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Department  
for Education

Guidance

# Teachers' pay grant methodology

Updated 27 September 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 2018-19 and 2019-20 financial years.

The allocations are available at [Teachers' pay grant: September 2018 to March 2019 allocations](#) and [Teachers' pay grant: April 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 for the 2018 pay award is worth £187m in the 2018-19 financial year and £321m in 2019-20.

The teachers' pay grant for the 2019 pay award is worth £105m in 2019-20.

To determine the sums, 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 2018 and 2019 pay awards.

We then subtracted the 1% pay award that schools would have been planning for in 2018 in line with the previous public sector pay cap. For the 2019 pay award we subtracted the 2% which is the pay award demonstrated to be affordable in the financial year 2019-20 nationally as set out in the [schools' costs technical note](#) published in January.

The 2019-20 figures represent:

- in respect of the 2018 pay award, the ongoing cost for the 12 months of the 2019-20 financial year
- in respect of the 2019 pay award, the cost of the award for the seven months from 1 September 2019 to the end of the 2019-20 financial year.

This gives a total of £187m in 2018-19 and £426m in 2019-20

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.

Academies will be paid using the 2019-20 financial year rates for the period April 2020 to August 2020 which will provide funding for the end of their financial year.

## Rates

### Rates for primary schools

Region	Rate in 2018-19 (£)	2019-20 rate, for Apr 2019 to Aug 2019 (£)	2019-20 rate, for Sep 2019 to Mar 2020 (£)	Rates for full 2019-20 financial year (£)
Inner London	21.12	15.32	32.63	47.95

Outer London	19.54	14.17	30.19	44.36
London fringe	18.29	13.26	28.26	41.52
Rest of England	17.76	12.87	27.43	40.30

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

Region	Rate in 2018-19 (£)	2019-20 rate, for Apr 2019 to Aug 2019 (£)	2019-20 rate, for Sep 2019 to Mar 2020 (£)	Rates for full 2019-20 financial year (£)
Inner London	31.57	22.54	48.03	70.57
Outer London	29.20	20.86	44.43	65.29
London fringe	27.34	19.52	41.59	61.11
Rest of England	26.54	18.95	40.37	59.32

## Rates for special and alternative provision schools

Region	Rate in 2018-19 (£)	2019-20 rate, for Apr 2019 to Aug 2019 (£)	2019-20 rate, for Sep 2019 to Mar 2020 (£)	Rates for full 2019-20 financial year (£)
Inner London	78.10	57.00	121.44	178.44
Outer London	72.25	52.74	112.35	165.09
London fringe	67.64	49.37	105.17	154.54
Rest of England	65.65	47.92	102.08	150.00

The rates we previously published here were for the full 2019-20 financial year. We have now updated these with the actual rates that will be used for school

allocations. These take into account the additional funding for the 2019 pay award.

## Detailed allocations

[Detailed allocations for financial year 2018-19](#) were published in October 2018, with payments made shortly after.

[Allocations for financial year 2019-20](#) were published in April 2019 and included 2 payments:

- the first was paid in spring 2019, at the end of April to local authorities and early May to academies, which covers April to August 2019
- the second was due to be paid in autumn 2019, at the end of October to local authorities and early November to academies, which will cover September 2019 to March 2020

The allocations for the second set of payments in the financial year 2019-20 will be updated in October 2019 to allow for the updated rates, and payments will be made shortly after.

For the financial year 2020-21 we will publish updated rates and allocations in spring 2020.

Maintained schools will be paid using these rates from the start of their financial year in April 2020, and all schools from August 2020.

## New and growing schools adjustments

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

Where a new school was funded as if it had 100 pupils in the financial year 2018-19 allocations, their allocation for the financial year 2018-19 was 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 would be no adjustment.

For 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 2018-19 inner London primary rate (20 x £21.12)

A growing school is defined as a one which is continuing to add year groups following opening, and added an additional year group between October 2017 and October 2018.

For these schools, we made an adjustment to their 2018-19 financial year allocation. They will have received 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.

For 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 saw a growth in pupil numbers, but did not add additional year groups, did not see any adjustments to their funding.

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