

Open Report on behalf of Debbie Barnes OBE, Executive Director of Children's Services

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| Report to: | Lincolnshire Schools' Forum |
| Date: | 11 October 2018 |
| Subject: | Teachers' Pay Grant - Update September 2018 |

Summary:

The purpose of this report is to provide an update to the government's announcement on the 'teachers' pay grant', covering the 2018/19 and 2019/20 financial years.

Recommendation(s):

The Schools Forum is asked to note the content of the report.

Background

The School Teachers' Review Body (STRB) recommended the following pay award for teachers from September 2018:

- 3.5% to the minimum and maximum of the unqualified pay range and main pay range.
- 2% to the minimum and maximum of the upper pay range, leading practitioner pay range and all allowances.
- 1.5% to the minimum and maximum of the leadership pay ranges.

The Education Secretary confirmed on the 24 July 2018 an investment of £508m (£187m in 2018/19 and £321m in 2019/20) to fund the pay deal. The DfE have found the monies from existing budgets, and this will be distributed to all schools in addition to the national funding formula allocations.

On the 14 September 2018, the DfE confirmed the position of the funding to support schools in meeting the cost of the teachers' pay award through the 'teachers' pay grant' covering 2018/19 (September – March), and 2019/20 financial years.

Teachers' Pay Grant

The grant will be based on 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

The information confirms that:

- The DfE has calculated the overall cost of the pay award nationally.
- The DfE has subtracted a 1% pay award from the overall increase in cost that schools would have been planning for, in line with the previous public sector pay cap.
- Funding at a national level has been broken down by sector to determine the following per pupil rates (or place rates for special and alternative provision):

| Schools Sector | 2018/19 ¹ | 2019/20 |
|-----------------------------------|----------------------|---------|
| Nursery ² / Primary | £16.40 | £28.29 |
| Secondary | £26.54 | £45.56 |
| Special and Alternative Provision | £65.65 | £113.46 |

- For mainstream schools with fewer than 100 pupils, the approach will allocate funding as if they had 100 pupils.
- The Education and Skills Funding Agency (ESFA) will pay the funding for maintained school to Local Authorities (LAs), who will need to pass the funding directly on to the schools at the rates published. The ESFA will pay the funding for academies directly to the academy.
- LAs will distribute to institutions that provide for children with high needs, for example, maintained special schools, special academies and free schools, alternative provision academies and free schools, and hospital schools.
- For high needs institutions with fewer than 40 places, the approach will allocate funding as if they had 40 places.

The teachers' pay grant announcement published by the DfE on 14 September 2018 can be found at:

<https://www.gov.uk/government/publications/teachers-pay-grant-methodology/teachers-pay-grant-methodology>

The ESFA will provide further detailed guidance and information in October 2018. This will include school level allocations for mainstream schools, and Local Authority level allocations for high needs.

Payments made by the ESFA will be made later in the autumn.

¹ Funding for 2018/19 covers the period September 2018 to March 2019 following the announcement of teachers' pay award from September 2018.

² Nursery schools will be funded based on the January 2018 census for 2018/19, using the headcount of children taking up funded places.

Next steps

The LA has been following up with the DfE on a number of matters relating to the announcement, particularly on the point of a schools financial planning for future pay awards.

The ESFA has confirmed the following:

"The grant covers the cost of the current award up to March 2020. Schools will also need to plan for the 2019/20 award, which will be based on the government's response to the STRB's recommendations next year. Schools should not assume that any future awards above 1% will be supported by a similar grant in future years."

The LA recommends that all schools undertake prudent financial planning by incorporating potential pay cost increases in future financial years.

LCC Pay Policy

The LA process will involve a consultation with the Trade Unions in October 2018 on the final pay policy with the intention of publishing the policy in early November 2018 for Community schools.

Voluntary aided and Foundation schools will need to confirm whether they are adopting the final pay policy or their own pay structure.

Considering the timing of the government announcement, it is unlikely that the pay award will be implemented until December's 2018 pay, backdated to 1 September 2018.

Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

Background Papers

This report was written by Mark Popplewell, Head of Finance, who can be contacted on 01522 553326 or mark.popplewell@lincolnshire.gov.uk.

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