

TEACHERS PAY GRANT – DfE guidance

Eligibility for the grant

We will pay the grant based on the number of pupils aged 2 to 19 in:

- maintained nursery schools
- primary and secondary maintained schools
- primary and secondary academies and free schools
- all through maintained schools and academies
- 16 to 19 maintained schools
- 16 to 19 academies

For schools with fewer than 100 pupils, we will allocate funding as if they had 100 pupils.

The Education and Skills Funding Agency (ESFA) will pay the funding for maintained school to local authorities, who will need to pass the funding directly on to the schools at the rates published. They will pay the funding for academies directly to the academy.

We will also allocate funding to local authorities to distribute to institutions who provide for children with high needs.

We will do this based on places in:

- maintained special schools
- special academies and free schools
- pupil referral units
- alternative provision academies and free schools
- hospital schools

We will also allocate funding directly to non-maintained special schools. The grant does not cover independent special schools.

For institutions with fewer than 40 places, we will allocate funding as if they had 40 places.

How we have determined the rates

The teachers' pay grant is worth £187m in 2018 to 2019 and £321m in 2019 to 2020.

We have taken the overall annual pay bill for teachers, including additional costs such as pensions and national insurance, and applied the average percentage uplift of the announced 2018 to 2019 pay award.

We then subtracted the 1% that schools would have been planning for, in line with the previous public sector pay cap.

For 2018 to 2019 we take 7/12 of this figure. The teacher pay award came into effect on 1 September 2018. As such the teachers' pay grant needs to provide for the 7 months between September 2018 and March 2019. The 2019 to 2020 figure represents the ongoing cost of the 2018 pay award and so is for the 12 months of that financial year. This gives a total of £187m in 2018 to 2019 and £321m in 2019 to 2020.

We have divided this funding between primary (including early years), secondary (including school sixth forms) and special schools. We have done this based on the size of the teacher wage bill for each sector. We have done this to take into account, for example, that special schools generally spend more on staff per pupil.

We have applied an Area Cost Adjustment (ACA), which takes into account higher teacher wages in London.

The ACA uses 4 rates:

- inner London
- outer London
- London fringe
- the rest of England

We also assume that all mainstream schools have at least 100 pupils and all high needs institutions have at least 40 places.

We then divided the amount of funding for each sector between the number of pupils, to generate a per-pupil rate.

We will provide further detailed guidance and information in October. This will include school level allocations for mainstream schools, and local authority level allocations for high needs.

We will then make payments later in the autumn.

2016 Valuation Teachers' Pension Scheme

You will be aware that on 6 September HM Treasury published [draft directions](#) to be used in the valuation of public service pension schemes. The Government Actuary's Department

have now completed their calculations to provide **indicative** results of the 2016 valuation of the Teachers' Pension Scheme (TPS) to the Department for Education (DfE), the key results are as follows:

- Implementation of the change to the employer contribution rate will be 1 September 2019 (rather than 1 April 2019) due to the delay in this announcement.
- The current employer contribution rate of 16.48% will be increasing to an **estimated** employer contribution rate of 23.6%, for the period 1 September 2019 until 31 March 2023.
- There will be funding from the DfE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation, a consultation process will take place to determine final funding arrangements. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.