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| **AGENDA ITEM**  |

**Title of report:** Changes to Teachers Pay and Employers Pensions Contributions Funding for 2021-22

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**Details on who has been consulted with on this paper to date: N/A**

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| **Executive Summary.**The report outlines the changes to how funding will be received for teachers’ pay and teachers’ pension employer contributions from 2021-22 |

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| **Recommendations.**This is an information item and Schools Forum is invited to **note and comment on** the contents. |

1. **Background.**
	1. The Teachers Pay Grant (TPG) was first announced in July 2018 by the Secretary of State for Education. It was introduced to provide additional funding to schools to support them with the costs of the 2018/19 teacher pay award, over and above the 1% rise schools would have expected and been planning for.
	2. The Teachers Pension Employer Contribution Grant (TPECG) fully funded the increase in pensions contributions from 16.4% to 23.6% that state-funded schools and academies (including maintained nursery schools) had to make from September 2019.
	3. Both grants were paid on the basis of pupil and place numbers, with all schools funded for at least 100 pupils or 40 places.
	4. A supplementary fund was available for schools to apply for if their TPECG allocation fell short or their actual pension costs increase by more that 0.05% of their overall budget and for local authorities, in respect of the specialist provision in their areas.
2. **Teachers Pay Grant**
	1. From 2021 to 2022, funding for the 2018 and 2019 teachers’ pay awards will be paid through the schools and high needs national funding formulae (NFF) instead of as separate grants.
	2. To ensure that the additional funding schools will attract through the NFF is as close as possible to the funding they would have received through separate grants, the following adjustments have been put in place:
		* In the Schools NFF, an amount has been added to reflect the current teachers pay grant funding onto the basic per-pupil funding amounts and the minimum per-pupil funding levels. An amount has also been added, representing the funding schools receive through the teachers’ pay grant for their reception to Year 11 pupils on to the baselines used to calculate minimum increases in funding
		* In the high needs NFF, there is an increase in the basic entitlement factor value for special schools, and an additional factor has been created, through which local authorities will receive the equivalent of their 2020 to 2021 teachers’ pay grant for alternative provision settings
	3. Maintained schools will continue to receive a separate TPG 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.
	4. Only mainstream academies will continue to receive the teachers’ pay grant for April to August 2021, as they will not receive their 2021 to 2022 NFF allocations until September 2021. This will avoid academies facing a 5-month funding gap.
	5. As maintained nursery schools, sixth forms, 16 to 19 schools, and non-maintained special schools, and some special and alternative provision free schools, are not funded through the NFF, there will be other arrangements for these schools from April 2021. Similarly, there will be different arrangements for 16 to 19 academies and academy sixth forms from September 2021. These arrangements will be announced in due course.
3. **Teachers Pension Employer Contribution Grant**
	1. From 2021 to 2022, funding for the increase in pension costs will be paid through the schools, high needs and central school services block (CSSB) national funding formulae (NFF), instead of as separate grants.
	2. Adjustments have been added to both the schools and high needs NFF for TPECG and the supplementary fund, similar to the TPG, as outlined in point 2.2 above.
	3. Also like the TPG, maintained schools will continue to receive this funding through their 2021 to 2022 schools NFF allocations from April 2021. Local authorities will also continue to receive TPECG and supplementary funding for their high needs institutions, and pension funding, for their centrally employed teachers until March 2021, when they will begin to receive their 2021 to 2022 high needs and CSSB NFF allocations.
	4. Only mainstream academies will continue to receive TPECG for April to August 2021, as they will not receive their 2021 to 2022 NFF allocations until September 2021. This will avoid academies facing a 5-month funding gap.
	5. Music education hubs will also continue to receive pension funding for September to March 2021. Details of funding for hubs after March 2021 will be announced in due course.
	6. Again, as maintained nursery schools, sixth forms, 16 to 19 schools, and non-maintained special schools, and some special and alternative provision free schools, are not funded through the NFF, there will be other arrangements for these schools from April 2021. Similarly, there will be different arrangements for 16 to 19 academies and academy sixth forms from September 2021. These arrangements will be announced in due course.
4. **Summary of Funding Allocation**
	1. The table summarises when schools and local authorities (LA) will receive their remaining allocations for TPG, TPECG and supplementary funding (and pension funding for centrally employed teachers (CET’s)).

**Month of payment**

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| **Period covered by the allocation** | **Maintained Schools & LA on behalf of high needs institutions (& CET’s)** | **Mainstream academies** |
| Sept 2020 to Mar 2021 | October 2020 | November 2020 |
| Apr to Aug 2021 | N/A - funding incorporated into NFF allocations | April 2021 |
| From Sept 2021 | N/A - funding incorporated into NFF allocations | N/A – funding incorporated into NFF allocations |