



## Guidance

# Teachers' pay grant methodology

Updated 28 October 2021

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## Introduction

From the 2021 to 2022 financial year, the majority of the funding to provide support to schools with respect to the 2018 and 2019 teachers' pay awards has been paid through the schools and high needs national funding formulae.

This methodology will help you to understand the teachers' pay grant, covering the financial years 2018 to 2019, to 2021 to 2022.

Past and current allocations are available at:

- [Teachers' pay grant: allocations for 2021 to 2022 financial year](#)
- [Teachers' pay grant: allocations for 2020 to 2021 financial year](#)
- [Teachers' pay grant: April 2019 to March 2020 allocations](#)
- [Teachers' pay grant: September 2018 to March 2019 allocations](#)

## Transition to the national funding formulae in 2021 to 2022

From the 2021 to 2022 financial year, funding for the 2018 and 2019 teachers' pay awards has been paid through the schools and high needs national funding formulae (NFF), instead of as separate grants.

We have ensured that the additional funding schools will attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as separate grants, without adding significant complexity to the formulae.

In the schools NFF, we have added an amount to reflect the current teachers' pay grant funding onto the basic per-pupil funding amounts and the minimum per pupil funding levels. We have also added an amount representing the funding schools receive through the teachers' pay grant for their reception to Year 11 pupils onto the baselines used to calculate minimum increases in funding.

In the high needs NFF, we have increased the basic entitlement factor value for special schools and created an additional factor through which local authorities will receive the equivalent of their 2020 to 2021 teachers' pay grant for alternative provision settings.

It is our expectation that, in the 2021 to 2022 financial year, local authorities should pass on to individual schools the amount of additional funding they received through the 2020 to 2021 teachers' pay grant, as far as possible. More details can be found in the [NFF policy document](#).

Therefore, maintained schools will continue to receive a separate teachers' pay grant until March 2021, as they will receive this funding through their 2021 to 2022 schools NFF allocations from April 2021. Local authorities will also continue to receive funding for their high needs institutions until March 2021, when they will begin to receive their 2021 to 2022 high needs allocations.

Mainstream academies continued to receive the teachers' pay grant for April to August 2021, as they did not receive their 2021 to 2022 NFF allocations until September 2021. This avoided academies facing a 5-month funding gap.

This table summarises when schools and local authorities will receive their remaining allocations for the teachers' pay grant.

<b>Period covered by the allocation</b>	<b>Maintained schools and local authorities on behalf of their high needs institutions – month in which allocation will be paid</b>	<b>Mainstream academies – month in which allocation will be paid</b>
<b>September 2020 to March 2021</b>	October 2020	November 2020
<b>April to August 2021</b>	n/a – funding incorporated into the NFF allocations	April 2021
<b>From September 2021</b>	n/a – funding incorporated into the NFF allocations	n/a – funding incorporated into the NFF allocations

## **Funding outside of the NFFs in 2021 to 2022**

Maintained nursery schools, school nurseries, sixth forms, 16 to 19 schools, and non-maintained special schools and new special and alternative provision free schools opened after 1 September 2020 are not funded through the NFFs. In the 2021 to 2022 financial year, we will continue to provide these institutions with the teachers' pay grant, paid separately to core allocations.

The grant will be paid based on the per pupil rates set out in this document. Allocations for April to August 2021 were published in April 2021 and allocations for the second half of the financial year were published in October 2021.

## **Eligibility for the grant**

This section sets out eligibility criteria for the grant.

### **Mainstream institutions**

The teachers' pay grant eligibility has been based on the number of pupils aged 2 to 19 in these categories:

- 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

In the 2021 to 2022 financial year, institutions and age ranges funded outside of the schools NFF will continue to be eligible for the grant.

For schools with fewer than 100 pupils, funding is allocated as if they had 100 pupils. This will account for all eligible pupils.

### **Specialist institutions**

The teachers' pay grant eligibility has been based on the number of places in these categories:

- maintained special schools
- special academies and free schools

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

Specialist institutions not funded through the high needs NFF will continue to receive these grants separately in the 2021 to 2022 financial year.

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, funding is allocated as if they had 40 places. This will account for all eligible pupils.

## Paying the grant

The Education and Skills Funding Agency (ESFA) pays the funding for maintained mainstream schools to local authorities, who are required to pay it to individual schools at the rates published.

ESFA pays funding at the published rates directly to mainstream academies.

ESFA pays funding to local authorities to distribute, according to local circumstance, for:

- institutions who provide for children with high needs
- pupils with EHC plans who are educated in independent settings

The exception to this is non-maintained special schools. ESFA allocates funding directly to non-maintained special schools.

## How we have calculated the rates

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 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.

In the 2020 to 2021 and 2021 to 2022 financial years we are continuing to provide the equivalent amount to the period September 2019 to March 2020, on a pro-rata basis. This covers funding for both the 2018 and 2019 teachers' pay awards. The rates will be used on a pro-rata basis for each subsequent instalment until the funding is incorporated into the national funding formulae.

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

The rates have remained the same since September 2019 and are set out in the following sections.

### Rates for primary schools

Region	September to March rate (£)	April to August 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	September to March rate (£)	April to August 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	September to March rate (£)	April to August 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

Rates for the 5-month period from April to August have been calculated as five-sevenths of the 7-month rates for September to March.

## Allocations

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

[Allocations for the financial year 2019 to 2020](#) were published in April 2019, updated in October 2019 and included 2 payments, the first for the period April to August 2019, and the second for the period September 2019 to March 2020.

[Allocations for the financial year 2020 to 2021](#) were published in April 2020, for the period April to August 2020, and October 2020 for the period September 2020 to March 2021.

[Allocations for the financial year 2021 to 2022](#) were published in April 2021, for the period April to August 2020, and October 2021 for the period September 2021 to March 2022.

To calculate a school's grant, we take the relevant rate, and multiply it by the school's pupil numbers, as set out in the [data sources document](#).

For maintained special schools and pupil referral units, as the local authority 2020 to 2021 financial year budget return (section 251) was cancelled due to coronavirus. We have used place numbers from the 2019 to 2020 return for September 2020 to March 2021 allocations and also for the April to August 2021 allocations.

## **New and growing schools: adjustments**

Schools which open after September during an academic year will not appear on the census data used for the September to March allocations for that year. These schools will therefore receive 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 to March allocation the following spring based on their pupil numbers for that academic year.

Schools that are not fully open at the time of the September to March allocations, and are still growing by adding year groups, will also receive an update to their allocation in spring to reflect that growth.

New school example:

- a primary school in Lambeth newly opened in September 2020
- for autumn 2020 allocations, funded on the basis of having 100 pupils
- eligible for the 'inner London' rate
- was allocated £3,263.00 in autumn 2020
- the school had 120 pupils at the October 2020 census
- additional payment of £652.60 based on 20 pupils at the September 2020 to March 2021 inner London primary rate (20 x £32.63) will be made in the spring

Growing school example:

- a primary school in Knowsley newly opened in September 2015
- had 120 pupils in year groups R to 3 at the October 2019 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 the autumn term 2020, so is classified as a growing school
- the school has 150 pupils recorded in October 2020 census
- the final allocation is recalculated as £4,114.50 (150 x £27.43)
- the additional allocation paid in spring 2021 is, therefore, £822.90 (£4,114.50 minus £3,291.60)

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

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