

## **UPS2: PERFORMANCE PAY PROGRESSION GRANT 2002-03**

The DfES recently announced LEAs' allocations of funding under the £90 million Performance Pay Progression (General) Grant 2002-03 (hereafter PPP grant) for post threshold progression to UPS2. There has been some controversy as LEAs have argued that the funding is inadequate to allow the expected 80-85% of UPS2 costs to be met. We have now received clarification from DfES on this issue which may allay fears.

The DfES argues that two misconceptions have led to the belief that the PPP grant will only cover some 60% of costs: the number of teachers to be covered by the grant, and the period for which the grant is payable.

### **Number of Teachers Covered by PPP Grant**

The PPP grant was originally intended not only for UPS2 but also for leadership group members and ASTs. Should the PPP grant be used for progression for both groups, then the amount allocated would clearly not fund UPS2 progression for 80-85% of those eligible as flagged up previously by the DfES, SHA and NAHT.

The DfES is, however, now arguing that the latter group are now also covered by the introduction of the separate Leadership grant and that LEAs and schools are saying that they will only now be using the PPP grant for UPS2 progression. The whole of the £90 million grant should therefore be seen as being intended for UPS2 progression.

### **Period of Coverage of PPP Grant**

The PPP grant is for the 2002-03 financial year. The cost of UPS2 progression, on a full year basis, is £1032 plus on-costs. UPS2 progression can, however, only be allocated from September 2002 and is therefore only payable for 7 months of the 2002-03 financial year. The cost of UPS2 progression per capita, therefore, is 7/12 of £1032 plus on-costs. The DfES calculates this as £712 per capita.

The PPP grant is allocated to LEAs according to the number of eligible teachers per school as identified in the September 2002 survey. LEAs should pass the money directly to schools on the basis of the number of teachers eligible in the school. The money therefore goes to schools irrespective of whether or not the teachers are allocated progression.

The September 2002 survey indicated some 145,000 teachers eligible for progression to UPS2 in September 2002. The DfES states that the £90 million allocated will pay for UPS2 progression at £712 per capita for 126,000 teachers. This means, therefore, that the funding will cover some 87% of the costs of progression. Should all eligible teachers be allocated UPS2, schools will be required to find 13% of costs. Schools which do not allocate UPS2 to eligible teachers will not be required to repay the grant.

### **PPP Grant for 2003-04**

The DfES will provide a further PPP grant for 2003-04 but has also stated that from 2005-06 the funding for all post threshold progression payments (including UPS1 and UPS3) will be included in overall EFS funding allocations. No final decision has been taken on the level of PPP grant for 2003-04 but the DfES has stated that it will not be lower than that allocated for 2002-03.