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Guidance

Teachers' pay grant methodology

Updated 21 October 2022

Applies to England

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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 (NFF).

This methodology will help you to understand the teachers' pay grant, covering the financial years 2018 to 2019, to 2022 to 2023.

Past and current allocations are available at:

- [Teachers' pay grant: allocations for 2022 to 2023 financial year](#)
- [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 NFF 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 NFF, instead of as separate grants.

We have ensured that the additional funding schools attracts 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 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 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 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 (AP) settings.

It is our expectation that, from 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](#).

This table summarises when schools and local authorities received their final remaining allocations for the teachers' pay grant for 5 to 16 pupils.

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

Funding outside of the NFF in 2021 to 2022

In the 2021 to 2022 financial year, we continued to provide the following institutions with the teachers' pay grant, paid separately to core allocations:

- maintained nursery schools and school nurseries
- sixth forms and 16 to 19 schools

- non-maintained special schools
- new special and alternative provision free schools opened after 1 September 2020 and too late to be included in the dedicated schools grant (DSG) allocations for financial year 2021-22 – as for other special and AP schools, this funding was paid to local authorities for them to pass on to the schools in their area

The grant was 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.

Funding outside of the NFF in 2022 to 2023

In the 2022 to 2023 financial year, we will continue to provide the following institutions with the teachers' pay grant, paid separately to core allocations, as they are not funded through their NFF or core allocations.

For the full 2022 to 2023 financial year, we will provide maintained nursery schools and school nurseries with the teachers' pay grant, paid separately to core allocations. We will also provide funding for non-maintained special schools for the full 2022 to 2023 financial year, in the same way as the previous teachers' pay grant.

We will pay eligible schools (sixth forms and 16-19 schools) the post-16 element of the teachers' pay grant for April to August 2022 as a separate grant. The teachers' pay grant will then be rolled into core 16-19 funding from the 2022 to 2023 academic year.

The grant will be paid based on the per pupil rates set out in this document. Allocations for April to August 2022 were published in April 2022, and allocations for the second half of the financial year were published in October 2022.

For new special and AP free schools open after September 2021 whose place numbers and pupil numbers were not available in time for the DSG high needs block update in December 2021, local authorities will receive the equivalent of the teachers' pay grant for 2022 to 2023 via adjustments to the DSG in July 2022 or November 2022. These are not included in the allocations for the teachers' pay grant in 2022 to 2023.

For more information on high needs funding and how local authorities should pass on the DSG funding to their schools, see [High needs funding: 2022 to 2023 operational guidance](#).

Eligibility for the grant

This section sets out eligibility criteria for the grant.

Mainstream institutions

The teachers' pay grant eligibility before 2021 to 2022 was 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 2022 to 2023 financial year, institutions and age ranges funded outside of the schools NFF will continue to be eligible for the grant (see [Funding outside of the NFF in 2022 to 2023](#)).

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 before 2021 to 2022 was 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 (non-maintained special schools and new special and alternative provision free schools) continued to receive these grants separately in the 2021 to 2022 financial year.

In the 2022 to 2023 financial year non-maintained special schools will be included in the allocations. For new special and AP free schools open after September 2021 whose place numbers and pupil numbers were not available in time for the DSG high needs block update in December 2021, local authorities will receive the equivalent of the teachers' pay grant for 2022 to 2023 via adjustments to the DSG in July 2022 or November 2022 (see [Funding outside of the NFF in 2022 to 2023](#)).

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, which 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 education, health and care plans (EHC) 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 calculated the rates

To determine the grant totals, we took 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% that 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 divided this funding between primary (including early years), secondary (including school sixth

forms) and special schools. We did 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 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 assumed 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 NFF.

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 the 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.

How we calculate allocations

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 [Teachers' pay grant September 2020 to March 2021 allocations: data sources](#).

Early years and post 16 allocations

Schools continue to be funded based on 100 minimum pupils. However, now funding for 5 to 16 year olds has been rolled into the NFF, any school that has pupils in the October 2021 census data is already deemed to have been funded for at least 100 places minimum, due to the operation of the NFF funding floor.

In order to work out the number of early years/post 16 pupils to be funded, the following calculations are undertaken.

Where the October 2021 census 5 to 16 year old pupil count is greater than 0, the eligible early years or post 16 student count for the school is added to the October 2021 census 5 to 16 year old pupil count. If this total is less than 100, the school does not receive a teachers' pay grant allocation (for their early years/post 16 pupils) as they are deemed to have been funded for the minimum 100 pupils in their NFF funding.

Where the October 2021 census 5 to 16 year old pupil count is less than 100 but the October census count plus the eligible early years or post 16 student count is greater than 100, the school is funded for the extra pupils over the minimum of 100 – for example, October census count plus eligible pupil count, less the 100 pupil minimum.

Where the October 2021 census 5 to 16 year old pupil count is 0 and the eligible early years pupil or post 16 student count is less than 100, the school is funded on the 100 pupil minimum.

Where the October 2021 census 5 to 16 year old pupil count is greater than 100, the school is funded based on their eligible October 2021 census 5 to 16 year old pupil count.

Non-maintained special schools allocations

Non-maintained special schools are also outside of the NFF and will be funded directly by the ESFA. The schools are funded based on their total funded place numbers.

Schools are funded based on their place numbers as above, or on a minimum of 40 places, whichever is higher.

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