**Report to Hartlepool Schools’ Forum 07 May 2019**

**From Sally Robinson – Director, Children’s and Joint Commissioning Services**

# Agenda Item 11 – Teachers’ Pension Grant Methodology

1. **Purpose of Report**

The purpose of the report is to inform Schools’ Forum of the methodology for disbursement of the Teachers’ Pension Grant.

1. **Background**

2.1 On the 12 April 2019 the Department for Education (DfE) confirmed the disbursement methodology for the money that will be provided to cover the rise in the employer contribution rate of the Teachers’ Pension Scheme.

2.2 The DfE will be providing £848m through pension grants and a Supplementary Fund that will apply from September 2019 to March 2020.

2.3 Funding from April 2020 will be confirmed as part of the wider Spending Review. This will need to be closely monitored as there are no guarantees that additional funding will be provided.

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**3. Eligibility for the Grant**

3.1 Grant will be paid based upon the number of pupils aged 2 to 19 in:

* 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.

For schools with fewer than 100 pupils, funding will be allocated as if they have 100 pupils.

3.2 Funding will also be paid to institutions which provide for children with high needs. This will be based upon places in:

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

For institutions with fewer than 40 places, funding will be allocated as if they have 40 places.

3.3 Funding will be provided to Local Authorities for pupils with Education, Health and Care Plans (EHCPs) who are educated in independent settings.

3.4 Local Authorities will be able to apply to the DfE for funding for centrally employed teachers.

**4. How the Rates have been determined**

4.1 The employer contribution rate of the Teachers’ Pension Scheme will increase from 16.4% to 23.68% from September 2019. The total cost of this increase is calculated to be £848m, of which £22m is being set aside for the Supplementary Fund.

4.2 Schools will be able to apply to the Supplementary Fund if their grant allocation falls short of their actual pension cost increase between September 2019 and March 2020 by more than 0.05% of their overall budget for this period and they will be reimbursed for costs above the threshold (0.05% of the overall budget).

4.3 The funding has been divided between primary (including early years), secondary (including school sixth forms) and special schools. This is based upon the teacher wage bill for each sector, to take account of the sector spend on staff per pupil.

4.4 The funding for each sector has been divided by the number of pupils or places for each sector to generate a per pupil or per place rate.

4.5 As the teacher pension increase comes into effect on 1 September 2019, the pension grant for 2019-20 will be for seven months.

4.6 The following tables show the rates for each sector and year:

|  |  |
| --- | --- |
| **Rates for primary schools** |  |
| **Region** | **Rate/pupil in 2019/20 (£)** |
| Inner London | 92.20 |
| Outer London | 85.29 |
| London fringe | 79.85 |
| Rest of England | 77.50 |
| **Rates for secondary schools** |  |
| **Region** | **Rate/pupil in 2019/20 (£)** |
| Inner London | 135.71 |
| Outer London | 125.55 |
| London fringe | 117.53 |
| Rest of England | 114.08 |
| **Rates for special and alternative provision schools** | |
| **Region** | **Rate/pupil in 2019/20 (£)** |
| Inner London | 336.53 |
| Outer London | 311.33 |
| London fringe | 291.44 |
| Rest of England | 282.89 |

**5. Payment of the Grant**

5.1 Maintained schools will be paid using the 2019-20 rates from September 2019 to March 2020 and Academies will be paid using the same rates from September 2019 to August 2020. Maintained schools and academies will receive equivalent funding.

5.2 The Education and Skills Funding Agency will pay the funding for maintained schools to local authorities, who will pass the funding directly on to the schools at the rates published. Payment of the grant will be made in the autumn.

5.3 Funding for Academies will be paid direct to them.

5.4 Funding will be also be allocated to local authorities to distribute to institutions which provide for children with high needs.

**6. Detailed Allocations**

6.1 Further detailed guidance and information will be issued in the autumn by the DfE. This will include school level allocations for mainstream schools, local authority level allocations for high needs, details of how to apply to the Supplementary Fund and for centrally employed teachers.

6.2 The school level allocations will be based upon the following data:

|  |  |
| --- | --- |
| **Mainstream Schools** |  |
| **Age range** | **Data source** |
| 2 to 4 year olds | Headcount of funded places from January 2019 census |
| 5 to 16 year olds | Headcount from October 2018 census |
| 16 to 19 year olds | Pupil numbers from 2019 to 2020 academic year allocations |

|  |  |
| --- | --- |
| **Special Schools** |  |
| **School type** | **Data source** |
| Maintained | Place numbers from the 2019 to 2020 financial year budget returns (section 251) |
| Academy | The published high needs place numbers for 2019 to 2020 academic year |

**7.1 Recommendations**

7.1 Schools Forum note the report.