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Education & Skills
Funding Agency

Guidance

Teachers' pension employer contribution grant (TPECG) conditions of grant for local authorities: October 2020 payments

Updated 21 October 2020

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1. Introduction

1.1 The Secretary of State for Education is providing financial assistance to maintained schools, maintained nursery schools and high needs settings in the form of the teachers' pension employer contribution grant (TPECG) for the financial year beginning 1 April 2020.

1.2 TPECG provides funding for schools to support the increase in the employer contribution to the Teachers' Pension Scheme that came into effect on 1 September 2019.

1.3 The Education and Skills Funding Agency (ESFA) will pay the TPECG funds to local authorities on behalf of the Secretary of State for Education on 30 October 2020.

1.4 The following terms and conditions apply to the TPECG for the financial year beginning 1 April 2020.

1.5 The TPECG rates and eligibility for the period 1 September 2020 to 31 March 2021 are set out in the [TPECG methodology](#).

2. Allocation and payment to mainstream schools

2.1 Local authorities must pay to each:

- maintained nursery school
- maintained primary and secondary school
- all through maintained school
- 16 to 19 maintained school

which they are responsible for maintaining, the amounts including supplementary funding, shown in the 'mainstream schools' and 'post 16 adjustment mainstream' tabs, for each school in the allocations table.

2.2 Local authorities must comply with condition 2.1 irrespective of any deficit relating to the expenditure of the school's budget share.

2.3 TPECG is not part of schools' budget shares and is not part of the individual school's budget. It is not to be counted for the purpose of calculating the minimum funding guarantee.

3. Allocation and payment to specialist settings

3.1 Each local authority is allocated an amount for their high needs settings, as set out in the TPECG allocation table, including supplementary funding, which is to be distributed in full to their high needs settings.

3.2 A local authority's high needs settings are the:

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

that are identified in the 'High Needs Providers' and 'post 16 adjustment High Needs' tabs in the allocations table as being the responsibility of the local authority.

3.3. Local authorities will determine how much to distribute to their high needs settings as defined in 3.2 above after consultation with each of their high needs settings. Local authorities must make a distribution of TPECG to all of their high needs settings as defined in 3.2 above.

4. Independent settings

4.1 Local authorities are allocated funding for pupils with education, health and care (EHC) plans who the local authority has placed in independent settings, based on the numbers of such pupils recorded on their January 2019 alternative provision census. The allocations are shown in the 'LA summary' tab of the TPECG allocation table.

4.2 This funding can be spent on increases in fees charged by independent settings as a result of the increase in the employer contribution to the Teachers' Pension Scheme. Where this funding is not fully spent on such fee increases, the remaining funding can be used to support the high needs settings as set out in 3.1 above.

5. Allocation for centrally Employed Teachers

5.1 Local authorities are allocated funding to support the teachers employer contribution increase for teachers they centrally employ.

6. Permitted use of TPECG funds

6.1 Local authorities must ensure that their maintained schools and high needs settings only spend TPECG funds in the following ways:

- for the purposes of the school or high needs setting; or
- for the benefit of pupils registered at other maintained schools, pupil referral units or hospital schools

6.2 TPECG funds do not have to be spent by maintained schools, academies, pupil referral units or hospital schools, in the financial year beginning 1 April 2020. Maintained schools, academies, pupil referral units and hospital schools may carry some or all TPECG funds forward to future financial years.

6.3. Funding allocated to the local authority for independent setting and centrally employed teachers must be spent by 31 March 2021.

6. Certification

6.1 Each local authority will be required to certify to ESFA that they have complied with these terms and conditions.

6.2 ESFA will set out the arrangements for certification in April 2021.

7. Variation

7.1 The basis for allocation of this grant may be varied by the Secretary of State from those set out above.

8. Overpayments

8.1 Any overpayment of TPECG by ESFA to a local authority shall be repaid by the local authority upon such terms and conditions as ESFA or the Secretary of State for Education shall determine.

9. Further information

9.1 Books and other documents and records relating to the recipient's accounts shall be open to inspection by the Secretary of State and by the Comptroller and Auditor General.

9.2 The Comptroller and Auditor General may, under Section 6 of the National Audit Act 1983, carry out examinations into the economy, efficiency and effectiveness with which the recipient has used its resources in discharging its grant-aided activities.

9.3 Schools and local authorities shall provide information as may be required by the Secretary of State to determine whether it has complied with these conditions.

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