



## Guidance

# Teachers' pay grant methodology

Updated 25 April 2019

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## Introduction

A guide to help school leaders understand and plan for the teachers' pay grant.

This methodology will help you to understand the teachers' pay grant, covering the 2018 to 2019 and 2019 to 2020 financial years.

The allocations are available at [Teachers' pay grant: September 2018 to March 2019 allocations](#) and [Teachers' pay grant: September 2019 to March 2020 allocations](#).

## 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 high needs 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.

## Rates

### Rates for primary schools

Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	21.12	36.26
Outer London	19.54	33.55
London fringe	18.29	31.40
Rest of England	17.76	30.48

### Rates for secondary schools (with same rate for all 11-19 year olds)

Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	31.57	54.20
Outer London	29.20	50.15
London fringe	27.34	46.94
Rest of England	26.54	45.56

# Rates for special and alternative provision schools

Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	78.10	134.97
Outer London	72.25	124.87
London fringe	67.64	116.89
Rest of England	65.65	113.46

## Detailed allocations

[Detailed allocations for financial year 2018 to 2019](#) were published in October 2018, with payments made shortly after.

[Allocations for financial year 2019 to 2020](#) will be published in April 2019. There will be 2 payments, one in spring 2019, which will cover April to August 2020 and one in autumn 2019, which will cover September 2019 to March 2020.

Academies will be paid using the 2019 to 2020 rates for the period April 2020 to August 2020 which will provide funding for the end of their financial year.

Funding for maintained schools from April 2020, which is the start of their financial year, and for all schools beyond August 2020, will be confirmed as part of the wider spending review.

## New and growing schools adjustments

As part of the payment in spring 2019, we have made an adjustment for new and growing schools.

Where a new school was funded as if it had 100 pupils in the financial year 2018 to 2019 allocations, their allocation for the financial year 2018 to 2019 will be adjusted to take account of their actual pupil numbers in the October 2018 census. If a school had fewer than 100 pupils in the October 2018 census, there will be no adjustment.

### Example

- a primary school in Lambeth newly opened in September 2018
- for autumn 2018 allocations, funded on the basis of having 100 pupils

- eligible for the 'inner London' rate
- was allocated £2,112.00 in autumn 2018
- the school had 120 pupils at the October 2018 census
- additional payment of £422.40 based on 20 pupils at the 2018 to 2019 inner London primary rate (20 x £21.12)

A growing school is defined as a one that is continuing to add year groups following opening, and added an additional year group between October 2017 and October 2018. For these schools, we will make an adjustment to their 2018 to 2019 financial year allocation. They will receive the difference between the funding they received using the pupil numbers from the October 2017 census and the updated pupil numbers from the October 2018 census.

### Example

- a primary school in Knowsley newly opened in September 2014
- had 120 pupils in year groups R to 3 at the October 2017 census
- eligible for the 'rest of England' rate of £17.76 per pupil
- was allocated £2,131.20 in autumn 2018 (120 x £17.76)
- this school added a new year group 4 in autumn term 2018, so is classified as a growing school
- the school has 150 pupils recorded in October 2018 census
- the final allocation is recalculated as £2,664.00 (150 x £17.76)
- the additional allocation paid in April 2019 is therefore £532.80 (£2,664.00 minus £2,131.20)

Schools, which have seen growth in pupil numbers, but are not adding additional year groups will not see any adjustments to their funding.

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