

The Rt Hon Gillian Keegan MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
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Monday 13 May 2024

Dear Gillian

As you are aware, we are concerned that the Teachers' Pension Employer Contribution Grant does not in fact cover the cost of increased contributions in many schools and trusts. Based on the ready reckoner published by the department, we have heard from a number of members that there is a shortfall. **This is often substantial**. Examples from across the sector have included amounts of £70,000 or more. For those in special schools, where higher staffing ratios are required, this is likely to be even more substantial.

We are extremely concerned about the impact these shortfalls will have, given that these are occurring in the context of substantial cost pressures in schools more widely. This includes a nationally agreed salary rise for support staff in 2023-24 which schools do not have funding to deliver, and the inadequacy of funding for special educational needs provision. The result is that many schools are setting in-year deficits and will have to make further cuts in order to balance their budgets in future years.

Whilst we have raised this matter with you and department officials, the advice to "encourage our members to contact the department directly with information about the shortfalls they are experiencing", does not seem to be a solution to this issue, albeit a helpful gesture.

When the Teachers' Pension Employer Contribution Grant (TPECG), was introduced in 2019, alongside the main pension grant, the DfE also provided the option for schools to apply to a [supplementary fund](#). This was intended to provide additional support alongside the TPECG, for those schools whose costs were significantly above the grant applications (as a result of their staffing structures). This was an extremely welcome solution and we now urge the Department to introduce this option alongside the TPECG 2023/2024, as a matter of urgency.

The impact of the pension increases is of course just one example of the ongoing budget pressures the sector is grappling with and we ask that you continue to represent to the Treasury and the Cabinet the seriousness of the financial situation facing schools, trusts and colleges, and the necessity of additional funding as a matter of urgency. The sector is currently locked in a downward spiral of underfunding and cuts, and we fear that despite the best efforts of school and college leaders to minimise the impact on pupils and students, it is inevitable that educational provision will suffer.

Yours sincerely



Pepe Di'lasio
General Secretary - ASCL
Association of School and College Leaders



Paul Whiteman
General Secretary – NAHT
National Association of Head Teachers