



Guidance

Teachers' pension employer contribution grant (TPECG) conditions of grant for local authorities: April 2021 payments

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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 2021.

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 From 1 April 2021 the majority of this funding will be paid through the schools, high needs (including independent settings) and central school services block national funding formulae (NFF). Maintained nursery schools, school nurseries, sixth forms, 16 to 19 schools, and new special and alternative provision free schools opened after 1 September 2020 are not funded through the NFF. In the financial year beginning 1 April 2021 these institutions will continue to receive the TPECG, paid separately to core allocations.

1.4 The Education and Skills Funding Agency (ESFA) will pay the TPECG funds outside of the NFF to local authorities on behalf of the Secretary of State for Education on 30 April 2021.

1.5 The following terms and conditions apply to the TPECG for the financial year beginning 1 April 2021.

1.6 The TPECG rates and eligibility for the period 1 April 2021 to 31 August 2021 are set out in the [TPECG methodology](#).

2. Allocation and payment to mainstream schools outside of the NFF

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 shown in 'mainstream schools' tab 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 schools 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, which is to be distributed in full to their high needs settings.

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

- special academies and free schools
- alternative provision academies and free schools

that are identified in the 'High Needs' tab 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. Permitted use of TPECG funds

4.1 Local authorities must ensure their maintained schools and high needs settings only spend TPECG funds for either of the following reasons:

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

4.2 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 2021. Maintained schools, academies, pupil referral units and hospital schools may carry some or all TPECG funds forward to future financial years.

5. Certification

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

5.2 ESFA will set out the arrangements for certification in April 2022.

6. Variation

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

7. Overpayments

7.1 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.

8. Further information

8.1 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.

8.2 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.

8.3 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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