



## Teachers Pension Scheme increase to 28.6% from April 2024

### A Briefing Note

Since 2012, the Department for Education has funded Music Education Hubs in every part of England to deliver the National Plan for Music Education<sup>1</sup>. Hubs are led by a mix of organisations including local authorities, charitable trusts and others. Excepting a small uplift in 2019/20, Hub funding has remained static since 2015, in a period of high inflation when funding to schools has risen by 45%<sup>2</sup> and the school population has increased by over half a million.

Many people in the music education workforce are members of the Teachers' Pension Scheme (TPS), including a significant minority who have transferred to non-school or non-LA employers under TUPE<sup>3</sup>.

In 2019, the DfE provided additional funding to schools to offset the increase in employers' contributions to the Teachers' Pension Scheme<sup>4</sup>. Thanks in large part to the advocacy of the UK Association for Music Education – Music Mark, Music Education, support was given to cover the increase for all unattached teachers (teachers not employed directly by schools) enrolled in the government's pension scheme. For the music education workforce most of this support was paid directly to local authority music services; however in recognition that there are a number of Music Service Trusts whose music teachers continue to be in the Teachers' Pension Scheme, the Department for Education allocated grants which were distributed by Arts Council England (alongside Music Education Hub grants).

Those in receipt of pension grants via ACE will no longer receive this support from 1<sup>st</sup> September 2024, although funding to support Local Authorities (LAs) to cover part of employer contributions via the Central Schools Services Block national funding formula is not being cut.

This decision means a hole of c.£1.2M in funding across the country which is available for frontline delivery that will inequitably affect students whose Music Education Hub happens not to be LA-led. The level of support currently given to these non-LA trusts ranges from £40k to £210k per annum and several organisations affected have confirmed they expect to have to use dwindling reserves to initially manage the impact of the cut from September 2024.

Furthermore, the latest revaluation of the Teachers' Pension Scheme has resulted in a further increase in employers' contributions of 5%<sup>5</sup> from 1<sup>st</sup> April 2024. It has been confirmed that the increase will be covered by DfE for schools, FE institutions and early years settings. The DfE has not however yet confirmed its approach for 'unattached teachers' in LAs and there is no evidence that it will support other employers who offer TPS such as Music Service Trusts.

One Music Service Trust lead reports that this is a new imposed cost pressure of £240k per annum (on top of £210k per annum when the grant is removed from September 24) which will begin to increase costs during their current financial year when income through charges to parents and schools have already been set. Like all Music Education Hub leads this Trust has already needed to increase charges considerably to cover existing inflationary cost pressures, the impact of which is being seen in falling student numbers and rising requests for financial help. Any additional cost pressures can only mean more rises in charges which will result in a wider gap in accessibility to provision.

The realistic likely consequences of this additional cost for employers are:

- Further increases in charges to schools and families for music education
- Increased risk to music education organisations using reserves to fund deficit budgets
- Increased risk to the DfE's investment in the grant for Music Education Hubs
- More music education organisations withdrawing from the Teachers' Pension Scheme
- A reduction in the quality of employment conditions for the music education workforce
- De-professionalisation of music education and casualisation of employment in the sector
- Further deepening of the recruitment crisis in music education
- Reduced capacity to deliver the ambitions of the National Plan for Music Education
- Fewer children participating in music education outside the classroom

<sup>1</sup> *The Importance of Music (2012-2020)* and *The Power of Music to Change Lives (2022-2030)*

<sup>2</sup> <https://explore-education-statistics.service.gov.uk/find-statistics/school-funding-statistics>

<sup>3</sup> Transfer of Undertakings and Protection of Employment regulations.

<sup>4</sup> Increase from 16.4% to 23.6%.

<sup>5</sup> Increase raises employers' contributions to 28.6%.