for the increase in employer contributions.

- The impact of the Department not funding these additional costs would be particularly felt in two areas in schools: school staffing and children.

As approximately two-thirds of school spending is on education staff, our view is that all schools would have to reduce their staffing structures to cover the additional pension costs. This would adversely affect the curriculum and impact on children, most likely children from the most deprived areas, whose parents are not able to support schools financially by making increased voluntary contributions to, for example, resources and school trips.

## **7 Do you agree with the proposal to fund FE colleges and other public-funded training organisations for these increased costs?**

### **text box:**

- We agree with the proposal to fund FE and other public-funded training organisations for these increased costs. We are concerned that if this funding is not made available, it could impact on the viability of the Teachers' Pension Scheme (TPS) in the long term. There are significant financial pressures on all institutions in all the sectors participating in the TPS. If this funding is not made available for these organisations, it could result in employers leaving the TPS, as a result this would put a higher strain on employers who remain with the scheme.

## **8 Please provide any additional evidence relating to the impact on all sectors, which you think the Department should consider considering these proposals.**

### **text box:**

- We would support extra funding for these increased costs for the higher education sector and independent schools. We are concerned that if this funding is not made available, it could impact on the viability of the Teachers' Pension Scheme (TPS) in the long term. There are significant financial pressures on all institutions in all the sectors participating in the TPS. If this funding is not made available for these organisations, it could result in employers leaving the TPS, as a result this would put a higher strain on employers who remain with the scheme.

- We would also support extra funding for these increased costs for schools in Wales. We are concerned that if this funding is not made available, it could impact on the viability of the Teachers' Pension Scheme (TPS) in the long term.

## **9 To what extent will this proposal have an impact on people with one or more protected characteristics?**

### **text box:**

Our view is that it will not have an impact on people with one or more protected characteristics.

## **10 Would you like us to keep your responses confidential?**

No

**Reason for confidentiality:**