

## EXPLANATORY MEMORANDUM TO

### THE SCHOOL TEACHERS' INCENTIVE PAYMENTS (ENGLAND) ORDER 2018

2018 No. 933

#### 1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Education and is laid before Parliament by Command of Her Majesty.

#### 2. Purpose of the instrument

- 2.1 The purpose of this Order is to ensure that incentive payments to school teachers under the Mathematics Early-Career Payments Pilot are *not* to be treated as remuneration under the School Teachers' Pay and Conditions Document (STPCD). This is necessary to make it clear that these incentive payments are not pensionable nor part of the statutory negotiation process provided for with regard to the STPCD under section 122(1) of the Education Act 2002.

#### 3. Matters of special interest to Parliament

##### *Matters of special interest to the Joint Committee on Statutory Instruments*

- 3.1 None.

##### *Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)*

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

#### 4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is England and Wales.  
4.2 The territorial application of this instrument is England.

#### 5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

#### 6. Legislative Context

- 6.1 The Secretary of State may make provision for the determination of the remuneration of school teachers under section 122(1) of the Education Act 2002 and does so by reference to a document called the School Teachers' Pay and Conditions Document (STPCD), which is replaced annually with effect from 1st September.  
6.2 This Order provides that incentive payments to school teachers under the Mathematics Early-Career Payments Pilot are not to be treated as remuneration for the purpose of section 122(1) and, therefore, are not subject to any of the other provisions in the STPCD.

## 7. Policy background

### *What is being done and why?*

- 7.1 The Mathematics Early-Career Payments Pilot is being offered to teachers starting their initial teacher training (ITT) in the 2018/19 academic year. It is being piloted as part of a “phased bursary” for this cohort of teachers. They will receive a slightly lower bursary during training (£20,000 compared to the £26,000 bursary available for other high priority subjects) but will then be eligible for early-career payments of £5,000 each in their third and fifth year of teaching. Teachers in 39 local authorities of high need, as determined by our published data covering standards and capacity to improve, will receive uplifted early-career payments of £7,500 each.
- 7.2 To be eligible for the Mathematics Early-Career Payments Pilot teachers must meet the specified training, employment, subject and performance criteria. The first early-career payments will be paid in the 2021/22 academic year and the second early-career payments will be paid in the 2023/24 academic year. Full guidance on the mathematics early-career payments can be found here:  
<https://www.gov.uk/guidance/mathematics-early-career-payments-guidance-for-teachers-and-schools> .
- 7.3 The Department is piloting this approach to test whether offering a lower bursary upfront followed by retention incentives once in teaching secures a greater supply of teachers than the traditional bursary approach, where the entire bursary is paid during the ITT year only.
- 7.4 In line with commitments made to the Joint Committee on Statutory Instruments in October 2010, the Department usually adopts 1 September as the commencement date for schools-related statutory instruments and lays those instruments by 1 April to give schools one full-term’s lead in-time between the notification of a new requirement in a statutory instrument and the commencement of that requirement. In the present case whilst this is a schools-related SI – schools maintained by a local authority are involved in some of the tasks required to operate the pilot - schools will not have to take any steps earlier than the 2021/22 academic year when the year 3 payments fall to be paid. Furthermore, schools are already aware that the pilot has been set up and the relevant cohort are those teachers entering ITT in the academic year 2018/2019. Similarly, the fact that the coming into force date of this instrument will be 3 September rather than 1 September causes no prejudice to schools. Furthermore, 1 September 2018 is a Saturday and so 3 September is the first working day in that month.
- 7.5 The Department is funding these early-career payments in their entirety – local authorities or governing bodies of schools will not bear any cost. Schools will assist in the implementation of the pilot by checking eligibility details and making applications to the Department on behalf of the teachers concerned. On receipt of the applications the Department will verify the application and then pay the sums concerned to the schools who will in turn make the payments to teachers separately from teachers’ pay.

## 8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union.

## **9. Consolidation**

- 9.1 The issue of consolidation does not arise as this is a stand-alone incentive payments order.

## **10. Consultation outcome**

- 10.1 The Department advised that mathematics early-career payments are not part of a teacher's pay and should not be treated as pensionable payments when the policy was announced in October 2017. This followed informal consultation with school leaders and organisations representing teachers regarding the early-career payments policy, including how the payments should be administered.
- 10.2 A formal consultation on the administration of the early-career payments took place between 16 July 2018 and 30 July 2018. The consultation covered the eligibility criteria, payment process and proposed approach to Income tax, National Insurance and pension contributions. Schools, teachers, initial teacher training providers and their representative bodies were invited to respond to the consultation. There were two responses to the consultation. Both respondents commented on the eligibility criteria and one also responded on the proposed payment process and approach to Income tax and National Insurance contributions. Neither respondent commented on the proposed approach to pension contributions, including the proposal to lay a statutory instrument to specify that the early-career payments are not to be treated as remuneration.

## **11. Guidance**

- 11.1 The Department has provided guidance on the mathematics early-career payments, including the role of schools and teachers in claiming these payments:  
<https://www.gov.uk/guidance/mathematics-early-career-payments-guidance-for-teachers-and-schools>.
- 11.2 Further guidance detailing how the school should apply for the payments on the teacher's behalf will be published on GOV.UK prior to September 2021, when teachers will become eligible for the first early-career payment.

## **12. Impact**

- 12.1 There is no impact on business, charities or voluntary bodies.
- 12.2 There is no significant impact on the public sector.
- 12.3 An Impact Assessment has not been prepared for this instrument.

## **13. Regulating small business**

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

## **14. Monitoring & review**

- 14.1 Mathematics early-career payments are being offered to teachers starting their initial teacher training (ITT) in the 2018/19 academic year. The payment of these incentives to further cohorts of teachers will be subject to an internal review.

**15. Contact**

- 15.1 Chris Cuff at the Department for Education (Telephone: 0161 600 1323 or email: [chris.cuff@education.gov.uk](mailto:chris.cuff@education.gov.uk)) can be contacted with any queries regarding the instrument.
- 15.2 Thomas Webb, Deputy Director at the Department for Education can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Rt. Hon Nick Gibb MP, Minister of State for School Standards at the Department for Education can confirm that this Explanatory Memorandum meets the required standard.