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[Home](#) > [Teachers' pay grant methodology](#)



Department
for Education

Guidance

Teachers' pay grant methodology

Updated 27 February 2020

Contents

[Introduction](#)

[Eligibility for the grant](#)

[How we have determined the rates](#)

[Rates](#)

[Detailed allocations](#)

[New and growing schools adjustments](#)

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 financial years 2018 to 2019, 2019 to 2020 and 2020 to 2021.

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 mainstream maintained schools to local authorities, who will need to pass the funding directly on to the schools at the rates published. The ESFA will pay the funding for mainstream 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

We will provide approximately £500 million per year from 2020 to 2021 to continue to provide support with respect to the 2018 and 2019 teachers' pay awards.

The teachers' pay grant was worth £187 million in the 2018 to 2019 financial year and £426 million in the 2019 to 2020 financial year.

To determine the grant totals, 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 to 2020 nationally as set out in the [schools' costs technical note](#) published in January 2019.

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 for the 5-month period from April to August 2020 have been calculated as five-sevenths of the 7-month rates for September 2019 to March 2020. Payments for April to August 2020 will use October 2019 pupil numbers for 5 to 16 year olds.

Local authorities will receive payments for their maintained schools and specialist institutions at the end of April, and academies will receive their payments at the start of May.

Rates

Rates for primary schools

Region	Sep 2019 to Mar 2020 rate (£)	April to August 2020 rate (£)
Inner London	32.63	23.31
Outer London	30.19	21.56

London fringe	28.26	20.19
Rest of England	27.43	19.59

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

Region	Sep 2019 to Mar 2020 rate (£)	April to August 2020 rate (£)
Inner London	48.03	34.31
Outer London	44.43	31.74
London fringe	41.59	29.71
Rest of England	40.37	28.84

Rates for special and alternative provision schools

Region	Sep 2019 to Mar 2020 rate (£)	April to August 2020 rate (£)
Inner London	121.44	86.74
Outer London	112.35	80.25
London fringe	105.17	75.12
Rest of England	102.08	72.91

Detailed allocations

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

[Allocations for financial year 2019 to 2020](#) 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 paid in autumn 2019, at the end of October to local authorities and early November to academies, which covers September 2019 to March 2020

Allocations for the financial year 2020 to 2021 will be published in spring 2020.

New and growing schools adjustments

Schools that opened between October 2018 and September 2019 did not appear on the census data previously used. These schools received funding allocations based on a minimum level of:

- 100 pupils for mainstream schools
- 40 places for high needs institutions

New schools will receive an update to their September 2019 to March 2020 allocation in spring 2020 based on their October 2019 pupil numbers.

Schools that were not fully open in October 2018, and are still growing by adding year groups, will also receive an updated September 2019 to March 2020 allocation in spring 2020 to reflect that growth. Further details of these updates will be included alongside the spring 2020 allocations.

For example:

- a primary school in Lambeth newly opened in September 2019
- for autumn 2019 allocations, funded on the basis of having 100 pupils
- eligible for the “inner London” rate
- was allocated £3,263.00 in autumn 2019
- the school had 120 pupils at the October 2019 census
- additional payment of £652.60 based on 20 pupils at the September 2019 to March 2020 inner London primary rate (20 x £32.63)

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 2018 and October 2019. For these schools, we will make an adjustment to their 2019 to 2020 financial year allocation in April 2020. They will have receive the difference between the funding they received using the pupil numbers from the October 2018 census and the updated pupil numbers from the October 2019 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 2018 census
- eligible for the “rest of England” rate of £27.43 per pupil
- was allocated £3,291.60 in autumn 2019 (120 x £27.43)
- this school added a new year group 4 in autumn term 2019, so is classified as a growing school
- the school has 150 pupils recorded in October 2019 census

- the final allocation is recalculated as £4,114.50 (150 x £27.43)
- the additional allocation paid in spring 2020 is therefore £822.90 (£4,114.50 minus £3,291.60)

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

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