



School Teachers' Review Body

Eighteenth Report Part Two – 2009

Chair: Dr Anne Wright, CBE

Cm 7652
£19.15



School Teachers' Review Body

EIGHTEENTH REPORT PART TWO – 2009

Chair: Dr Anne Wright, CBE

Presented to Parliament by the Prime Minister and the
Secretary of State for Children, Schools and Families
by Command of Her Majesty
July 2009

Cm 7652

£19.15

© Crown Copyright 2009

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU or e-mail: licensing@opsi.gov.uk

ISBN: 9780101765220

TERMS AND ABBREVIATIONS

<i>Consultees</i>	Organisations invited to make representations and provide evidence to STRB
ASCL	Association of School and College Leaders
ATL	Association of Teachers and Lecturers
BATOD	British Association of Teachers of the Deaf
DCSF/the Department	Department for Children, Schools and Families
GW	Governors Wales
NAHT	National Association of Head Teachers
NASUWT	National Association of Schoolmasters Union of Women Teachers
NEOST	National Employers' Organisation for School Teachers
NGA	National Governors Association
NUT	National Union of Teachers
RIG	Rewards and Incentives Group (comprising ASCL, ATL, DCSF, NAHT, NASUWT, NEOST and Voice)
Secretary of State	Secretary of State for Children, Schools and Families
Teacher Union Partners	ASCL, ATL, NAHT, NASUWT and Voice
TDA	Training and Development Agency for Schools
UCAC	Undeb Cenedlaethol Athrawon Cymru (National Association of the Teachers of Wales)
Voice	Formerly the Professional Association of Teachers (PAT)
 <i>Other</i>	
CPD	Continuing Professional Development
CPI	Consumer Price Index
Current pay award	Teachers' pay award for the period from September 2008 to August 2011
DSG	Dedicated Schools Grant
ECM	Every Child Matters – a shared programme of change to improve outcomes for children and young people
Estyn	Her Majesty's Inspectorate for Education and Training in Wales
GDP	Gross Domestic Product

Golden hello	Non-consolidated payments for qualified secondary teachers of priority subjects on completion of induction ¹
ICT	Information and Communications Technology
ITT	Initial teacher training
Local employers	Relevant bodies as defined by Part 1 of the STPCD
MFG	Minimum Funding Guarantee per pupil for schools
NQTs	Newly Qualified Teachers
Ofsted	Office for Standards in Education, Children's Services and Skills
OME	Office of Manpower Economics
PFI	Private Finance Initiative
PGCE	Postgraduate Certificate in Education
QTS	Qualified Teacher Status
RPI	Retail Price Index
Schools and services	Schools and local authority education services in which the STPCD applies
SEN	Special educational needs
STPCD	DCSF (2008) <i>School Teachers' Pay and Conditions Document and Guidance on School Teachers' Pay and Conditions</i> , TSO
STRB/Review Body	School Teachers' Review Body
TLR payment	Teaching and Learning Responsibility payment
UPS	Upper pay scale

¹ Information on golden hello payments and priority subjects is available from TDA: <<http://www.tda.gov.uk/teachers/induction/goldenhelloteachers.aspx>>. In Wales, the payments are slightly different and are known as teaching grants: <<http://www.tda.gov.uk/Recruit/thetrainingprocess/fundinginwales.aspx>>

Contents

	<i>Page</i>
The School Teachers' Review Body	vi
Executive Summary	viii
Recommendations	x
<i>Chapter:</i> 1. Introduction	1
2. Teachers' Pay: Consultees' Analysis	5
3. Teachers' Pay: Our Analysis	25
4. Teachers' Pay from September 2009 and September 2010: Our Views	45
<i>Appendix:</i> A. Remit for 2009 from the Secretary of State	57
B. Conduct of the Review	61
C. Current and Recommended Pay Levels	65
D. Update on the Department's Response to Previous STRB Recommendations	79

THE SCHOOL TEACHERS' REVIEW BODY

Our role

The School Teachers' Review Body (STRB) was established in 1991 as an independent body to examine and report on such matters relating to the statutory conditions of employment of school teachers in England and Wales as may from time to time be referred to it by the Secretary of State. STRB reports to the Prime Minister and the Secretary of State. The legal foundation for the function and work of STRB is Part Eight of the Education Act 2002. The secretariat for STRB is provided by the Office of Manpower Economics (OME).

The members of STRB are:

Dr Anne Wright, CBE (Chair)

Professor Monojit Chatterji

Professor Peter Dolton

Dewi Jones

Elizabeth Kidd

Esmond Lindop

Stella Pantelides

Bruce Warman

Anne Watts, CBE

Our vision and principles for teachers' pay and conditions

Through our work on teachers' pay and conditions, we seek to contribute to the achievement of high standards in schools and services and excellent outcomes for pupils throughout England and Wales. We have developed a vision in pursuit of this goal, which we review and amend from time to time.

We envisage a world-class teaching profession which:

- attracts excellent graduates;
- is diverse and representative;
- retains highly motivated and committed teachers;
- is fairly rewarded;
- provides equal opportunities;
- is efficient, effective and accountable;
- is encouraged, supported and trained; and
- is trusted, respected and valued.

We envisage that teachers will work in schools and services where:

- leaders are able to make decisions without detailed rules and guidance;
- governors, heads and teachers are comfortable with the concept of rewards related to performance;

- high quality performance management and professional development are available to all teachers to help them to improve standards;
- schools and services have the confidence and capability to assess performance and reward staff; and
- performance and reward systems are managed effectively, transparently and fairly.

The national framework of teachers' pay and conditions, laid down in the STPCD, should help to achieve this vision; be underpinned by clearly stated objectives; form part of an effective, coherent HR strategy; embody the principles of good regulation, and help to minimise administrative burdens on schools and services. It should also be:

- accessible and understandable for teachers and their employers;
- proportionate – setting national rules, parameters and giving guidance only when essential; and
- enabling – providing workable arrangements and useful management tools, and significant scope and encouragement for local discretion.

Our values and ways of working

- We embrace the Seven Principles of Public Life;
- we act independently, professionally and fair-mindedly;
- we work as a team with trust, openness and frankness;
- we work to maintain good relations with and among all our consultees;
- we give full consideration to the national interest and the interests of the teaching profession; and
- we strive for continuous improvement in our working practices and judgments.

To maximise our effectiveness and value, and ensure that our work is of the highest achievable quality, we will:

- report on time and with robust analysis and conclusions;
- consult appropriate parties, consider and give due respect to our consultees' representations and examine the evidence they provide and highlight;
- identify and consider relevant statistical, economic and research evidence, including where necessary, seeking external information;
- look to OME for analytical, policy, drafting and administrative support;
- keep in touch with schools and services on the ground;
- meet to identify, analyse, discuss and advise on issues fundamental to our role;
- not only react to remit matters, but be proactive as we judge appropriate in support of our vision; and
- be accessible to those who might wish to consult us either publicly or privately, while safeguarding our independence.

Executive Summary

1. Our remit for this Report required us to review the recommendations for teachers' pay for September 2009 and 2010 that we made in our Seventeenth Report Part One in 2008. As we carried out our review, we scrutinised the same factors we examined when we made our original recommendation, we conducted our own independent analysis of relevant data and we considered with care the views and evidence presented to us by consultees.

2. The interested parties held a range of views on the appropriate level of pay. The Secretary of State told us that he was in favour of confirming the indicative awards, emphasising the advantages of the multi-year award. Those teacher unions which are part of the Rewards and Incentives Group – ASCL, ATL, NAHT, NASUWT and Voice – submitted joint evidence as the Teacher Union Partners. They called for more than the indicative award of 2.3% but stopped short of naming a figure. NEOST argued that the economic circumstances made 2.3% inappropriate and argued for less, without making a specific proposal. The NUT argued for a significant increase: restoration to the pay levels of 2005 with a further increase of 10% or £3,000, whichever was greater. We estimated this would, in effect, amount to a pay increase of between fifteen and twenty per cent. UCAC sought an increase of at least 5% for 2009, with an award of at least above the level of inflation in 2010.

3. We first considered whether to recommend an award for both 2009 and 2010 or whether we should defer a decision on the 2010 award in the light of the uncertain economic climate. We concluded that deferral would significantly impair the advantages of the three-year award and that any benefits that might accrue were uncertain as the most relevant core data would not be available in time to influence a deferred decision.

4. We then considered the awards in light of the need to ensure a reliable supply of well-qualified and well-motivated teachers for the foreseeable future. We considered whether the evidence suggested that the indicative 2.3% award would be sufficient to maintain the supply of good teachers, or whether there was evidence that a higher award was called for. We were not persuaded by the arguments advanced in favour of increasing the indicative award. For example, it was suggested that teachers should receive a higher award because they had received below inflation awards in the past. We did not agree. We noted that teacher recruitment and retention was relatively healthy, albeit with some significant exceptions, and that, generally, teachers' relative pay was comparable with that of other graduates. We concluded that there was no strong case for an award higher than 2.3%.

5. We recognised that a case could be made for reducing the indicative awards in the light of the major economic downturn, but were not persuaded that the arguments were of sufficient weight to justify a reduction. Among the factors that influenced our rejection of this option were the importance of recruiting and retaining good teachers and the potential negative impact on teachers' morale and motivation.
6. We concluded that we should confirm our indicative award and recommend that teachers' pay be increased by 2.3% from September 2009. We determined that the indicative award for 2010 should also be confirmed.
7. We looked at the most recent evidence relating to our indicative pay awards for inner London and found little change in the key indicators. We therefore confirmed the recommendations we made for the indicative awards.
8. Although we considered that teacher recruitment and retention were generally healthy, we noted the continuing difficulties schools were experiencing in recruiting and retaining maths teachers. We were sufficiently concerned to recommend that, as well as encouraging schools to use existing flexibilities to address shortages in mathematics and other priority subjects, the Department should consider the introduction of new financial and other incentives and measures to address the issues concerning the supply of mathematics teachers.
9. Finally, we had concerns about the adequacy of information relating to the collection and analysis of data on equality issues and recommended that the Department take appropriate steps to improve the situation.

Recommendations

Teachers' pay from September 2009 and September 2010

We recommend:

- an increase of 2.3% from September 2009 and a further increase of 2.3% from September 2010 in the values of the pay scales and allowances;
- that there be an adjustment to the main and upper pay scale for inner London as proposed in our Seventeenth Report Part One: a minimum starting salary (M1) of £26,000 for teachers in band A from September 2009 and £27,000 from September 2010 and consequential adjustments to the main pay scale in band A; and further enhancement in the value of the upper pay scale in band A from September 2009 and September 2010.

Other matters arising from our review

We further recommend that:

- the Department undertake regular data collection and analysis to monitor developments in the teacher workforce related to issues of diversity and equality. This should include an ongoing review of matters relating to equal pay and of the extent to which the teaching profession reflects the diversity of the population it serves;
- the Department should review and strengthen the ways it encourages schools to use existing recruitment and retention flexibilities to address local teacher shortages in mathematics and other priority subjects; and
- the Department should consider the introduction of new financial and other incentives and measures to improve the quantity and quality of the supply of mathematics teachers. If asked to do so, we would welcome the opportunity to explore the form these might take in a future remit.

CHAPTER 1

Introduction

Introduction

1.1 On 25 June 2008 the Secretary of State wrote to the Chair of the School Teachers' Review Body (STRB) inviting the Review Body to consider a range of matters relating to teachers' pay and conditions and to make appropriate recommendations. That remit letter is reproduced in full at Appendix A. We reported on the majority of remit items in January of this year and our recommendations on those matters are contained in Part One of our Eighteenth Report which was published in March 2009. This second part of our Eighteenth Report is wholly taken up with a review of our recommendations for the second and third year of the three-year pay award.

1.2 In this introductory chapter we reflect on the Secretary of State's response to the recent recommendations contained in the first part of our report, describe the background to our current remit and outline the structure of this second part of the STRB's Eighteenth Report.

Secretary of State's response to Part One of our Eighteenth Report

1.3 Part One was submitted to the Secretary of State on 23 January 2009¹. The report was published by the Government on 31 March 2009. The Secretary of State was broadly welcoming of the report and our recommendations. In a Parliamentary statement on that date, the Secretary of State set out his proposed response to our recommendations and invited comments from teachers' representatives and other relevant organisations.

1.4 Most of the recommendations in Part One referred to teachers' working conditions, not to their pay. However, we did recommend that teachers' pay be increased by 2.3% from 1 September 2009, pending the outcome of this review of years two and three of the three-year pay award. These recommendations were accepted by the Secretary of State, subject to this review.

1.5 We also recommended that new statements of responsibilities for teachers and head teachers be prepared and that they should be considered separately from teachers' conditions of employment. The Secretary of State agreed that our draft statements should form the basis for further work with a view to replacing existing statements within the STPCD in due course. He took the view, however, that conditions of employment should be considered alongside revised statements of responsibilities.

¹ STRB (2009) *Eighteenth Report Part One*, TSO (Cm 7546)

1.6 We recommended that the Department, in consultation with interested parties, investigate the causes of the long working hours reported by teachers and head teachers and make proposals for addressing the issues identified. The results of this investigation should be returned to us for further consideration. In response, the Secretary of State said we had raised legitimate questions about working hours, including those we had raised about the deployment of school support staff. However, it was his view that there was already sufficient information within existing reviews and data sources to inform consideration of the questions raised. He welcomed our recommendation that the implications of the existing working time regulations should be clarified for teachers and school leaders. He has sought consultees' views on both these recommendations and on our recommendation on teachers' continuing professional development.

1.7 In Part One, we also made several recommendations on pay for the school leadership group as an interim arrangement, pending a fundamental review of the reward system for this group. The Secretary of State welcomed our recommendations on reward for head teachers who take responsibility for more than one school. He has invited views on the process that we proposed to determine a head teacher's pay in such circumstances and, in particular, on the introduction of a limit on the discretion of the relevant body to increase the pay of head teachers of the largest schools.

1.8 The Secretary of State supported our view that, where head teachers take on additional responsibilities, the impact on other members of staff should be taken into account when considering their remuneration. He also agreed that salary safeguarding should not apply to temporary pay adjustments; that pay arrangements for the leadership group should be included in a future remit for STRB and that the Department should investigate and clarify the role and status of the "executive head". He noted that this work should be linked to work to develop a new set of professional responsibilities for all teachers.

1.9 The Secretary of State accepted our recommendation that the present system of two separate, defined SEN allowances should be replaced with an SEN range, starting at or around £1,000 with a maximum of around £3,778 (the current maximum of the SEN 2 allowance). He also agreed the establishment of a working group to review eligibility and criteria for the new allowance, to be referred back to us in a future remit. We also recommended that all teachers working in Pupil Referral Units receive either an SEN 1 allowance or additional payment of equivalent value from September 2009. However, the Secretary of State was not minded to agree that recommendation until further work on criteria had been completed.

1.10 The Secretary of State indicated that he would accept in full our recommendations that there should be four pay bands for Excellent Teachers and the proposed ranges for those bands². He also agreed to refer the findings of the review of the Excellent Teacher Scheme back to us as part of a future remit.

² Ibid. paragraph 6.23: *the minima should be 8% above U3 in the relevant school and the maxima should be equal to the new minima plus the value of the maximum TLR 1.*

Background to our remit

1.11 In this second part of our 2009 report, we make recommendations on teachers' pay for September 2009 and September 2010. In our Seventeenth Report in 2008 we recommended a three-year pay award for teachers, with indicative awards for September 2009 and September 2010 – subject to a mid-term review of those awards in June 2009. In our Eighteenth Report Part One, in order to enable teachers to receive an uplift in pay in September 2009, we confirmed the earlier indicative percentage uplift of 2.3% for September 2009. At the same time we made it clear that we would be reconsidering the 2009 pay award along with the award for September 2010 in this second part of the Eighteenth Report. We also pointed out that the 2009 pay award would need to be adjusted if the outcome of this review did not confirm the original indicative figure for 2009.

Conduct of our review

1.12 As noted above, we made recommendations for indicative pay awards for 2009 and 2010 in our Seventeenth Report. Our recommendations were made following consideration of all the available evidence up to September 2007³. We commented at the time that those recommendations would apply up to four years into the future and as a result it was inevitable that we would not be able to call upon reliable economic forecasts. We felt that such uncertainties were best dealt with by a robust review mechanism⁴.

1.13 We indicated that in conducting our review, we would:

look at all relevant evidence, including the full range of factors analysed in Chapter 3 [of the 17th Report], for example, the economic context, recruitment and retention, teachers' earnings and affordability.

1.14 We said we would look:

not only at evidence from the start of the award period in September 2008, but at all relevant evidence that becomes available from the time we submit this report⁵.

1.15 We also made it clear that there should be no expectation that our indicative awards for September 2009 and 2010 would necessarily change⁶.

1.16 In his remit letter the Secretary of State set out several matters to which we were to have particular regard when considering our recommendations. These included, amongst others, the need to make all recommendations affordable; recruitment and retention data and wider economic and labour market conditions, and the requirement for there to be *clear evidence of a significant and material change in these factors* to justify any change from the recommendations in our Seventeenth Report Part One, and that in England, school budgets will have been set assuming 2.3 per cent pay awards in 2009 and 2010⁷.

³ STRB (2008) *Seventeenth Report Part One*, TSO (Cm 7252), paragraph 4.24

⁴ *Ibid.* paragraph 5.42

⁵ *Ibid.* paragraph 5.33

⁶ *Ibid.* paragraph 5.34

⁷ Letter from Secretary of State to Bill Cockburn, former STRB Chair dated 25th June 2008 (at Appendix A)

1.17 The following chapters and Appendix B describe how we have conducted our independent review of teachers' pay. We would like to thank our consultees for their submissions and oral representations. We are also grateful to those schools we visited in the spring and summer terms of 2009 and also to the Welsh Assembly Government for hosting an STRB visit in February 2009.

Structure of this report

1.18 This report follows the pattern of our previous reports. It is prefaced by our vision and principles for teachers' pay and conditions which we have kept in mind as we addressed the issues in this report. We begin by summarising in Chapter 2 consultees' analyses of evidence of relevance to teachers' pay. In Chapter 3 we present our own analysis of the evidence. In Chapter 4 we draw on the previous chapters and set out our views and recommendations on teachers' pay for 2009 and 2010 before turning to detailed matters associated with remit item b, on the main and upper pay scales for inner London.

CHAPTER 2

Teachers' Pay: Consultees' Analysis and Views

Introduction

2.1 This chapter summarises the evidence presented by consultees as part of our review of years two and three of the three-year teachers' pay award. It contains consultees' analyses of data and other evidence of relevance to our remit on teachers' pay, as well as a summary of their views on the appropriate level of the teachers' pay awards for September 2009 and 2010. The presentation of consultees' evidence is ordered as follows:

- the policy context;
- the economic context and outlook, including inflation, settlements and earnings;
- the teacher workforce, including future demand for teachers, recruitment, wastage and vacancies;
- teachers' earnings, including starting salaries, relative earnings, annual pay awards and changes in teachers' average earnings;
- the quality of teaching;
- morale, motivation and workload;
- affordability; and
- consultees' views on the level of the pay award.

2.2 Information about consultees' evidence, including details of where their submissions can be found, is given in Appendix B. In view of the present difficult economic circumstances and in order to allow interested parties to take account of new data, consultees were given an opportunity to supplement their original submissions in May 2009. This chapter summarises the additional evidence alongside consultees' primary submissions. In some cases consultees have interpreted the data in different ways; the Review Body's own assessment and interpretation of key datasets are given in Chapter 3.

Consultees' Analysis

Policy context

2.3 Many consultees were keen to establish an overall context against which to make their case. The Department for Children, Schools and Families (DCSF) and the Welsh Assembly Government began by reminding us that their joint declared aim was to make England and Wales the best place in the world for children and young people to grow up. To achieve this, the Department and the Welsh Assembly Government had set a number of strategic objectives and established agendas for improving outcomes for children and young people.

To deliver on this agenda the Department and Welsh Assembly Government considered there was a need to achieve greater value for money from committed expenditure.

2.4 RIG referred to the increasing level of professional challenge and the requirement to embrace change, listing the many new developments and initiatives in England, including those set out in the Children's Plan, such as:

- the Every Child Matters agenda particularly the Common Assessment Framework and Extended Services;
- the establishment and development of Behaviour Improvement Partnerships;
- self-evaluation as a part of the inspection framework;
- 14-19 diplomas and establishing local level consortia of schools and other providers;
- significant changes in general qualifications specifications, particularly the widespread replacement of coursework with controlled assessment;
- the new National Curriculum (NC) programmes of study at Key Stages (KS) 3 and 4;
- the introduction of the Early Years Foundation Stage;
- the revisions to the National Strategies' mathematics and English frameworks at KS1 and 2;
- changes to the English NC at KS1 with regard to the teaching of reading following the Rose Review; in primary schools, the roll out of the entitlement to modern foreign languages at KS2; and
- increased teacher assessment at KS1 as a result of changes to the statutory assessment framework.

2.5 Similar initiatives had been introduced in Wales:

- transforming the 14-19 sector including the implementation and extension of the Welsh Baccalaureate;
- implementation of the 3-7 Foundation phase;
- significant amendments to the arrangements for statutory assessment of pupils involving greater emphasis on externally moderated teacher assessment;
- establishing and enhancing collaborative learning provision including the promotion of "community focused schools";
- taking forward the priorities of the National Behaviour and Attendance Review;
- the implementation at school level of changes to the NC programmes of study.

2.6 TDA referred to its own aim of securing “an effective school workforce that raises educational standards, provides every child with the opportunity to develop his or her potential and thereby improve children’s life chances” and to our own vision for the teaching profession, reproduced on page vi.

2.7 The Teacher Union Partners said it was essential that the Review Body consider fully the complex context in which this review was being conducted. This included the continued roll-out of workforce reform and the embedding of the New Teacher Professionalism agenda. They also commented on the unremitting pace of change and the volume and complexity of work. They pointed out that, in addition to ongoing programmes of reform, schools were dealing with new requirements for enhanced partnership working.

2.8 NUT said its recommendations were intended to achieve a world class education service which would support the development of a high skills economy in the 21st century. It supported the Government’s objective of a world class education for every child, referring to its own 2004 policy statement, “Bringing Down the Barriers”, which proposed that “All children and young people have a right to high quality education”. In NUT’s view the appropriate level of teachers’ pay had a key role to play in the achievement of these objectives.

Economic context

2.9 The Department noted the significant impact of recent macroeconomic developments, in particular the weakening labour market. However, it emphasised that its approach to teachers’ pay remained, as agreed with the social partners (RIG), based on the statement of “pay and reward principles”. All public service pay and reward systems should be developed with the workforce and trade unions, supporting high quality jobs and a commitment to equal pay for work of equal value. The Government’s approach to pay policy was unchanged: awards should reflect the recruitment and retention position for each workforce; be affordable; represent value for money and be consistent with achievement of the 2% CPI inflation target.

Economic growth and the wider labour market

2.10 The Department noted that a prolonged period of strong and stable growth in output and employment had come to an end. The UK economy had moved into a recession and unemployment was at its highest level for 11 years. The first quarter of 2009 brought the largest contraction of the economy since 1979 and Government projections suggested the recession would continue into 2009. The economy is forecast to pick up progressively through 2010 and 2011, with annual growth estimated to be 1.25% in 2010.

2.11 The Department also commented on the changes to the labour market. Unemployment had been rising, and evidence suggested that firms’ demand for labour had fallen as economic activity declined. The Department noted that the labour market tends to lag output growth, so the UK labour market is likely to remain relatively weak through 2010.

2.12 NUT maintained that an enhanced award for teachers would contribute to the Government's attempt to boost spending power in the economy in order to assist economic recovery. NEOST, on the other hand, argued that increasing unemployment in the private sector meant a career in the public sector, including teaching, was likely to become a more attractive option regardless of the size of the pay award¹.

Inflation

2.13 The Department noted that after rising steadily from the start of 2008 CPI reached a 16-year high of 5.2% in September 2008. However, by March 2009 it had fallen back to 2.9%. Looking forward, the Department reported that the Bank of England and independent forecasters expected CPI to reach 2% by the middle of 2009. It also commented that, in its February Inflation Report, the Bank of England forecast a substantial risk of undershooting the CPI inflation target beyond the middle of 2009.

2.14 The Government considered it essential to maintain discipline in ensuring inflation expectations remained anchored to achieving the 2% inflation target. They believed pay settlements needed to be based on forward looking, rather than historic, information so that inflationary pressures did not become entrenched, leading to a self-defeating spiral of rising wages and prices.

2.15 The Teacher Union Partners commented on the continued high levels of CPI. They also noted that while RPI had fallen, and was expected to fall further in 2009, it was predicted to rise to 2.7% by September 2010.

2.16 NUT thought protection against inflation was a key element of any robust pay system and continued to regard RPI inflation as the most appropriate measure of inflation for pay determination purposes. It also quoted inflation forecasts, highlighting the expectation of deflation (RPI) in the fourth quarter of 2009, but emphasised the need for a long term view. UCAC expressed concern that although the inflation rate had fallen recently CPI inflation was still above the level of the proposed pay award.

Settlements and Earnings

2.17 The Department expected private sector earnings to remain restrained as a result of current economic circumstances, improving the relative attractiveness of the overall remuneration package for the teaching profession.

2.18 In its February submission, NUT said that the most recent Government figures for December 2008 showed an annual increase in average earnings (including bonuses) across the whole economy of 3.2%, with public sector average earnings up by 4.0% compared with 3.1% for the private sector. The latest Treasury summary of independent forecasts showed an average predicted increase of 3.5% for 2008 and 2.7% for 2009. NUT commented that most recent data showed that neither the economic crisis nor the fall in RPI had yet had a significant downward impact on pay settlements and average earnings. Labour Research Department figures showed the median agreement for the three months to December 2008 was 4%.

¹ See Chapter 3 paragraph 3.6 to 3.7 for our analysis

2.19 The Teacher Union Partners referred to more recent average earnings estimates in their supplementary submission. They commented that in the year to February 2009, growth in average earnings for the whole economy (including bonuses) was negative. However, if bonuses were excluded the growth remained positive. They also noted that growth in average earnings for the public sector was above the level of growth in the economy as a whole.

2.20 The Teacher Union Partners also referred to Income Data Services' (IDS) figures showing that, at the time, teachers were at the bottom of the current round of pay awards in the public sector. Other IDS figures showed that across all sectors, the median level of settlements for the three months to February 2009 fell to 3.4%, a reflection of the increased number of pay freezes and lower pay rises. UCAC felt that the public sector lost out to the private sector in times of growth and should not also lose out during periods of downturn.

The teacher workforce

2.21 Consultees' comments on school workforce issues tended to reflect their particular point of view. RIG referred to statistics which showed that in January 2009 the number of full-time equivalent teachers had fallen by 3,400 compared with January the previous year, but still 21,300 higher than January 2001. NUT accepted that teacher numbers had risen but argued that increases since 1997 had been driven by increases in unqualified teachers.

Profile of the workforce

2.22 NUT believed there were long-term teacher supply problems relating to the age and gender imbalance of the profession. It commented that teachers aged 50 or over accounted for 29% of full-time teachers in maintained schools in 2007 and that the proportion of the teaching force in England made up by men fell from 33% to 30% between 1997 and 2007.

2.23 In addition, NUT was concerned about the disparity in pay for male and female teachers. It drew attention to the Office of Manpower Economics (OME) Survey of Teachers' Pay 2008² which showed that male head teachers were more likely to be on a higher spine point than female head teachers, and male teachers were more likely than female teachers to be on the upper pay scale.

2.24 NUT also drew attention to the difficulties experienced in recruiting minority ethnic teachers. They were concerned about what they regarded as an insufficient increase in the proportion of teachers in categories other than white, from 4.7% in 2004 to 6% in 2009³.

Future demand for teachers

2.25 The Department had set the TDA targets for recruitment to ITT, informed by the Teacher Supply Modelling (TSM). Those for primary school teachers were increasing, while secondary targets were declining over the next three years.

² ORC (2009) Survey of Teachers' Pay 2008, OME

³ See Chapter 3 paragraphs 3.21 to 3.23 for our comments

2.26 The Department also commented on the situation in Wales. Pupil numbers in secondary schools were projected to continue to decline until around 2015. In primary schools pupil numbers were falling but, since 2002, the number of births had increased and early years cohorts had been growing since 2005. From 2010 primary school pupil numbers were projected to show a small increase for several years. The Welsh Assembly Government drew attention to their earlier review of ITT provision which had found an over-supply of ITT places in Wales, recommending reductions of 50% of primary ITT places and 25% of secondary ITT places between 2004/05 and 2010/11. The proposed target reduction for primary places now appeared to be too steep and for 2009/10, the Welsh Assembly Government was of the view that it should reduce primary ITT places by 50 fewer than previously envisaged. It was still considering the appropriate target for 2010/11.

2.27 The Teacher Union Partners noted that increasing numbers of teachers were leaving the profession before their normal retirement age and argued that this meant forecasts of the future availability of teachers could not be accurately predicted. RIG commented on the current age profile of head teachers, pointing out that an increasing number were approaching normal pension age of 60 (60% of head teachers in the maintained sector in England and Wales were aged 50 or over in 2007 compared with 40% in 1997). Similar, although smaller, profiles were found for deputy and assistant heads and classroom teachers. Teacher recruitment within the next ten-year period would be important to replace those who retired.

2.28 NUT noted that demographic changes would have significant implications for primary schools, where more teachers would be required. Although pupil rolls would fall in secondary schools, an increase in the compulsory participation age to 18 could create further demand for teachers. NUT also highlighted the increasing age profile of teachers and noted that in the year to March 2007 around 44% of new entrants to teaching in England were aged over 30, potentially compounding future teacher supply problems.

Recruitment

2.29 The Department noted that recruitment to teacher training had been above target for both primary and secondary teachers in 2008/09. Recruitment was, however, below target in certain subjects (mathematics, languages and ICT), although recruitment in mathematics had improved since 2007/08. It pointed out that recruitment for 2009/10 was looking positive as overall enquiries to TDA's information line for teacher training had risen (as of 17 April enquiries were 14% higher than at the same point in the previous recruitment year) and that there had been a 36% year on year increase in enquiries for secondary priority subjects. In Wales, the total number of first year enrolments on ITT courses in 2007/08 (2,100) was 4% lower than the previous year and less than the target of 2,190 places.

2.30 Based on information available in February 2009, TDA made the following points:

- Employment-based schemes continued to make an important contribution to teacher training and teacher recruitment, including for priority subjects.
- In 2006/07, 47% of all new entrants to ITT were career changers and returning teachers constituted 23% of the total inflow.
- During 2008/09, a falling number of applications for post graduate initial teacher training had continued a downward trend from the year before. Mathematics, for example, had attracted less than one applicant per training place.
- TDA were pleased that the downward trend in applicant numbers had reversed in 2009/10. TDA saw this as a possible consequence of the economic downturn, with applicants drawn to the relatively secure profession of teaching.

2.31 Some consultees were positive about future prospects: RIG said the total number of new entrants to ITT for 2008/09 was projected to exceed the government target by 4%. The Department considered recruitment and retention of a high calibre teaching workforce was likely to become easier, although shortages in key subjects were likely to remain an issue. TDA agreed, acknowledging there were positive signs, but expected recruitment targets for secondary priority subjects, particularly mathematics and science, to remain challenging.

2.32 Teacher representatives were less optimistic. The Teacher Union Partners reported that, based on provisional figures, the Government had consistently failed to reach its recruitment targets for all subjects for 2008/09. It also noted that according to the Graduate Teacher Training Registry (GTTR), the number of applicants by May 2009 was still almost 14,000 below the total for 2008.

2.33 NUT maintained that overall recruitment to ITT in England fell in 2008/09 for the fourth successive year and was down in ten of the twelve specified secondary subject areas. It accepted that GTTR statistics for 2009 entry, published in early February 2009, showed a significant increase in applications compared with the position at the same point last year. Total applications were up by 10% in England and 8% in Wales. NUT was not convinced that the flurry of late applications experienced last year, after the start of the economic downturn, would be repeated. Despite the recession, NUT thought that the final number of applications might prove no higher than in 2007.

2.34 NUT argued that, although it was widely thought that teacher recruitment and retention would be boosted by the current economic crisis, there was evidence that past recessions had only temporarily interrupted long-term downward trends in teacher supply. In their view, this suggested that teaching was unable to compete effectively for graduates except in a recession and pointed to a need for increased pay levels.

Wastage and turnover

2.35 The Department reported that movement out of full-time teaching (whether for retirement or out of service) had fluctuated in recent years, but at 10.6% in 2006/07, it was lower than in 2005/06. It also forecast that wastage rates would fall over 2009 and 2010. It cited the Labour Force Survey which showed the proportion of secondary school teachers leaving the profession compared favourably with social workers, accountants and civil engineers and was similar to nurses.

2.36 Teacher Union Partners commented on results from NEOST's *Survey of Teacher Resignations and Recruitment*. They observed the changes between 2006 (when the survey was last conducted) and 2008, highlighting the increased turnover across all phases and both genders, with significant increases in social sciences, mathematics and chemistry. It also noted the increase in numbers of teachers taking early retirement and the significant rise in secondary school head teacher turnover rates.

2.37 TDA noted that retention of teachers continued to prove difficult for many schools, particularly those in challenging circumstances and in the early years of teaching. Workload concerns continued to have a negative impact on teacher retention. NUT also commented on the significant proportion of younger teachers leaving the profession.

2.38 Several consultees discussed the relationship between recruitment, retention and pay. They believed pay was an important factor in recruitment and retention, but considered workload even more significant (see below).

Vacancies

2.39 A number of consultees observed the reduction in the overall vacancy rate for teachers in England, from 0.7% in January 2008 to 0.6% in January 2009, but noted that the rate remained above January 2007 levels. The Department highlighted the reduction in London vacancies and the improvements seen in most subjects, except maths where the vacancy rate had increased. This was echoed by the Teacher Union Partners, who were also concerned by the vacancy rate for mathematics. NEOST considered the fall in the vacancy rate represented a significant reduction since 2008 while NUT welcomed the improvement in vacancy levels, but regarded it as limited.

2.40 The Teacher Union Partners and NUT both noted continuing problems in recruiting senior staff, citing research by Professor John Howson that showed an increase in the percentage of schools having to re-advertise headship vacancies. They also noted that vacancy rates for head teachers had increased between 2008 and 2009.

Teachers' earnings

2.41 The Department said the teachers' pay system had been reformed to meet the needs of schools in the 21st century and reward teachers appropriately. It said:

- teachers' pay remained competitive with substantial real terms increases since 1997;
- many teachers benefited from a range of allowances over and above base pay;
- teachers' pay was competitive when compared with graduates' pay more generally;
- the teachers' paybill had risen considerably in previous years but negligible pay drift was forecast over the next two years,
- pay was only one element of the total reward package, which included an employer contribution of 14.1% to a government secured, unfunded, final salary, index-linked pension scheme.

2.42 The Department also pointed out a range of pay flexibilities, including local recruitment and retention incentives, although these were rarely used. It also drew attention to a DCSF initiative starting in September 2009 to encourage more of the most effective teachers to work in challenging schools. This would provide a "golden handcuff" of £10k in return for three years in a single participating school. There would also be a scheme allowing NQTs and new Heads of Department in such schools access to the new Masters degree in Teaching and Learning from 2010/11 and access to a network of teachers from other participating schools to share effective practice.

Starting salaries

2.43 RIG highlighted research showing that the financial incentives available to new teachers were rated as "attractive" or "strongly attractive" by 41% of ITT students. The Teacher Status Project had found that an increased proportion of respondents considered pay levels to be an attraction to teaching and a decreased proportion considered them a deterrent. RIG also pointed out some of the financial incentives for new teachers, including golden hellos for those qualifying and completing their induction year in priority subjects: training bursaries for PGCE trainees in England: and training grants for PGCE trainees in Wales.

2.44 TDA and the Teacher Union Partners both considered that the reduction in financial incentives to train as a teacher and the introduction of top-up fees might be contributory factors in the reduction in total numbers applying to become teachers. They both believed that where bursaries/golden hellos existed they had exerted a positive impact on vacancy rates.

2.45 TDA also made the following points:

- Increases in graduate starting salaries appeared to be slowing, but this needed to be viewed in the context of extremely high increases in graduate starting salaries in preceding years. Data from the Association of Graduate Recruiters (AGR) showed that the median graduate starting salary had risen by only 2% between 2007 and 2008, compared with 7.1% between 2004 and 2005.
- Despite the recent cooling of the graduate labour market, the extremely high increases in graduate starting salaries in preceding years meant teachers' starting salaries were effectively no more competitive than they were at the time of the last pay settlement.
- AGR data also showed that starting salaries for graduates were highest in numerate or technical sectors which competed with teaching to attract substantial numbers of mathematics, science and ICT graduates. Average starting salaries in these sectors remained substantially higher than the equivalent starting salaries for teaching posts outside London.
- AGR reported that only 10% of employers anticipated raising graduate starting salaries above the rise in the cost of living in 2009, with almost half expecting to increase salary levels by no more than the rise in the cost of living.
- Research commissioned by TDA into the motivations of people entering teaching and the perceived barriers facing those wishing to enter teaching from other professions found that the most significant barrier was the need to take a reduced starting salary. A YouGov poll indicated that 50% of those questioned considered the salary to be the main barrier to entering teaching.

2.46 NUT provided the following analysis of graduate starting pay:

- IDS data estimated that median graduate starting salaries in four sectors (finance, manufacturing, service and public/not for profit) were all higher than teachers' M1 starting pay.
- High Fliers research reported that starting salaries at the UK's leading graduate employers were due to rise by 5.9% in 2009, with an average starting salary of £27,000.
- Although overall demand for graduates was expected to fall in 2009, demand for graduates in the public sector was expected to increase. High Fliers research suggested half of employers expected to maintain 2009 recruitment levels, with a quarter expecting to take on more recruits in 2010.

2.47 UCAC maintained that, while teachers' starting salaries had improved, teachers' pay fell behind that of other professions after the first few years. In UCAC's view, it took too long (10 years) to reach the top of the upper pay scale. The Teacher Union Partners said starting salaries for teachers compared relatively favourably with those on offer in other graduate professions, but after three years teachers' pay fell behind that of other graduates for the rest of their career.

Average annual earnings

2.48 The Department quoted school workforce statistics showing that the average salary of all full-time teachers in maintained schools in England and Wales was £35,000 in March 2007, compared with £33,900 in March 2006; for head teachers it was £53,700 in 2007 compared with £51,900 in 2006.

2.49 RIG gave examples of earnings growth for individual teachers at different career stages. RIG also estimated increases in average salaries for full-time classroom teachers and heads, based on provisional earnings data from the Department's Database of Teacher Records. RIG reported that these data suggested that the average salary for classroom teachers and heads had increased in real terms by 17% and 32% respectively between 1997 and 2007. RIG noted disparity between average pay for male and female teachers compared with other professionals.

Relative earnings

2.50 The Department provided evidence demonstrating:

- teachers' pay relative to other professionals had remained at broadly the same level over the last 5 years;
- primary teachers' median salaries had been declining relative to other professionals over the last 5 years, but secondary and special school teachers' salaries had not;
- the average salary of teachers (including leadership grades) was about 26% higher than that of nurses, approximately equal to the average salary of a police officer (sergeant and below) and about 11% higher than fire service officers;
- the average pay of all teachers was similar (to within about 2%) to that of graduates generally. Teachers under 25 earned 15% more than graduates in the same age group. In their 30s they started to fall behind their graduates peers, but in their 50s they caught up; and
- in the North of England, the average pay of teachers was generally higher than the average pay of all graduates, while in the South it was lower.

2.51 RIG argued that average pay for teachers compared favourably with average graduate pay throughout England with the exception of London, the East of England and the South East. Improvements in pay over recent years and improvements in working conditions through workforce reform had improved the competitiveness of the teaching profession compared with other graduate professions.

2.52 TDA suggested that the competitiveness of teachers' salaries should be judged against factors including salary levels in sectors which recruited graduates from the same pools, and should be placed in the context of the whole "customer offer" of teaching, including other financial incentives, conditions of work, holidays, intrinsic benefits and CPD. TDA viewed teachers' salaries as no more competitive than they had been at the time of the 2005 pay settlement.

2.53 By contrast the Teacher Union Partners said it was clear that in all cases, salaries of teachers were falling behind those of other employees. They highlighted the fact that the three-year pay award for teachers was, overall, lower than the pay increases for the same period awarded to NHS staff and at the lower end of public sector settlements. The Teacher Union Partners argued the need to halt the decline in relative pay to prevent a return to the boom and bust cycle of teachers' pay that led to a serious crisis in recruitment and retention in the early 1990s.

2.54 NUT disagreed with the comparator professions put forward by the Department and RIG (nurses, police officers at sergeant and below, and fire service officers at leading fire officer and below). NUT argued that many of these did not share the graduate level professional entry requirements of teaching. It felt teaching should be promoted as a profession valued and recognised for its contribution to society. It believed teachers' pay underpinned teacher supply and thus the achievement of goals needed to secure a world class education service.

2.55 BATOD thought teachers' pay should be comparable with that of other graduate professions, particularly those requiring postgraduate qualifications. It agreed with NUT that pay was an important factor in attracting and retaining high quality individuals to the teaching profession, which was vital to drive up standards and achieve ECM objectives.

2.56 NUT noted that the first IDS research report they had submitted with their evidence for Part One of our Eighteenth Report showed that pay settlements for teachers had been below the IDS median for pay settlements across the whole economy for every year from 2003 to 2007, other than in 2005; a finding also commented on by the Department. The updated report showed the trend continued in 2008 when the teachers' pay award of 2.45% was well below the 3.8% IDS whole economy median. It considered this trend would continue, with the result that teachers' average earnings would not keep pace with pay increases elsewhere.

2.57 NUT considered the IDS report provided further evidence of teachers' poor position relative to other professions. The key findings from the report were:

- A continuing shortfall in pay progression for teachers; the report argued that teachers' pay would need to be 7% higher after five years, and 13% higher after 10 years to give teachers the same level of salary progression as the median progression of graduates in other professions.

- For the 20-29 age group, median pay for primary and secondary teachers was above that of science professionals but below that of engineering and health professionals whereas in the 40-49 age group, median pay for teachers was reported to be below that for all groups.
- Applying IDS's standard pay benchmarking methodology to teachers' salaries at three different levels showed that new teachers' salaries were at 83% of market median pay for jobs at a similar level, mid-career teachers were at 88% of market pay and senior teachers were at 73% of market pay for similar jobs.

Annual pay awards

2.58 RIG drew our attention to the below inflation pay awards for teachers since 2006 and reminded us that the RPI inflation triggers for re-opening the previous pay award had been met on both possible occasions during the two-year period. It reminded us that although we had concluded in July 2008 that inflation was higher than predicted, we considered that there was no sign that labour market trends were adversely affecting teacher supply and concluded that, overall, the evidence was insufficiently compelling to convince us to seek a remit to review the teachers' pay award. We had, though, acknowledged that teachers had experienced higher increases in living costs than had been expected.

2.59 NUT also argued that the pay awards since April 2005 had resulted in teachers receiving pay increases significantly lower than inflation; arguing that, in effect, they were pay cuts. It referred to examples of how much higher in cash value various points on the main pay scale would have been in each year since 2005 if pay awards had kept pace with growth in headline RPI inflation and to the impacts of these cuts on individual teachers. It said that even if inflation for the fourth quarter of 2009 fell to minus 1.5% as predicted, a 2.3% pay increase in September 2009 would mean that pay increases since 2005 had been around 2% lower than RPI in real terms.

Changes in teachers' average earnings

2.60 The Department noted that major restructuring of the pay system had taken place, with performance-related pay and the creation and shortening of pay scales. This, along with headline awards, had led to a considerable growth in paybill per head, although there had been slower growth in more recent awards.

2.61 RIG noted the pay awards and structural changes of recent years had resulted in real terms increases in teachers' pay, citing a number of examples of teacher's pay and additional allowances payable. RIG also noted that there had been a greater overall improvement in real terms for teachers in inner London, reflecting the more competitive labour market conditions and the cost of living pressures. However, differential increases to inner and outer London pay scales in our Seventeenth Report Part One meant that from September 2008 the gap between M6 and the upper pay scale at U1 was £4,346 for inner London, while the gap for teachers in outer London, the fringe and England and Wales was £2,372, £2,514 and £2,512 respectively. RIG also noted recent reform of the teachers' pension scheme, which was beneficial to the employer.

2.62 The Teacher Union Partners argued that inflation had seriously reduced the real value of teachers' pay, with pay settlements well below the average in the wider economy. They noted that pay for teachers at the top of the main scale (without accessing the performance threshold) had risen by 8% in real terms since 1997. They also pointed out that RIG evidence showed that 50% of eligible teachers were not applying for the threshold assessment and did not therefore benefit from the higher salaries available to classroom teachers and suggested the Review Body should consider ways in which teachers could be encouraged to do so. They commented on the low numbers of Excellent Teacher and Advanced Skills Teacher posts, which provided access to higher salaries.

2.63 BATOD and UCAC expressed concerns about the removal of Management Allowances and introduction of TLRs. They argued it had created significant financial disadvantage for some teachers. BATOD also claimed the erosion of protected payments in respect of mandatory qualifications for teachers of the deaf had led to a reduction in salary for some.

Quality of teaching

2.64 The Department acknowledged that there was no definitive measure to gauge the quality of new recruits. It recognised that degree class was not necessarily a good indicator of a good teacher, but it argued that it was the best available proxy measure. TDA figures on the degree class of new recruits showed that, on this measure, the quality of trainee teachers in 2006/07 appeared to have improved. In 2006/07, 58% of secondary school and 60% of primary school trainee teachers in England with a UK degree had achieved a 2:1 or better. These were both seven percentage points higher than the equivalents in 1999/00⁴. Looking at degree class by gender, the Department noted that a lower percentage of men tended to have degree class 2:1 or above. However in 2006/07 the proportion of men with a higher degree class had risen while that for women had slightly fallen.

2.65 NUT, on the other hand, argued that a sustained failure to recruit meant that 38% of teachers had no post-A level qualification in the subjects they taught to year groups 7-13.

2.66 In TDA's view, the current economic crisis together with the drop in pupil numbers, presented a once in a lifetime opportunity to raise the bar on the entry requirement for training to teach. There was evidence that teacher quality was strongly correlated with pupil attainment. TDA was adapting a scheme (Transition to Teach) to train graduates from sectors where there were likely to be large numbers of redundancies and was actively targeting companies in such sectors.

⁴ See Chapter 3 paragraph 3.54 and 3.55 for our analysis

Morale, motivation and workload

2.67 The Department, like a number of other consultees, took the view that pay was less important for morale and motivation than other factors such as workload and pupil behaviour. It cited various evidence in support of this view, including:

- two research projects (Hobson 2006 and the 'Becoming a Teacher (BaT) project') which highlighted workload issues;
- the BaT project and NFER research in 2008 which both indicated that poor pupil behaviour was a key factor affecting teachers leaving the profession;
- the GTC 2005 survey of teachers in which only a small percentage of respondents referred to pay when asked about the rewards and frustrations of teaching; and
- a GTC survey in 2007 entitled 'What are Teachers Future Career Plans?' in which 83% of teachers intended to continue in their current role over the next five years. The survey concluded that morale and motivation were most affected by factors like workload and pupil discipline: pay was a minor component of reported morale and motivation concerns.

2.68 RIG highlighted NFER research from 2007 which reported that the most commonly cited reasons for leaving the profession were workload and pupil behaviour. NEOST suggested that workload, bureaucracy and pupil behaviour, rather than pay, were the key issues to be addressed in terms of recruitment and retention.

2.69 Teachers' representatives, while conceding it might not be the most significant factor, argued that the level of teachers' pay affected morale and motivation and sent an important message to potential teachers and to those already in the profession about the value and status of teachers. They considered that teachers were subjected to a barrage of increasing demands and argued that this was having a negative impact on morale and motivation.

2.70 The Teacher Union Partners thought the workload and stress teachers were experiencing was likely to increase as a result of the recession. In their view, there was a continuing need to focus on recruitment and retention and to support and motivate teachers and school leaders. They said record numbers of teachers and school leaders were retiring on actuarially reduced pensions. They saw failure to retain entrants to the profession, shortfalls in shortage subject targets and an increase in vacancy rates and levels of stress as evidence of ever-increasing demands being placed upon teachers. The Teacher Union Partners also cited the failure of the Workload Agreement to control the workload of teachers and school leaders as evidence of increasing stress.

2.71 RIG commented on teachers' workload surveys, noting that workload was an area that still warranted close attention and pointing out that there was further work to be done to ensure all teachers realised the full benefit of contractual change. The Department also commented on results from the teachers' workload survey, arguing it demonstrated that a reduction in overall working hours for teachers and head teachers was not being achieved.

2.72 BATOD noted that SEN teachers were increasingly required to complete sizeable quantities of documentation linked to SEN reviews and were called upon to access funding streams at an individual learner level, much of which was completed outside the basic 1265 hours of directed time. UCAC reported a perception within the teaching profession that pay rises did not reflect the level of responsibility and amount of work required, and that teachers' pay was falling behind that of other professions. It believed that a pay rise of only 2.3% would further dent the profession's morale.

Affordability

2.73 Among the factors to which the Secretary of State directed us to give consideration was the need to make our recommendations affordable within the context of a requirement for responsibility in all public sector pay settlements, consistent with the achievement of the Government's inflation target of 2%. He also asked us to have regard to recruitment and retention data, wider economic and labour market conditions and the requirement for there to be clear evidence of a significant and material change in these factors to justify any change from the 2.3% figures recommended in our Seventeenth Report Part One. We were also reminded that in England schools' budgets would have been set on the assumption that teachers' pay would increase by 2.3% in 2009 and 2010.

2.74 The Department said its overall strategy was to allocate as much as possible to the front line at the beginning of the Comprehensive Spending Review (CSR) 2007 to provide early notice of indicative funding to aid medium term planning. The three-year settlement for local authorities announced in 2007/08 had enabled local authorities to produce indicative budgets for schools over the three year period from 2008 to 2011. This would enable schools to take better, more strategic long-term decisions on issues such as staffing and the curriculum. It pointed out that on average teachers' pay represented 57.4% of schools expenditure in 2006/07 so any change to the indicative pay award would have a large effect on the overall expenditure by schools.

2.75 The Department made the following points in relation to affordability:

- The high degree of committed funding meant there was little scope for the Department to redirect funds, particularly as there was now a significantly tighter financial landscape than originally envisaged when the CSR negotiations were concluded.
- The three year framework would only bring benefit to schools if they could be confident that the key cost pressure, namely teachers' pay, would not increase. This was a key reason in support of the decision to have a multi-year pay award.
- Increased costs in teachers' pay would lead to trade-offs elsewhere, which could adversely affect teachers in individual schools.

- Recent announcements, such as additional payments for teachers who spend three years working in a challenging school, demonstrated the Government's commitment to targeting additional resources where they could have most effect and represent value for money.
- Teachers' pay was not the only cost pressure faced by schools. Other pressures included non-teaching pay, which represented around 20% of schools' expenditure. A recent arbitration ruling had set the 2008/09 award for school support staff higher than anticipated. The third major cost pressure was from non-pay costs such as fuel, representing around 20% of schools expenditure. These were expected to rise by 2.7% (Treasury's Gross Domestic Product (GDP) deflator) in each of the three years.

2.76 The Department told us it had taken account of core cost pressures, including teachers' pay, when setting the value of the minimum per-pupil funding guarantee (MFG) for individual schools. Additional resource over and above the MFG had been planned for local authorities to cover:

- increased costs of falling rolls, and items such as high cost SEN, rent, rates and PFI payments;
- personalised learning and SEN;
- pockets of deprivation; and
- provision for children from day six of a permanent exclusion.

It believed that current funding allocations would be sufficient to cover costs pressures including pay increases and Ministerial priorities.

2.77 The Welsh Assembly Government drew our attention to the fact that funding for teachers' pay was included in the revenue settlement in Wales, which was not ring-fenced. The Welsh Assembly Government had announced the 2009/10 settlement for councils which represented a 2.9% increase on the settlement for 2008/09. They saw this as a tight but realistic settlement within the current financial climate and told us that any increases on the current indicative award of 2.3% would apply additional pressure on an already tight settlement for local government in Wales next year.

2.78 RIG set out the increases in the Dedicated Schools Grant (DSG) in England over the period 2008 – 2011: 3.7% in 2009/10 and 4.3% in 2010/11 in England; and 2.9% in 2009/2010 in Wales; and noted the ongoing review of DSG methodology.

2.79 NEOST pointed out that schools in England were funded directly through the DSG, but local authorities, which are responsible for the provision of other centrally-run education services such as the language support service and the SEN service, were not funded in the same way. Local authorities were struggling to maintain these services at the desired level and current economic circumstances were exacerbating their difficulty. Local authorities were also responsible for associated education services where there was an expectation that pay increases would be linked to the pay increases awarded to teachers. Local authorities were seriously concerned about the further pressure this might place on the national negotiating process.

2.80 BATOD was concerned about the effect of three-year budgets and existing funding arrangements on special schools and local authority specialist teaching and support services. UCAC argued that, contrary to the Department's claims about affordability, there were other ways for the government to save money than to award poor pay increases to public servants.

Costs of teachers' pay

2.81 The Department provided an illustrative paybill for all teachers for the financial year 2008/09. It estimated that total costs had been 3.21% higher than the previous year. The majority of the increase was accounted for by the September 2008 pay award of 2.45%. The Department noted that the following factors had contributed to the additional increase in costs:

- changes in the distribution of teachers across the pay spines;
- significant increases in the number of assistant head teachers;
- changes to the approach to calculating part-time teachers' pay; and
- expected increases in the number of Advanced Skills Teachers.

The Department estimated that, due to falling staff numbers, costs relating to the following groups of teachers increased by less than 2.45%:

- unqualified teachers;
- occasional teachers; and
- head and deputy head teachers.

2.82 The Department also provided estimated paybills for the financial years 2009/10 and 2010/11. When estimating these paybills, the overall number of teachers was kept constant so the effects of pay drift and salary/allowance uplifts were the only factors influencing the difference in year on year costs. The Department believed that pay drift would be modest over the next two years, estimating that pay drift for classroom teachers would be 0.3% between the financial years 2008/09 and 2009/10 and 0.1% between 2009/10 and 2010/11. The Department concluded the pay award would be the main driver of paybill growth for teachers.

2.83 In its February evidence, the Department provided cost scenarios for varying percentage increases, ranging from 0.5 to 1.0%. It estimated that an additional 0.5% headline increase in teachers' pay above the indicative pay award for September 2009 would cost around £50 million in the 2009/10 financial year. This increase, if combined with a further 0.5% additional increase in pay in September 2010 would have the cumulative effect of increasing the teachers' pay bill by £135 million in 2010/11. An additional 1.0% increase each year would cost an additional £95 million in 2009/10 and a further additional cost of £270 million in 2010/11.

2.84 The Teacher Union Partners argued that there would be savings on the teachers' paybill from September 2008 due to negative pay drift and there was scope within the CSR funding allocation for 2008-2011 to increase teachers' salaries above the indicative 2.3% award. NUT cited the OME teachers' pay survey as further evidence that pay drift was negligible. It disagreed that a pay award higher than 2.3% would be unaffordable, noting that affordability was a matter of political will. The Government had invested significant sums to support the financial sector and could invest in teachers if it chose to do so.

Consultees' views on pay awards for 2009 and 2010

2.85 A summary of the main parties' views on the appropriate recommendations for the 2009 and 2010 pay awards is outlined below.

2.86 The Department considered the indicative awards of 2.3% for 2009 and 2010 remained appropriate as it did not believe that there had not been 'clear evidence of a significant and material change'. The Department acknowledged that in recent years, when economic conditions had been more favourable, teachers had received lower pay awards than other public sector employees and recognised that an award below 2.3% could give rise to recruitment and retention issues in shortage subjects. It concluded that the pay awards should be set at the indicative level of 2.3% for both 2009 and 2010; and that the recommendations regarding adjustments to the main and upper pay scale for inner London in 2009 and 2010 should also be accepted.

2.87 NEOST was the only organisation to suggest that the indicative pay award should be lower than 2.3%. It argued that, in the light of the prevailing economic climate and the continued uncertainty over future economic developments, there was little justification for maintaining the salary award for September 2009 at 2.3%. It also considered a more generous award for London to be inappropriate given the economic situation. As well as commenting on the level of pay, NEOST recorded its disappointment at Ministerial statements about the 2009 and 2010 teachers' pay awards, which in NEOST's view could be seen as prejudging the ongoing STRB review.

2.88 The Teacher Union Partners believed there was a robust case for increasing the indicative awards for 2009 and 2010. They considered that the impact of pay levels on the supply and quality of teachers and consequently on the ability of schools to deliver the government's programme of change could not be overstated. They said teachers' pay had declined relative to other graduate professions as a result of below inflation pay awards for 2006-2008. They reported anecdotal evidence of considerable disappointment at the perceived failure of the re-opener clauses in the 2006-2008 teachers' pay award when the level of inflation had risen beyond the specified level. They felt strongly that the current economic situation should not be used as a reason to reduce the indicative pay award.

2.89 NUT said that its submission was based on the premise that higher pay for teachers was necessary to achieve a world class education service that would support the development of a high skills economy in the 21st century. It felt that in order to promote teaching as a first-choice graduate career, pay levels and career structure needed to compete effectively with the top graduate employers. NUT did not accept the Secretary of State's precondition, namely that there should be "clear evidence of a significant and material change" in recruitment and retention and in wider economic and labour market conditions, before the Review Body should consider recommending higher pay for teachers. It sought a restoration to the pay levels of 2005 in real terms, plus a pay increase of 10% or £3,000, whichever was greater. We estimate that the combined effect of these proposals would result in an increase of between fifteen and twenty per cent for teachers in band D.

2.90 In addition, NUT wanted to see the four pay bands abolished, preferring a return to a single pay scale for all teachers with allowances for those working in the London area. It considered the allowances for teachers in London should be higher than the differentials they currently enjoy.

2.91 UCAC proposed an increase of at least 5% for 2009, in order to make up for the below inflation increases up to September 2007. It also proposed the award for 2010 should be at least above the level of inflation, but thought three-year pay awards should be avoided at this time of economic uncertainty.

2.92 BATOD said the proposed increase of 2.3% was insufficient. It also believed that pay awards should not be decided so far in advance; the indicative awards should be subject to further periodic consideration and review. It argued that teachers' pay should be comparable to other graduate professions and it supported NUT's view that appropriate remuneration was a significant factor in attracting high quality people to teaching. It thought that a significant increase in pay was necessary. It also proposed a further increase in SEN allowances pending the review proposed in our Eighteenth Report Part One.

2.93 The National Governors' Association thought the pay settlement should be in line with wage inflation, whilst Governors Wales thought an increase of 2.3% remained appropriate for 2009 and that it was too early to make a decision on the 2010 pay award.

CHAPTER 3

Teachers' Pay: Our Analysis

Introduction

3.1 The previous chapter summarised the evidence presented by consultees. It set out their analyses of data and recorded their views on the key issues to be decided in this review. In this chapter we set out our own analysis of the key indicators and what they imply for the review of teachers' pay.

3.2 In our Seventeenth Report we made our recommendation of a multi-year pay award conditional upon a full review in 2009. We said then that the review should take account of the full range of factors analysed in the Seventeenth Report. We undertook to look at evidence from the start of the award period in September 2008 and to consider all relevant evidence that subsequently became available. This chapter and the one that follows contain our review of all the relevant factors.

Our approach

3.3 We are grateful to consultees for their analyses and views, summarised in Chapter 2. We have considered these carefully. In many areas we have drawn on sources of evidence highlighted and analysed by consultees. We have also identified and considered additional relevant sources of evidence in some key areas.

3.4 We have taken account of all of the factors which we undertook to examine in our Seventeenth Report. We have also paid due regard to the considerations which the Secretary of State drew our attention to in his remit letter of 25 June 2008. Our recommendations on teachers' pay in Chapter 4 are based on our overall judgement about the appropriateness of the indicative increases in the light of our consideration of all these factors. We have considered:

- the economic context and outlook, including inflation, settlements and earnings;
- the teacher workforce, including recruitment and retention;
- teachers' earnings – and growth in earnings – in comparison with inflation and wider settlements and average earnings;
- the quality of teaching;
- morale, motivation and workload; and
- affordability.

Where relevant, we have examined regional differences in these factors. Our analysis is outlined below. In considering these factors, we have focused on the extent, if any, to which there have been material changes since our Seventeenth Report.

Our analysis

Economic context

Economic growth and the wider labour market

3.5 In our Seventeenth Report Part One, submitted in October 2007, we noted that the UK economy had been performing strongly and had grown for 60 consecutive quarters, with GDP in the first half of 2007 3.25% higher than a year previously. We also noted, however, that disruption in financial markets meant that economic prospects were becoming less certain. Nonetheless, the latest government forecasts at the time were for GDP to grow by 3% in 2007, slowing to between 2% and 2.5% in 2008, and expanding to between 2.5% and 3% in 2009 and 2010¹.

3.6 Since our Seventeenth Report, events in the financial markets have severely affected economies across the world. At the time of writing, instead of the predicted growth, UK GDP has contracted in each of the three quarters to March 2009 and the average of independent forecasts is for a total fall of 3.8% in 2009². Looking further ahead, forecasters expect a slight recovery in 2010 with the average at 0.4% for the year³; the Treasury takes a similar view for this year but forecasts higher growth (1.25%) in 2010⁴.

3.7 These events have had an inevitable impact on the wider labour market as demonstrated by recent data. These show deterioration on a number of indicators: the UK employment level and rate are falling, vacancies are lower, redundancies are higher and unemployment is increasing⁵. It is reasonable to assume that this is likely to increase the pool of people considering teaching as a career, at least in the short-term.

Inflation

3.8 In our Seventeenth Report, we discussed the different views of consultees about the most appropriate measure of inflation relating to pay. We remained of the view that CPI and RPI both had strengths and weaknesses but each had relevance for our work. We noted that inflation in the period since our Fifteenth Report had been higher than was forecast at the time.

3.9 As Figure 3.1 illustrates, RPI growth remained high throughout 2007 and most of 2008. Both measures of inflation reached 5% in the autumn of 2008. Since then, the rate of growth in both measures has declined rapidly. While CPI has remained above target in early 2009, RPI inflation has fallen very sharply and was negative in March and April 2009.

¹ STRB (2008) *Seventeenth Report*, TSO (Cm 7252), Chapter 3

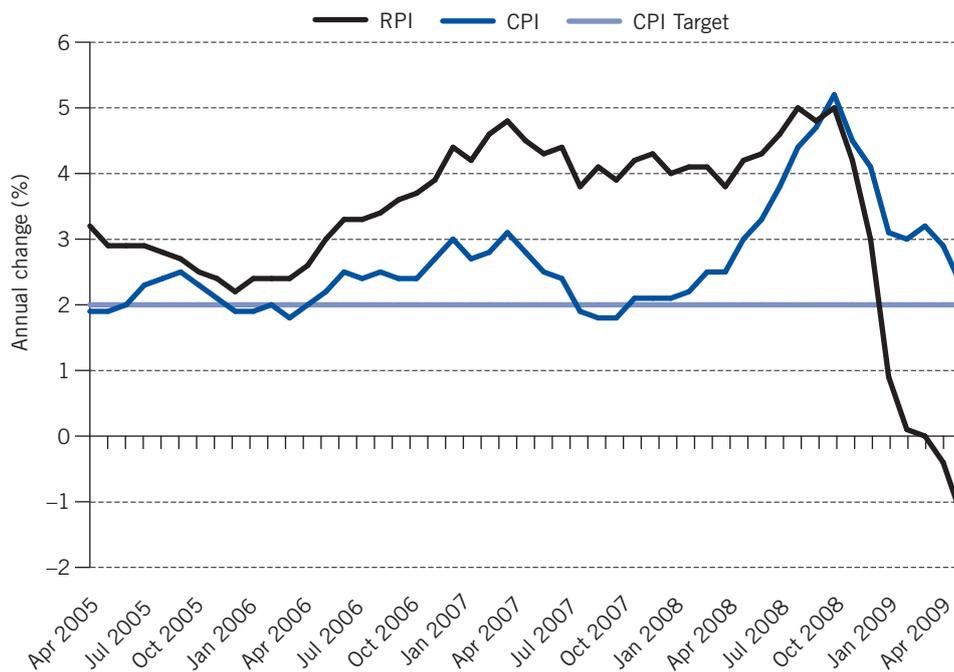
² HM Treasury (2009) *Forecasts for the UK economy, a comparison of independent forecasts, May 2009*

³ Ibid.

⁴ HM Treasury (2009) *Budget 2009 Building Britain's future*, TSO (HC 407)

⁵ ONS (2009) *Labour Market Statistics May 2009*

Figure 3.1 Inflation: CPI and RPI, April 2005 to April 2009⁶



3.10 Both measures of inflation are expected to continue falling until autumn 2009 and RPI is widely expected to remain negative until early 2010. The Treasury's most recent comparison of new independent forecasts suggests an average expectation that RPI will be -1.5% and CPI 0.9% in the last quarter of 2009 (and 1.6% and 2.4% respectively in the last quarter of 2010)⁷. As previously, we note that there is considerable variation in individual forecasts and the average should therefore be treated with some caution.

Settlements and earnings

3.11 In our Seventeenth Report, we noted that economy-wide median settlements in mid-2007 were around 3.3% , slightly higher than in 2006 but trailing levels of RPI growth. We also noted that public sector settlements were lower than those in the private sector in the year to September 2007 (2.7% compared to 3.4%).

3.12 The period from mid-2007 to the end of 2008 saw economy-wide median settlements remain fairly stable, between 3% and 4% ⁸. However, there is evidence that, since the end of 2008, the weakness in the economy has started to feed into pay awards. Reports of pay awards in excess of 3% have become rarer while short-time working and freezes, or reductions, in pay have become more common. Industrial Relations Services (IRS) report an economy-wide March median settlement figure of 2.5% with early indications of a further reduction in the median when April settlements have been analysed.

⁶ ONS Consumer price indices series CZBH and D7G7

⁷ Op.cit. HM Treasury, *Forecasts for the UK economy*

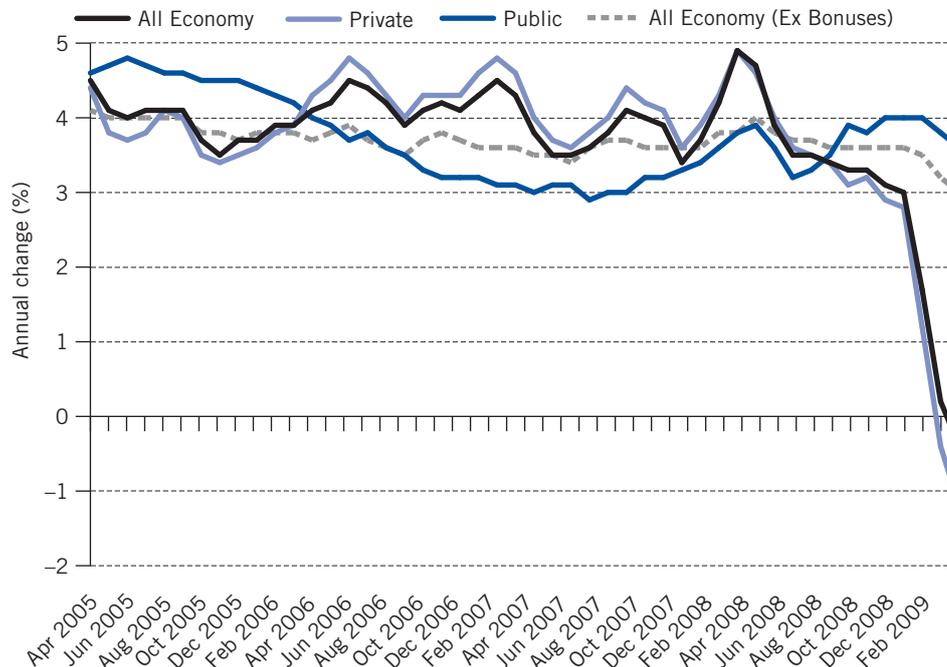
⁸ OME analysis of IRS and IDS data

3.13 Our Seventeenth Report noted that the twelve months to April 2007 had seen economy-wide earnings increasing at annual rates of between 3.9% and 4.6%, with earnings growth in the private sector markedly higher than that in the public sector. The subsequent period, to August 2007, had seen a slowing in earnings growth.

3.14 The period since our Seventeenth Report in 2007 has, for the most part, seen average earnings remaining stable (see Figure 3.2). However, the most recent period, since the end of 2008, has seen a very sharp fall in economy-wide (including bonuses) earnings growth, taking it into negative territory in March. The headline figures excluding bonuses have also decreased, although less dramatically, since the end of 2008. The period since summer 2008 has seen public sector earnings growth exceed that of the private sector. Looking over the longer term, though, we note that this followed a sustained period of some eighteen months during which private sector earnings grew faster than earnings in the public sector.

3.15 In the coming months, it is expected that there will be further downward movements in earnings growth due to the expected fall in base pay awards. Whilst this is likely to impact most strongly on the private sector, it is expected that the public sector will also be affected⁹.

**Figure 3.2 Average earnings growth
(Annual percentage change in 3 month average)¹⁰**



⁹ OME analysis of labour market data

¹⁰ ONS average earnings indices (series LNNC, LNND, LNNE, JQDY)

3.16 There are no formal projections for settlements, but economic commentators suggest that current downward movements may continue into next year. The Treasury average of new independent forecasts suggests that the growth in average earnings will be 1.1% in the final quarter of 2009 and 2.3% a year later¹¹.

Summary

3.17 In contrast to the period leading to our Seventeenth Report in 2007, the most recent period has seen the economy experience steep decline. Economic growth has gone into reverse, unemployment is rising and there are increasing signs of downward pressures on settlements and earnings. Rates of inflation have decreased sharply and the most recent period has seen negative inflation, as measured by the RPI, for the first time for 50 years. Looking to the future, the outlook remains gloomy in the short-term with expected further contraction of the economy, falling prices and downward movements in pay and earnings.

3.18 Research suggests that a teaching career becomes more attractive in recessions¹². There are signs that this may be the case now as, in the short term at least, more young people are thinking seriously about entering the teaching profession¹³.

The teacher workforce

3.19 In our Seventeenth Report, we noted that the key change in the schools workforce in recent years had been the significant increase in the number of support staff. This growth has continued (see figure 3.3) and there are now nearly three times as many teaching assistants as there were in 1997. In England, there are now over 338,000 full-time equivalent support staff (including 181,000 teaching assistants, 70,000 administrators and 24,000 technicians). Similar trends have been seen in Wales where the number of support staff has doubled over the last ten years¹⁴.

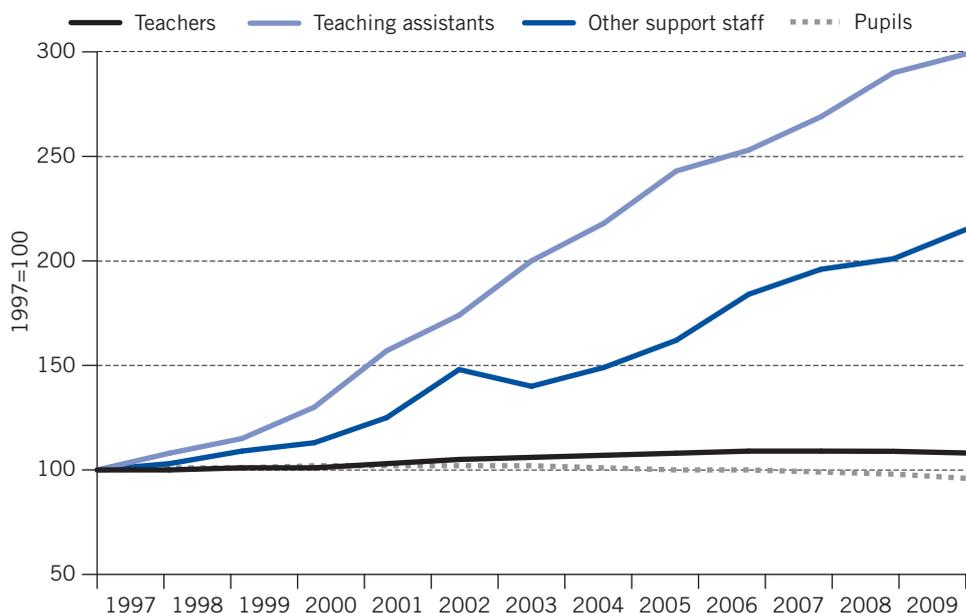
¹¹ Op.cit. HM Treasury, *Forecasts for the UK Economy*

¹² Dolton, P., Tremayne, A., Chung, T. (2003) *The Economic Cycle and Teacher Supply*, OECD

¹³ See paragraph 3.27

¹⁴ OME analysis of Welsh Assembly Government statistics

Figure 3.3 Growth in the school workforce and pupil numbers, England, 1997=100¹⁵



3.20 As reported in 2007, headline pupil-teacher ratios in primary schools in England and Wales had gradually declined and ratios in secondary schools had remained stable. The increased number of support staff had resulted in pupil-adult ratios decreasing. Figures for 2008 and 2009 show further slight declines in these measures. Pupil-teacher ratios are now around 21 and 16 in primary and secondary schools respectively (corresponding pupil-adult ratios are 12 and 11)¹⁶.

Profile of the workforce

3.21 In our Seventeenth Report, we made a number of observations about the composition of the teaching workforce¹⁷. We drew attention to the fact that in 2006, the proportion of male staff was low and decreasing and that disproportionate numbers of leaders were male (although that proportion was also falling). We also noted that much needed to change for the profession to reflect the ethnic make-up of the wider population. These issues, and related concerns about equal pay, have been raised by NUT in its evidence this year.

3.22 Our analysis of the latest data in these areas suggests that the same broad patterns remain, although we note that there are now marginally more women head teachers and there has been an increase in the proportion of non-white teachers¹⁸.

¹⁵ Derived from DCSF (2009) *School Workforce in England January 2009, Statistical First Release 09/2009* and DCSF (2009) *Schools, pupils and their characteristics January 2009, Statistical First Release 08/2009*

¹⁶ Op.cit. DCSF (2009) *School Workforce in England*

¹⁷ Op.cit. STRB (2007) *Seventeenth Report*, paragraphs 3.35-3.36

¹⁸ DCSF (2009) *Statistical evidence to STRB, Table A12 (Data relate to 2007)* and op.cit. DCSF (2009), *School Workforce in England*

- Men account for just over 30% of all teachers in England and Wales (16% of primary teachers, 43% of secondary teachers and 31% of special school teachers).
- Disproportionate numbers of heads are male (33% of primary heads, 63% of secondary heads and 46% of special heads).
- Black and Minority Ethnic (BME) staff made up 6% of the teacher workforce in England in January 2009, compared to 5.7% in 2008 and 4.7% in 2004. To put this in context, official data indicates that 13% of the working age population¹⁹ and over 20% of pupils are from BME groups²⁰. There are no published data on the ethnic profile of the leadership group.

3.23 Our Seventeenth Report highlighted the need for improved equality-monitoring data that might be helpful in understanding whether pay and other measures could help improve the situation. We regard the regular provision of such data and associated analysis as essential in order to ensure that these important issues are better understood. We therefore recommend that the Department undertake such data collection and analysis on a regular basis.

Future demand for teachers

3.24 It is important to understand the projected demand for teachers since this will impact on recruitment requirements and is relevant to consideration of a range of pay matters.

3.25 Consultees have highlighted a range of factors that could have a bearing on future demand, including changing pupil numbers, increasing teacher retirements, initiatives in relation to personalisation of teaching and learning and extended services, workforce remodelling, the proposal to extend the school leaving age to 18 and initiatives in relation to education for 14 to 19 year-olds.

3.26 Our analysis of pupil projections suggests that pupil numbers in primary schools are currently increasing while those in secondary schools are decreasing. The net effect is that across the maintained sector as a whole, pupil numbers are expected to decrease gently until 2011/12 after which they are likely to increase²¹. This is reflected in the numbers of places on Initial Teacher Training (ITT) courses; the overall number in 2009/10 will be 2% lower than in 2008/09 (3% higher for primary training and 7% lower for secondary)²².

¹⁹ ONS (2009) *Population estimates by ethnic group* <<http://www.statistics.gov.uk/statbase/product.asp?vlnk=14238>>

²⁰ Op.cit. DCSF (2009) *Schools, pupils and their characteristics*

²¹ OME analysis of DCSF pupil projections for England

²² DCSF (2008) *School Workforce in England January 2008 SFR26/2008*, Table A5

Recruitment

3.27 Our Seventeenth Report in 2007 noted that, following increases in recruitment to initial teacher training (ITT) in the period between 1998/99 and 2004/05, the number of recruits had since fallen slightly. We noted that, while the decreases mirrored to some extent falls in the numbers of training places, there remained difficulties in filling all places on priority secondary subjects, including maths and sciences.

3.28 The timing of this report means we are unable to report final figures on the numbers of recruits commencing ITT courses in 2009. However, we have closely tracked progress in the year to date. According to Graduate Teacher Training Registry (GTR) data covering the period to the end of May 2009, the total number of applications significantly exceeds that recorded at the same time in 2008. Total applications are up by 26% (primary 13%, secondary 37%). Encouragingly, the number of applications to priority subjects has increased by 51%. We have also noted that the number of acceptances has increased by 15% on the same period last year. While these figures represent a significant improvement on the same period last year, we will closely monitor further updates to see whether all places are filled, particularly where there have been shortfalls in the past.

Wastage and turnover

3.29 Our Seventeenth Report noted that wastage rates for full-time teachers in England and Wales had been stable over the preceding 10 years, with between 7% and 8% of teachers leaving the profession each year. The latest data from the Department, to 2006-07, show wastage continuing at similar levels.

3.30 The main contributor to wastage continues to be resignations. Each year, over two-thirds of leavers are resignations rather than retirements, although the number of retirements is increasing gently, consistent with the age profile for teachers (see Figure 3.4).

3.31 Data on the length of service of teachers leaving the profession are not available, but there is inevitably some correlation with age. As we reported in 2007, there is considerable spread in the age of teachers leaving for reasons other than retirement. In 2006-07, 42% of teachers resigning were under 34 years old and a further 22% were between 35 and 44, similar to the pattern in previous years (see Figure 3.5).

3.32 More research is required in order for us to gain a greater understanding of the reasons for people leaving teaching. This should examine, for example, the extent to which people leave permanently, regional variations, whether there are gender differences, whether there are issues related to the quality of teachers etc.

Figure 3.4 Number of teachers leaving the profession, England and Wales²³

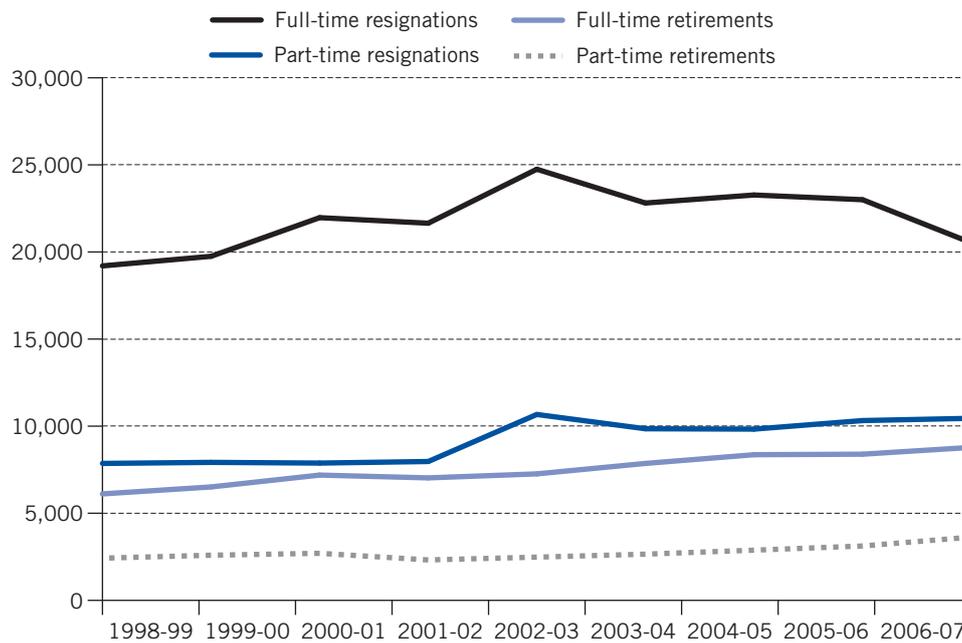
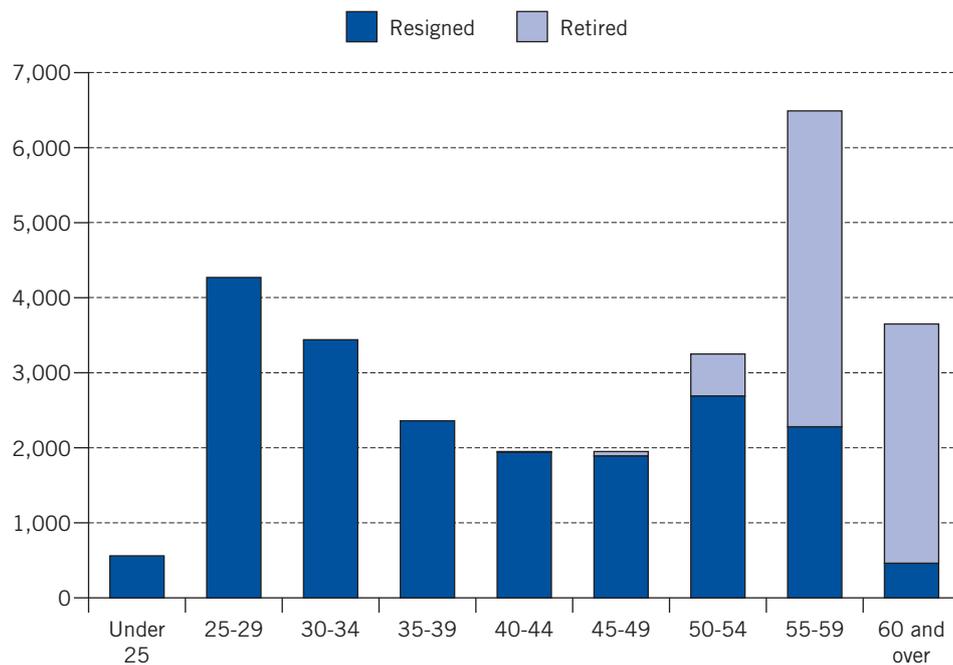


Figure 3.5 Full-time teacher wastage by age, England 2004/05²⁴



3.33 In 2007, we reported that turnover²⁵ for full-time teachers in England and Wales had gently decreased in recent years and that turnover rates for part-time teachers were higher. We also noted that turnover rates varied across

²³ Derived from op.cit. DCSF (2009) *Statistical evidence*, Table B7

²⁴ DCSF (2008) *School Workforce in England January 2008*, Table C1b(i).

²⁵ Turnover measures the percentage of teachers who either moved establishment, moved between full and part-time working or who left the profession in a given year.

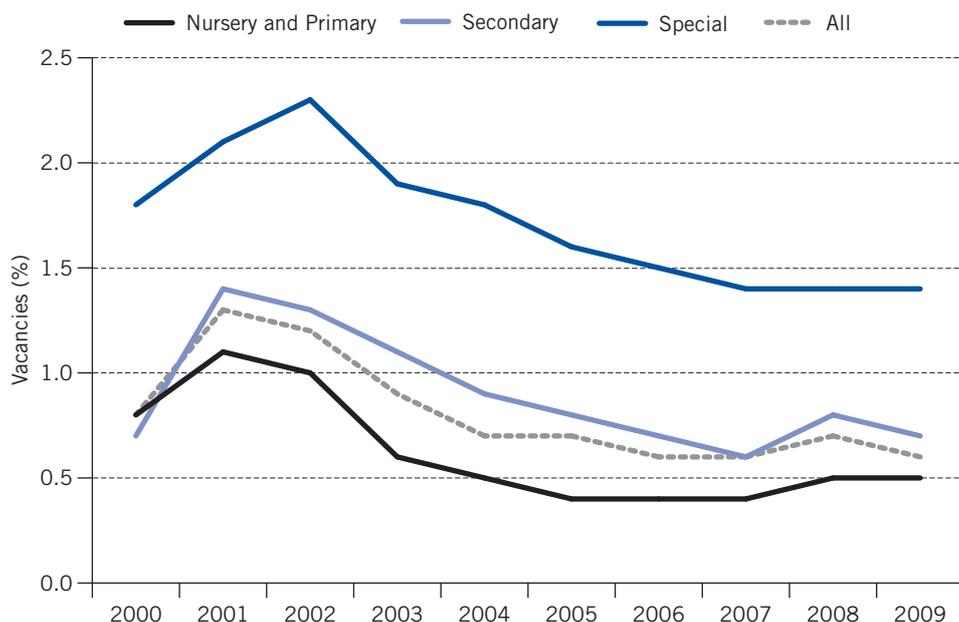
regions and subjects. The latest data, for 2008, show a broadly similar picture with rates higher in London, the South East and the East of England and, among secondary subjects, much higher for ICT than for other subjects²⁶.

Vacancies

3.34 Our Seventeenth Report noted that the headline vacancy rate²⁷ in maintained schools had fallen from a recent peak of 1.4% in 2001, to 0.6% in January 2007 when there were some 2,040 full-time teacher vacancies in England, most of which were in secondary schools. We also noted regional and subject variation; the highest rates were found in London and in music, ICT and mathematics.

3.35 We have seen two sets of annual data since our Seventeenth Report. The first set, relating to January 2008, saw a reversal of the previous years' downward trends with the overall rate increasing to 0.7% (an increase of some 500 vacancies compared to 2007). The latest data, relating to January 2009, show that the headline vacancy rate in England decreased compared to 2008 with the absolute number of vacancies lying between that recorded in 2006 and 2007. Figure 3.6 shows recent trends in vacancy rates in England and Wales.

Figure 3.6 Full-time teacher vacancy rates, England and Wales²⁸



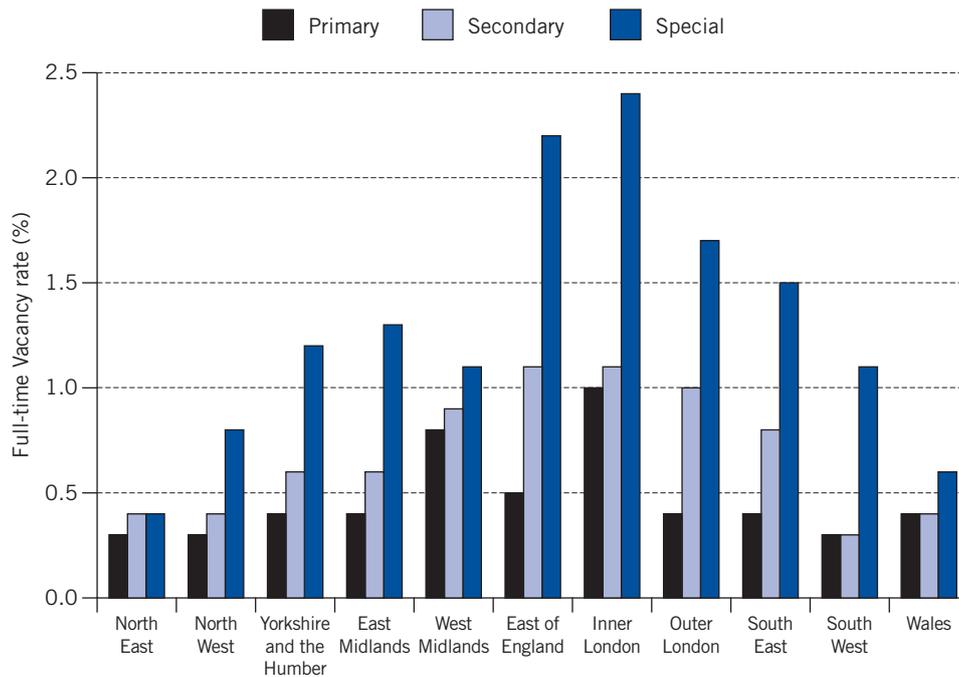
²⁶ NFER (2009) *Survey of teacher resignations and recruitment 2008*, Local Government Association (Provisional data)

²⁷ The vacancy rate measures the number of advertised vacancies as a percentage of teachers in post. Vacancy rates provide an annual snapshot in a particular month (January). In previous reports, we have noted that the measure can mask local coping strategies such as altering staff mix, employing unqualified teachers, “non-specialist” subject teachers or agency teachers or using fixed-term contracts. Nonetheless, they are a consistent measure and thus provide a useful barometer of trends over time and a benchmark for comparison between different regions and school phases.

²⁸ DCSF (2009) *Statistical Evidence to STRB and op.cit.* DCSF (2009) *School Workforce in England January 2009*. Data for 2009 are for England only.

3.36 The latest data continue to show variation by phase, region and subject. The highest rates were in London, the East of England and the West Midlands (all 0.9%). In London, the headline rate can be separated into 1.1% (inner London) and 0.7% (outer London) although we note that the rates for secondary schools were very similar.²⁹ As we have stated before, we are aware that headline vacancy rates can disguise local problems and that there is considerable variation within regions.

Figure 3.7 Vacancy rates, by region and school phase, 2009³⁰

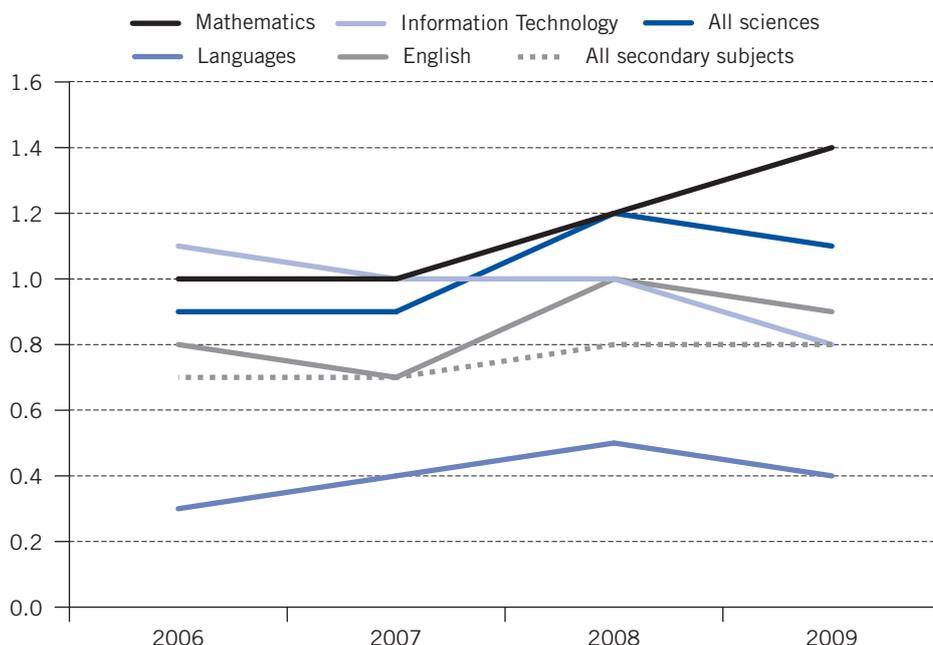


3.37 We also note that in secondary schools in England, the highest vacancy rate in 2009 applied to teachers of mathematics. There were nearly 300 vacancies for maths teachers and the rate was nearly twice the average. We find these figures disturbing and we will comment further on this topic in Chapter 4. We also note that the rates for science, I.T. and English were higher than the secondary school average (see Figure 3.8).

²⁹ Op.cit. DCSF (2009) *School Workforce in England January 2009*

³⁰ Op.cit. DCSF (2009) *School Workforce in England January 2009* and DCSF (2009) *Statistical evidence to STRB*. Data for Wales are for 2008.

Figure 3.8 Vacancy rates, by secondary subject, England³¹



Summary

3.38 Overall, we believe that the recruitment and retention situation remains healthy and there are signs that a career in teaching is looking more attractive to many as employment opportunities elsewhere shrink. Recruitment to the profession in recent years has continued at high numbers, although we do note the continued challenge in attracting sufficient high quality applicants to some subjects. We are encouraged by the latest figures on recruitment for 2009, which are an improvement on previous years, and will watch closely to see the impact of previous shortfalls for key subjects. Wastage and turnover rates continue to be relatively stable, but we would like to gain a better understanding of the reasons why significant proportions of leavers are younger teachers. We noted that 2008 saw the first increases in vacancies for several years but welcome the fact that the 2009 figures show that this has been reversed. We do, though, note the fact that the highest vacancy rates are related to the three core subjects: maths, science and English.

Teachers' earnings

3.39 We consider the position of teaching relative to other professions to be of particular importance to our work, not least because of the implications for the ability to recruit and retain high quality staff. With this in mind, we examined relative pay in terms of pay awards, starting salaries, median earnings and earnings growth. We looked at the factors that might contribute to growth in teachers' earnings and concluded that pay drift was likely to be negligible for the next few years and, therefore, any change in the earnings of the profession as a whole will be largely determined by the pay award.

³¹ Op.cit. DCSF (2009) *School Workforce in England January 2009*

3.40 Our overall assessment in 2007 was that, nationally, teachers' minimum starting salary (M1) closely matched other graduate starting salaries and that teachers' median earnings remained well above the economy-wide median. We also noted that, while teachers' median earnings had remained at broadly the same level as other "professional occupations"³² in the early 2000s, there were some signs that it may have started to slip in 2006. The rate of growth in teachers' average earnings had slowed after experiencing relatively high growth in the early 2000s due to structural changes in the pay system.

Starting salaries

3.41 As in 2007, we have examined a range of sources of information on graduate starting salaries. This is to ensure that we are able to both track trends and have as representative a picture of graduate pay as possible.

3.42 The Association of Graduate Recruiters (AGR) and Income Data Services (IDS) surveys of graduate employers collect data on vacancies in graduate schemes. We are aware that both include a preponderance of graduate schemes in large private sector companies, many located in London, which tend to offer relatively high levels of pay. As such, these are unlikely to be representative of the whole graduate labour market. Nonetheless, they do provide a consistent benchmark against which to judge *movements* in starting pay over time, even if we remain cautious about using them to compare *absolute* pay levels. Our analysis shows that, since 2002, teachers' starting salaries (in Band D) have fallen further behind AGR and IDS national estimates of graduate starting salaries³³.

3.43 The Higher Education Statistics Agency (HESA) collect data on the destinations and earnings of recent graduates. Our analysis of 2007 graduates entering full-time employment in "professional occupations" shows that their median starting pay ranged from £20,000 to £21,000 in regions outside London and was £25,000 in London; these values are very close to the relevant minimum starting salary for teachers (M1)³⁴.

3.44 The HESA data is very substantial in terms of sample sizes and does, we believe, provide a more comprehensive picture of the graduate labour market than other sources. Although it covers all graduates, we have been careful to draw comparisons here with those entering employment in 'professional occupations'. As such, we believe that the HESA data offer a more balanced view of comparative starting pay and lead us to conclude that the current starting salaries for teachers are positioned appropriately.

³² "Professional occupations" is a group within the Standard Occupational Classification (SOC) 2000, used to categorise results in the ONS ASHE survey (Annual Survey of Hours and Earnings). Occupations in this group require a degree or equivalent qualification, with some requiring postgraduate qualifications and/or a formal period of experience-related training. The group includes science and technology professionals (e.g. chemists, engineers, IT professionals), health professionals (e.g. doctors, psychologists), teaching and research professionals, business and public service professionals (e.g. business analysts, town planners, social workers).

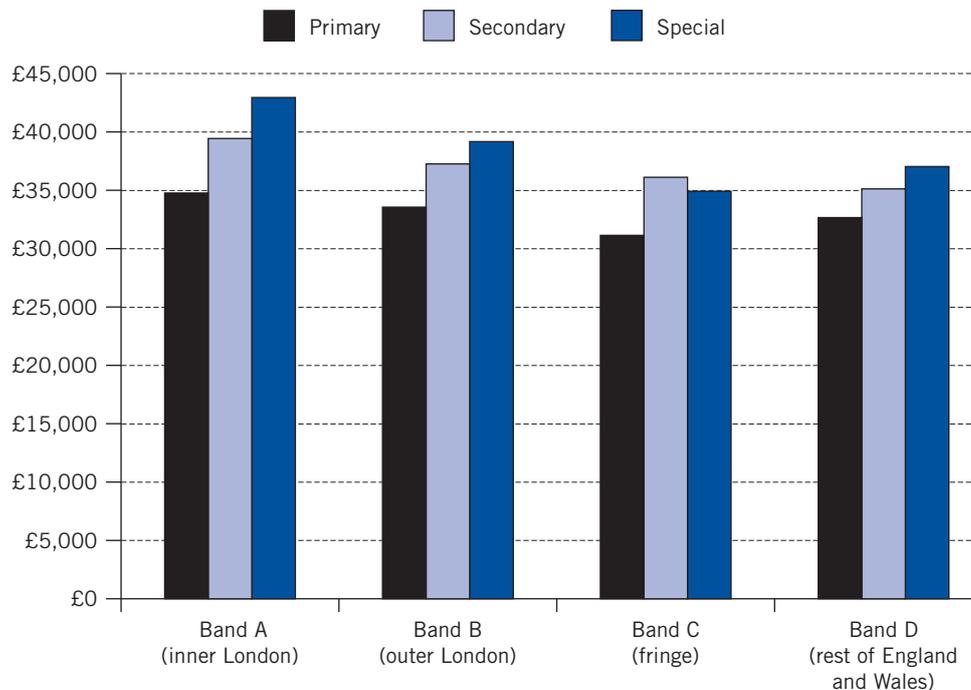
³³ OME analysis of AGR and IDS graduate pay data

³⁴ OME analysis of data from HESA Destination of Leavers from HE (DLHE) survey 2006-07

Average annual earnings

3.45 Estimated median earnings (including additional payments) for full-time primary classroom teachers in 2008-09 ranged from £31,000 to £35,000 across the four pay bands; the corresponding range for secondary school teachers was £35,000 to £39,000.

Figure 3.9 Classroom teachers' median earnings, 2008-09³⁵



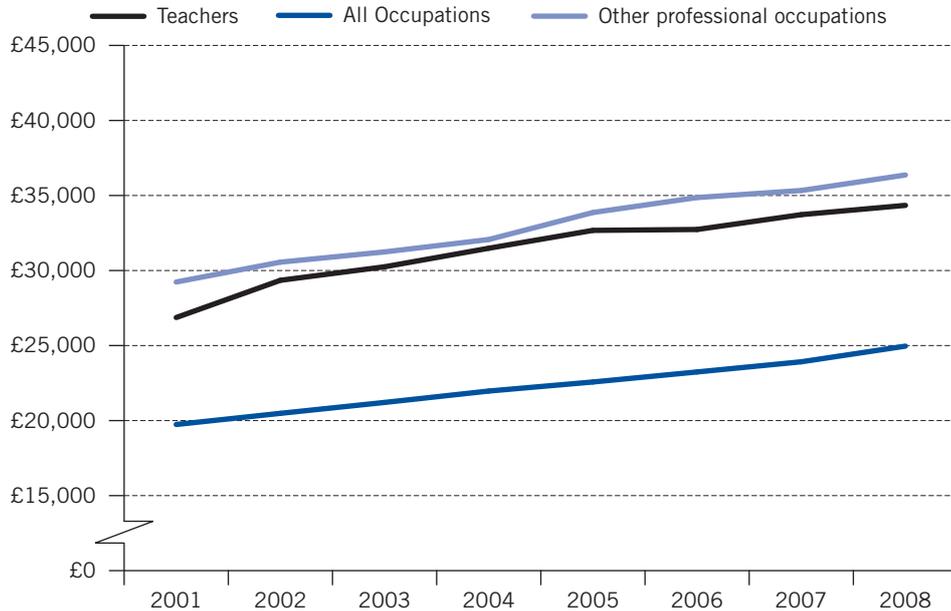
3.46 Leaders' earnings in 2008-09 varied similarly across the four pay bands. The estimated median earnings of assistant heads ranged from £40,000 (band D) to £48,000 (band A) in primary schools and £49,000 to £57,000 in secondary schools. The corresponding ranges for deputy heads were £44,000 to £54,000 and £57,000 to £67,000. Head teachers' median earnings ranged from £52,000 to £68,000 in primary schools and £77,000 to £96,000 in secondary schools.

Relative earnings

3.47 Figure 3.10 extends the analysis we undertook in our Seventeenth Report. It shows the median earnings of teachers' and of other professional occupations compared to all occupations. In 2008, teachers' median earnings remained well above the economy-wide median. At a national level, teachers' median earnings grew faster than those of other professional occupations between 2001 and 2004; they have since fallen away slightly. The percentage gap in 2008 was similar to that in 2006 which we noted in our Seventeenth Report.

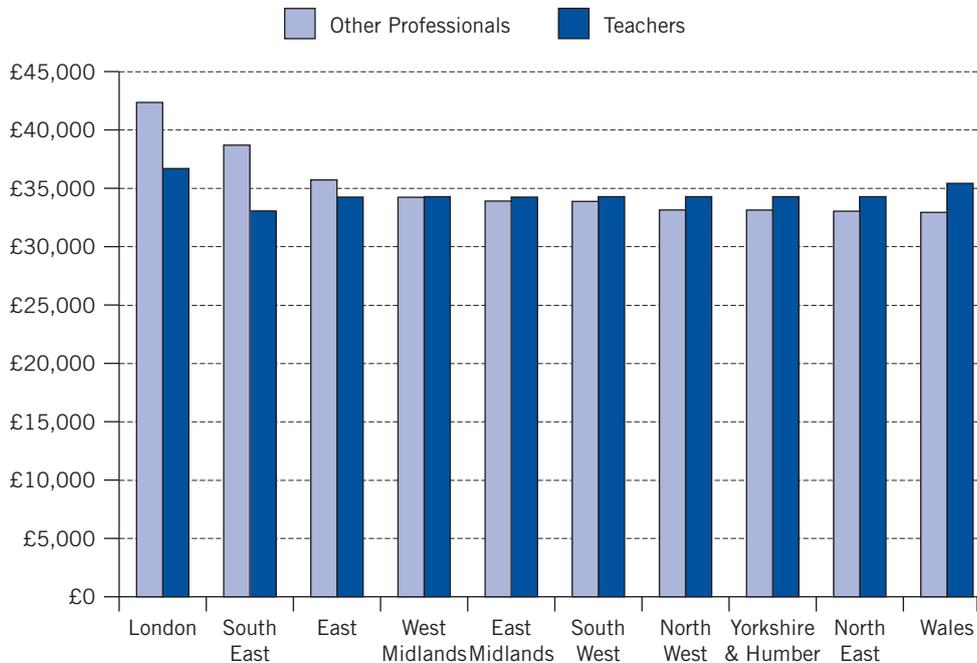
³⁵ ORC (2009) *Survey of Teachers' Pay 2008*, OME

Figure 3.10 Full-time teachers' median earnings compared to other occupations, England and Wales³⁶



3.48 We have also examined teachers' median earnings in comparison with other professions by region. Figure 3.11 shows that teachers' median earnings match or exceed those of other professionals in all regions except London, the South East and the East of England.

Figure 3.11 Teachers' median earnings compared to other professional occupations, April 2008³⁷



³⁶ OME analysis of ONS Annual Survey of Hours and Earnings (ASHE) data.

³⁷ OME analysis of ONS Annual Survey of Hours and Earnings (ASHE) data and ORC *Survey of Teachers' Pay 2008*.

Annual pay awards

3.49 Since the mid-1990s, teachers' pay awards have cumulatively narrowly exceeded median settlements elsewhere in the economy and significantly exceeded inflation (both CPI and RPI measures), but over the past five years, teachers' pay awards have been lower than wider settlements³⁸.

Changes in teachers' average earnings

3.50 As both our Fifteenth and Seventeenth Reports noted, between 2000 and 2003 there were structural changes to the pay system which were made for strategic reasons and produced benefits in terms of recruitment, retention and vacancy rates. These changes resulted in the average earnings of the teaching profession increasing at a higher rate than the pay award levels alone would suggest (there was positive pay drift)³⁹. Our previous reports observed that these changes had bedded in and were no longer contributing to earnings growth.

3.51 Going forward, these conclusions still hold. Our analysis is that growth in classroom teachers' earnings remains broadly equal to the level of teachers' pay awards, as pay drift is estimated to be negligible over the next two years⁴⁰.

Summary

3.52 At national level, teachers' minimum starting salary (M1) continues to match or exceed the median of all graduates entering full-time employment, although evidence suggests that those entering graduate schemes in some sectors can earn more. Teachers' median earnings continue to remain well above the economy-wide median. As was the case at the time of our Seventeenth Report, teachers' median earnings at a national level were slightly lower than those of other professionals in 2008. Regionally though, teachers' median earnings compared favourably in most areas; the exceptions being London, the South East and East of England.

3.53 As we remarked in 2007, the rate of growth in teachers' average earnings has slowed compared to the early 2000s and pay drift is expected to be negligible. As a result, average earnings changes, and the relative position of teachers' pay, are largely being driven by the level of pay awards.

Quality of teaching

3.54 High-quality teaching is essential if pupils are to receive an excellent education. That is why it is important that the profession is able to attract and retain people with the right attitude, skills and qualifications. As we said in our Seventeenth Report, there are many factors that influence the quality of the teaching workforce but pay is likely to be a significant consideration. It is therefore important that we consider, as part of this review, the quality of teaching and of those who are becoming teachers.

³⁸ OME analysis of STRB awards and IRS settlement data from 1995 to 2008

³⁹ STRB (2005) *Fifteenth Report*, TSO (Cm 6663) paragraphs 2.52 to 2.55 and op.cit. STRB (2008) Seventeenth Report paragraphs 3.72 to 3.74

⁴⁰ OME analysis of DCSF (2009), *Evidence to STRB*

3.55 Degree class is not necessarily a reliable predictor of how well people will teach and we are aware that the calibration of degree class changes over time. However, in the absence of other indicators, it provides some measure of the academic quality of graduates choosing to enter the profession and of their subject expertise. Analysis of the 2007/08 cohort of first-year postgraduate trainees showed that 59% held a 2:1 undergraduate degree or better, slightly higher than the previous year and close to the average for all first degree awards. The degree class of trainees varied considerably with subject. Over 70% of graduates in English obtained a 2:1 or better; the corresponding numbers for maths and science were 48% and 51% respectively⁴¹.

3.56 The relatively low proportion of highly qualified maths graduates joining the profession is worrying. Allied to the fact that maths currently has the highest rate of vacancies of all secondary subjects, this raises questions about the quality and quantity of maths teachers and the capacity of the profession to teach maths to a consistently high standard across the country. We discuss the supply of maths teachers further in paragraphs 4.25 – 4.30.

3.57 In our Seventeenth Report, we provided some summary information from Ofsted and Estyn reports. These suggested that, in 2005-06, the proportion of schools where teaching and learning were judged by Ofsted to be good or outstanding was 60% in primary schools, 50% in secondary schools and 80% in special schools. Teaching and learning were judged to be inadequate in 6% of secondary schools. In the same year in Wales, the quality of teaching and assessment was judged by Estyn to be good or better in 84% of primary schools and 75% of secondary schools. We have examined the latest equivalent information, relating to 2007-08⁴². In England, the proportion of schools where teaching and learning were judged to be good or outstanding was 64% in primary schools, 58% in secondary schools – improvements on the figures we cited in our Seventeenth Report – and 80% in special schools. We note, however, that Ofsted still judged 5% of teaching and learning in secondary schools to be inadequate. In Wales, the figures remained the same as those we previously reported with 84% of lessons in primary schools and 75% of lessons in secondary schools judged to be good or better in 2007-08.

3.58 In summary, measuring the quality of a workforce is difficult, and we are conscious that the indicators we are currently able to draw on may be partial. We believe, though, that some assessment of the quality of teaching and trends in this area is important, given the vital importance of good teaching and since the pay of the profession will almost certainly have some bearing on the quality of recruits.

Morale, motivation and workload

3.59 In our Seventeenth Report, we reflected that only limited evidence about teachers' morale and motivation was available and said that more systematically collected information in this area would be helpful. We did,

⁴¹ OME analysis of TDA and HESA data

⁴² Ofsted (2008) *The Annual Report of Her Majesty's Chief Inspector of Schools 2007/08*, Estyn (2008) *The Annual Report of Her Majesty's Chief Inspector of Education and Training in Wales 2007/08*

though, note some evidence relating to teachers' perceptions of their status, the impact of school support staff and the latest figures on sickness absence and workload.

3.60 Sickness absence is sometimes used as a partial proxy indicator for morale. The proportion of teachers taking sick leave in England in 2007 was 57% and the average number of sick days per teacher in post was 5 days. The corresponding figures for teachers in Wales were higher (65% and 8 days)⁴³. The figures for England are close to those for the wider economy⁴⁴. The figures for teacher sickness are similar to those recorded in our Seventeenth Report and have been stable over recent years.

3.61 Where consultees have commented on teacher morale, it has often been in the context of workload and related stress rather than pay. This is consistent with the message we receive on school visits.

3.62 In our Seventeenth Report we noted that workload surveys suggested that the average total weekly working hours in a typical term-time week had only slightly reduced since 2000. The latest workload survey results, for 2008, continue to show that only negligible changes are being made to hours worked. In March 2008, the average total hours worked reported by primary teachers was 52 hours; the average for secondary classroom teachers was 50 hours per week⁴⁵. This compares with figures of 53 hours and 51 hours in 2000. The figures for members of school leadership teams were higher. As we have said in our Eighteenth Report Part One, we are keen to understand why the National Agreement and related initiatives have not had a greater impact in reducing working time and have asked the Department to investigate this.

3.63 Overall, there has been little new evidence on the impact of pay on morale and motivation and, as we have said before, we would like to see more systematic monitoring in this area. Our overall view, though, is that the evidence we have seen does not suggest any significant worsening in morale and motivation since 2007.

Affordability

3.64 In our Seventeenth Report we set out the funding details for preceding years. When we wrote that report we did not have details of the levels of funding for schools for the current Comprehensive Spending Review (CSR) period (2008-2011). We stated our understanding that schools in England would be expected to make efficiency savings and that funding increases would be lower than in previous years; we also noted that as the National Assembly for Wales had only just received its CSR settlement, resources for schools had not been allocated.

⁴³ Op.cit. DCSF (2009) *School Workforce in England January 2009* and Welsh Assembly Government (2008) *Teachers in Service, Vacancies and Sickness Absence: January 2008*

⁴⁴ OME analysis of CBI Absence and Labour Turnover Survey, 2008

⁴⁵ BMRB (2007) *Teachers Workloads Diary Survey 2008*, OME

3.65 Our analysis at the time was that pay drift would, at most, be negligible and, possibly, negative. The level of the pay award would therefore be the main influence on changes to the teachers' paybill, although we noted that cost pressures could arise from non-teaching costs, including support staff pay, pension costs and the costs of implementing a number of government initiatives⁴⁶. Our overall assessment, though, was that our recommendations for 2008, 2009 and 2010 were prudent and were unlikely to raise affordability concerns.

3.66 The evidence available to us for the current review includes detailed figures on school funding:

- Over the 2008-11 CSR period, the Dedicated Schools Grant (DSG) will increase nationally by 13.1% with annual increases of 4.6%, 3.7% and 4.3%.
- These increases are smaller than those in preceding years. For individual schools, the minimum annual uplift per pupil (Minimum Funding Guarantee) is 2.1% (compared to 3.4% in 2006-07).
- Local authorities also receive funds from the DSG for a range of issues, including personalised learning, SEN, and deprivation.
- In Wales, funding for teachers' pay is included in the un-hypothecated revenue settlement. The local government settlement for 2009-10 is 2.9% higher than that for 2008-09.

3.67 Teachers' pay is the biggest cost for schools, representing 57% of expenditure, with 21% spent on non-teaching pay and a further 21% on non-pay costs⁴⁷. The Department's latest estimates suggest that:

- the total teacher paybills for England and Wales for 2008-09 to 2010-11 are £20,965 million, £21,505 million and £22,040 million respectively.
- The paybill model estimates pay drift on the classroom teacher pay scale to be 0.3% and 0.1% in 2009-10 and 2010-11 respectively.

3.68 We have noted the Department's own assessment that the indicative recommendations remain affordable and the Welsh Assembly Government's comments that any *increase* on the indicative awards would apply additional pressure on what is a tight settlement for 2009-10. Overall, our assessment of the recent evidence is that although public spending settlements have become tighter, there is nothing significant in the new evidence to suggest to us that our indicative award is now unaffordable.

⁴⁶ Op.cit. STRB (2008) *Seventeenth Report* paragraphs 3.92 to 3.110

⁴⁷ DCSF (2009) *Evidence to STRB*

3.69 We recommend that:

- **the Department undertake regular data collection and analysis to monitor developments in the teacher workforce related to issues of diversity and equality. This should include an ongoing review of matters relating to equal pay and of the extent to which the teaching profession reflects the diversity of the population it serves.**

CHAPTER 4

Teachers' Pay from September 2009 and September 2010: Our Views

Introduction

4.1 In our Seventeenth Report we supported the principle of a three-year pay award. Our support was conditional upon a programmed review¹ of the recommended indicative awards for the second and third year. The Secretary of State agreed that we should carry out such a review and report to him in June 2009 on the continuing appropriateness of the indicative awards for 2009 and 2010. In this chapter we set out the results of that review and present our recommendations regarding teachers' pay from September 2009.

4.2 Our recommendations for indicative awards for the latter two years (2009 and 2010) of the three-year award were:

- an increase of 2.3% from September 2009 and 2.3% from September 2010 in the values of the pay scales;
- a minimum starting salary (M1) for teachers in band A of £26,000 from September 2009 and £27,000 from September 2010 and consequential amendments to the main pay scale in band A; and
- further enhancement in the value of the upper pay scale in band A from 2009 and 2010.

Representations from consultees

4.3 All consultees commented on the level of the pay award for the two years 2009 and 2010; some also made specific reference to the timing of a decision on the 2010 award and the proposed award for inner London. Details of consultees' analyses and representations are summarised in Chapter 2.

The pay awards

4.4 We received a range of views on the level of the pay award from September 2009. Teacher representatives supported an award higher than the indicative 2.3%; the Department considered that on balance the indicative awards were set at the right level, whilst NEOST proposed the pay awards should be set below the indicative awards.

¹ STRB (2008) *Seventeenth Report Part One*, TSO (Cm 7252), Chapter 5

4.5 The Department took the view that there was no case for deferring a decision on the 2010 award, as did the Teacher Union Partners. Other consultees disagreed. Both NEOST and Governors Wales were of the view that it would be premature at this stage to confirm a figure of 2.3% for 2010, given the uncertainty around the economy at the present time. NUT maintained that any reduction in the indicative award for 2010 would damage morale. It proposed that the Review Body recommend an award of at least 2.3% now but undertake a further review next year with a view to increasing that award. UCAC believed the award for 2010 should, as a minimum be set above the level of inflation.

4.6 The table below shows consultees' suggested figures for the pay awards for 2009 and 2010.

Consultee	Proposal for pay awards	
	September 2009	September 2010
DCSF	2.3%	2.3%
RIG	*	*
TDA	*	*
Teacher Union Partners	Higher than 2.3%	Higher than 2.3%
NEOST	Significantly lower than 2.3%	Defer decision
NUT	Restoration to 2005 levels (in real terms) plus £3,000 or 10%, whichever is greater	At least 2.3%, subject to review.
UCAC	At least 5%	At least above the level of inflation
BATOD	Significant increase, above 2.3%**	Defer decision
NGA	In line with wage inflation	*
Governors Wales	2.3%	2.3% subject to review

* no figures specified

** plus an additional increase in SEN allowances, pending the recommended review of SEN allowances.

Pay award in inner London

4.7 There was no consensus among consultees on the proposed pay award for teachers in inner London. The Department continued to support the indicative pay award. TDA said more competitive graduate starting salaries in the wider labour market made recruitment most difficult in London, where there were high vacancy and turnover rates. NEOST said higher percentage increases for teachers in inner London would be inappropriate, proposing that any award for 2009 should be an across-the-board percentage increase.

4.8 NUT took a different view, believing that there should be a system of flat-rate allowances for different areas rather than different scales for pay bands, as set out in its submission to us in September 2008. It rejected any further move towards regional pay for teachers.

Our views and recommendations

Headlines from our analysis

- The global economic crisis has affected the UK economy severely.
- Instead of growing as predicted previously, UK GDP has contracted in each of the three quarters to March 2009.
- The UK employment level and rate are falling, vacancies are lower and unemployment is increasing.
- Inflation has diverged considerably from the forecasts that were available to us in September 2007. RPI reached a high of 5% in the autumn but has fallen sharply since November 2008. It turned negative in March and by April 2009 had fallen to minus 1.4%. It is widely expected to remain negative until early 2010. The CPI has also fallen and is expected to fall further before a slight recovery in 2010².
- Following two years of stability for median wage settlements in the wider economy (between 3% and 4%), there is now large variation across the whole economy. Settlements are on a downward trend, with further downward movement in earnings growth forecast.
- After a sustained period of stability, with economy-wide earnings ranging between 3.9% and 4.6% for the two years to July 2008, the rate of growth has declined. Economy-wide earnings fell sharply in early 2009.
- When we recommended an indicative award for pay in 2008, the recruitment and retention position was healthy, although there were difficulties in filling posts in some subjects, in special schools and in particular “hot spot” localities. Vacancy data for 2008 showed a reversal of previous years’ downward trends, with the overall rate increasing to 0.7%. Latest data (2009) show the headline vacancy rate in England has fallen compared with 2008, with the absolute number of vacancies lying between that recorded in 2006 and 2007.
- The highest vacancy rates were in London, the East of England and the West Midlands (all 0.9%), although in London, the headline rate in inner London was highest at 1.1%, compared with 0.7% in outer London.

² HM Treasury (2009) *Forecasts for the UK economy, a comparison of independent forecasts, May 2009*

Headlines from our analysis (continued)

- In secondary schools in England, the highest vacancy rate in 2009 was for mathematics, where there were nearly 300 vacancies and the rate was nearly twice the average for all subjects.
- The total number of applications and acceptances to ITT courses commencing in 2009 has increased compared with the same period last year.
- Nationally, teachers' minimum starting salaries are broadly in line with the wider market.
- The median earnings of all teachers in the early 2000s remained at broadly the same levels as other professional occupations, but have fallen away slightly since 2005.
- Going forward, pay drift is expected to be negligible.

Context

4.9 There has been a major shift in the global economy since we made our initial recommendations and the resulting upheaval has, inevitably, had a significant impact on the economies of both England and Wales. As a result of the economic downturn, the forecasts we referred to in the Seventeenth Report Part One proved largely unreliable and some trends were disrupted to an extent that no-one could have predicted at that time. However, we acknowledged at the time that the uncertainty of economic prediction was a drawback of such multi-year awards and it was for this reason that we pressed for a thorough review to be written in to the process. In making our recommendation, we pointed out that there would be *“a single, programmed review during the entire three-year period”*.

4.10 We have now carried out such a review. We have examined rigorously all the available relevant evidence as we undertook to do in our Seventeenth Report Part One and in correspondence with consultees³.

Pay awards from September 2009 and September 2010

Rationale and timing

4.11 We have previously expressed the view that the main advantage of a three-year pay award is that the Department, local authorities and individual schools and services have indicative information about a key cost pressure, thus facilitating financial planning in the medium term⁴. As we have indicated above, it was always our intention that we should consider the pay awards for 2009 and 2010 together, reporting in June 2009.

³ Letters from Bill Cockburn to the Secretary of State DCSF, Teachers Union Partners and NUT dated 11 July 2008 published in op.cit. STRB (2009) *Eighteenth Report Part One*

⁴ Op.cit. STRB (2008) *Seventeenth Report Part One*, Chapter 5

4.12 However, as we embarked upon our review it became clear that, in addition to making decisions on the indicative pay awards in our Seventeenth Report, it would be important to consider first the impact of the timing of our decisions, given the unpredictable economic climate.

4.13 We considered first, therefore, whether to make decisions on the awards for both 2009 and 2010 now, or whether to defer a decision on the 2010 pay award. Given the economic downturn we recognised that there was a case for reserving our position on the 2010 pay award in order that we might weigh more certainly the effects of the recession on the labour market in general and on the recruitment and retention of teachers in particular.

4.14 We recognised that, although a deferment would enable us to consider evidence for a further six months or so, we would not be materially better informed as the most relevant core data would not be available. Deferment would significantly impair the advantages of the three-year award as there would be continuing uncertainty for schools and local authorities about their budgets for 2010, as well as further uncertainty for teachers. We concluded, therefore, that we should not defer but that we would make recommendations in this report concerning the pay awards for both 2009 and 2010.

Level of pay award for 2009

4.15 Research suggests that improved outcomes for children and young people are strongly correlated with high quality teaching⁵. Accordingly, throughout this review we remained aware of our strategic objective to set and sustain teachers' pay on a path that contributes to the attraction and retention of sufficient numbers of well qualified and highly motivated teachers now and into the future.

4.16 As we made clear earlier in this report⁶, we have adopted the approach we set out in our Seventeenth Report Part One, looking at the full range of factors we considered when making our indicative awards. We have reached an independent judgement on the appropriate level of pay awards following careful consideration of consultees' analysis and views and our own detailed examination of a range of evidence, summarised in Chapters 2 and 3 respectively.

4.17 We considered evidence and arguments in support of both higher and lower awards. Several consultees made strong representations concerning the below inflation awards that teachers received in recent pay awards. We have made clear previously that we regard "*inflation as only one of the factors of relevance to pay awards*"⁷ and that remains our position. We remained mindful also of the fact that the Government's target for CPI inflation (2%) has not changed.

⁵ Barber, M & Mourshed, M. 2007, *How the world's best-performing school systems come out on top*, McKinsey & Company

⁶ Paragraph 1.12 et seq. and paragraph 4.10

⁷ Op.cit. STRB *Seventeenth Report Part One*, paragraph 4.21

4.18 Some consultees argued that a more generous award was needed to maintain teacher morale; that it was necessary in order to invest in teachers for the future and to preserve the integrity of the three-year award. We noted the ongoing challenge to recruit teachers for certain subjects and in certain locations and that previous awards for teachers had been less favourable than those awarded to some other public sector employees.

4.19 NEOST was the only organisation to press a case for reducing the indicative award. Reviewing NEOST's evidence, we concluded that a case could be made in support of a reduced award. Economy wide settlements were on a downward trend, with further downward pressures on settlements, pay and earnings forecast. The labour market for teachers looked healthy, with indicative figures for recruitment to teacher training looking more promising than for many years. Moreover, teachers' starting salaries and median earnings appeared to be broadly in line with the wider market and the overall teacher reward package was looking more attractive in difficult times. Ultimately however, we were not persuaded that arguments for a reduced award carried sufficient weight when set against other considerations such as the need to maintain morale and the potential negative impact on recruitment and retention.

4.20 Overall, we noted some major changes in the evidence available to us compared with the evidence we considered when we recommended the indicative award in January 2008. However, some of the relevant indicators pointed towards a higher award, whilst others pointed to a lower award. There had been significant change in the economic climate; we were also conscious of the wider labour market context in which there was clear evidence of a growing number of redundancies, pay freezes, pay cuts, short-time working and lower pay settlements.

4.21 Despite indicators which suggested that teacher recruitment and retention was generally good and getting better, we remained concerned about recruitment and retention of teachers in some priority subjects. However we were firmly of the view that an across the board increase for all teachers was not the best way to address these concerns. We make further comment on this important issue in paragraph 4.25 below.

4.22 We were also mindful of the fact that school budgets have already been allocated based on the indicative awards and that several key players (ourselves included) had stressed the advantages of multi-year awards for forward planning. Finally, we believe teacher quality to be critical in driving up school standards and pupil achievements and we had concerns about the impact of a lower award on morale and motivation. We remain concerned to ensure that teachers are properly rewarded at a competitive level to help ensure an adequate and reliable supply of high quality teachers.

4.23 On balance, weighing up the evidence from all the factors we considered, we did not think there had been changes in the relevant indicators sufficient to support the argument for an award either higher or lower than the indicative 2.3%. Given the prevailing economic conditions, we consider an award of 2.3% is an appropriate settlement. Our overall assessment is that it is affordable for the Government, given the Department's settlement under the Comprehensive Spending Review (CSR07) and affordable for schools based on existing allocations.

Level of pay award for 2010

4.24 We next considered the appropriate level of award for 2010. We were conscious in looking at the available evidence that we would have to rely on data and forecasts that were subject to change. The economic outlook remained gloomy in the short-term with expected further contraction of the economy and downward pressure on both pay and earnings, although there was some prospect of recovery in 2010, with a consequent impact on inflation. Based on recent trends in recruitment, retention and vacancies, we did not expect significant change in the teachers' labour market by September 2010. We expected the upsurge in interest in teaching as a career would continue. We rehearsed the arguments in support of pay awards either higher, or lower than 2.3% for 2010/11 but found them insufficiently compelling. We decided therefore to confirm the indicative award of 2.3% for September 2010.

Teachers of mathematics

4.25 The adequate supply of teachers of certain priority subjects has been a long standing problem in our school system and, although we have concerns about other priority subjects, we are especially concerned about the lack of sufficient mathematics teachers. Mathematics is, in every sense of the word, a core subject. If the education system is to achieve the highest standards and educate children and young people for the 21st century, it is imperative to have a good supply of well-qualified mathematics teachers.

4.26 In our Sixteenth Report⁸ we reported the Government's commitment, set out in its update to the ten-year *Science and Innovation Investment Framework*, that 95% of mathematics lessons would be delivered by a maths specialist. At that time, the position for mathematics teachers was described as a mixed picture, with much teaching of mathematics by non-specialists. Whilst there had been some improvements in recruitment and retention, challenges remained and there were uncertainties for the future, with an ageing profile for mathematics teachers and concerns about the number of students pursuing maths at A level and in universities.

4.27 Two years later we find the picture little changed. Recruitment to ITT for mathematics is persistently below target, there is a relatively high turnover rate and an increased vacancy rate in 2009. We are also concerned by the findings of recent NFER research⁹ that showed that only 54% of maths periods in secondary schools were taught by a teacher with a degree in

⁸ STRB (2007) *Sixteenth Report*, TSO (Cm 7007) paragraph 2.6

⁹ National Foundation for Educational Research (NFER), 2007, *The Secondary School Curriculum and Staffing Survey*, DCSF

mathematics. It found that, in the 20% 'most affluent'¹⁰ schools, 64% of maths periods were taught by teachers with a maths degree, whereas in the 20% 'least affluent' schools, only 44% of maths periods were taught by teachers with a degree in maths.

4.28 We are aware that the current Graduate Teacher Training Register (GTTR) figures show an increase of 55% in the number of applicants for mathematics this year. However, it is our view that the continued recruitment and the future retention of candidates of sufficient quality and in sufficient numbers will require further action.

4.29 It is a matter of grave and growing concern that, even with the existence of "golden hellos" and a bursary scheme to encourage maths graduates to train as teachers, we are unable to be assured of a cadre of well-qualified mathematics teachers. There is an inter-relationship between the effective teaching of mathematics and the numbers of young people studying mathematics at university. A paucity of expert maths teachers now will inevitably lead to a future decline in the number of mathematics graduates, with adverse consequences for the next generation of teachers and children. For these reasons we consider it sufficiently important to comment on the supply of maths teachers even though it is not within our current remit. The future prosperity of this country relies upon having a numerate workforce; the country cannot afford not to invest in children's future in this way. We believe action is needed to turn this position round and secure a reliable supply of well-qualified maths teachers for the future.

4.30 In our Sixteenth Report¹¹ we recommended that the Department should be encouraging schools to use existing recruitment and retention flexibilities to address local teacher shortages in priority subjects and that there should be a financial incentive for teachers for completion of accredited qualifications in priority subjects designated by the Department and the Welsh Assembly Government. We believe this continues to be important, but in our view is no longer of itself sufficient to attract high quality maths teachers in the required numbers. We believe that the Department should now consider the introduction of new financial and other incentives and measures to improve the quality and quantity of the supply of mathematics teachers. If asked to do so, we would welcome the opportunity to explore the form these might take in a future remit.

Pay award for inner London

4.31 In 2008 we noted that against a background of improvement in recent years, recruitment and retention continued to be more difficult in London, the East of England and the South East than in other areas, and that teachers' minimum starting and median salaries were less competitive in London¹². There was particular difficulty in recruiting and retaining experienced teachers in inner London.

¹⁰ Where 'most affluent' is defined as the schools with the lowest quintile of pupils eligible for free school meals and 'least affluent' is defined as schools with the highest quintile of pupils eligible for free school meals.

¹¹ Op.cit. STRB *Sixteenth Report* paragraphs 2.51 and 2.63

¹² Op.cit. STRB *Seventeenth Report Part One* paragraph 6.56 et seq.

4.32 We said that, in our opinion, uplifting the starting salary in bands A and B in line with the general pay award would not be sufficient to maintain the competitiveness of teachers' starting salaries in London. We believed further financial incentives would be necessary to help recruit and retain good, experienced teachers in band A. We recommended increases to the minimum salaries and enhancements to the main pay scale for bands A and B from September 2008, with further increases and enhancement for band A only in September 2009 and 2010.

4.33 We have looked again at the evidence on the supply of teachers in inner London and found little change in the relevant indicators (vacancies, starting salaries, median earnings) since we recommended the indicative awards. However, we noted that full-time teacher vacancy rates were highest in London, the East of England and the West Midlands (all 0.9%), although in London, the headline rate can be separated into 1.1% for inner London and 0.7% in outer London.

4.34 We were not persuaded by NUT proposals for flat-rate allowances for the reasons set out in our Seventeenth Report Part One¹³. We took account of representations from TDA, who said recruitment was most difficult in London, where both vacancy rates and turnover rates were highest. TDA said London was also most reliant on overseas teachers, which made it more vulnerable, particularly as since September 2008 the Migration Advisory Committee list of shortage occupations for Tier 2 of the points based system¹⁴ includes only secondary teachers of maths and science.

4.35 On balance, we were not persuaded that the position in inner London had changed significantly since we last looked at this matter and therefore decided to confirm our indicative awards for inner London for 2009 and 2010. In doing so, we make the following observations:

- employers of teachers in inner London should do more to communicate the higher salaries on offer; and
- the Department and local authorities should encourage schools to make use of the existing flexibility in STPCD to provide recruitment and retention incentives in all pay bands, where appropriate.

4.36 We believe there is a need to monitor the impact of higher awards in inner London on teacher recruitment and retention in outer London and the fringe. We are aware that increasing teachers' pay in inner London will create a wider pay gap relative to the three other pay bands and that this might have potential adverse consequences for schools in those areas. The impact of our proposals should be carefully monitored with a view to making further adjustment to correct any significant anomalies as they become apparent.

¹³ Op.cit. STRB Seventeenth Report Part One paragraph 6.73

¹⁴ Migration Advisory Committee (2008) *Skilled, Shortage, Sensible: the recommended shortage occupation lists for the UK and Scotland, September 2008*

4.37 Finally, we repeat our view, expressed in previous reports, that the existing pay structure with its four pay bands may not be sufficient to address persistent, localised difficulties. We re-iterate the proposal we made in our Seventeenth Report Part One that the Department, in consultation with interested parties, should evaluate the effectiveness of the present arrangements and consider what changes are needed to ensure that the pay bands within the national pay system meet the needs of those schools facing significant local labour market challenges¹⁵.

Conclusions

4.38 We have carried out our review at a time when the economy is in deep recession, when today's reality differs substantially from the forecasts that were available to us in September 2007 and when predictions for the economy in the future are at best uncertain. It has been heartening to learn that, on the whole, schools are generally able to recruit and retain good teachers. That is not to say that there are not particular issues with shortages in some subjects and in some locations.

4.39 Taking all the relevant evidence into account, we considered whether there had been "*clear evidence of a significant and material change*" that would persuade us to adjust our indicative awards. We concluded that whilst there had been very considerable change in the economy and the broader labour market, there had been no material change in the teachers' labour market. On balance the weight of the evidence was not sufficient to persuade us to adjust either the indicative 2.3% awards or the award for inner London. We took account of the need to secure a sufficient supply of well qualified teachers for the long term and consider these awards to be appropriate.

4.40 We recommend:

- **an increase of 2.3% from September 2009 and a further increase of 2.3% from September 2010 in the values of the pay scales and allowances;**
- **that there be an adjustment to the main and upper pay scale for inner London as proposed in our Seventeenth Report Part One: a minimum starting salary (M1) of £26,000 for teachers in band A from September 2009 and £27,000 from September 2010 and consequential adjustments to the main pay scale in band A; and further enhancement in the value of the upper pay scale in band A from September 2009 and September 2010.**

¹⁵ Op.cit. STRB *Seventeenth Report Part One* paragraph 6.59 et seq.

4.41 We further recommend that:

- the Department should review and strengthen the ways it encourages schools to use existing recruitment and retention flexibilities to address local teacher shortages in mathematics and other priority subjects; and
- the Department should consider the introduction of new financial and other incentives and measures to improve the quantity and quality of the supply of mathematics teachers. If asked to do so, we would welcome the opportunity to explore the form these might take in a future remit.

APPENDIX A

Remit for 2009 from the Secretary of State



Rt Hon Ed Balls MP
Secretary of State

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0870 0012345 dcsf.ministers@dcsf.gsi.gov.uk

Bill Cockburn CBE TD
Chair
School Teachers' Review Body
Office of Manpower Economics
6th Floor
Kingsgate House
66-74 Victoria Street
LONDON
SW1E 6SW

25
June 2008

Dear 

STRB REMIT: MATTERS FOR REPORT

I am writing to set out some issues on which the Government seeks recommendations from the School Teachers' Review Body (STRB), and a timetable for reporting on these.

Thanks to your previous work, including the most recent STRB recommendations which are subject to statutory consultation, we will be implementing in September 2008 changes to pay arrangements for part-time, and unqualified teachers, and Excellent Teachers. We note your recommendation that we should carry out a review of the structure of the four pay bands in line with the review of school funding arrangements and will return to this in a future remit, except for further advice we are requesting now on pay bands for Excellent Teachers. We will be taking forward your recommendations on short notice teachers, and on improving use of pay policies for unattached teachers, including those who work in alternative provision such as Pupil Referral Units.

Within the first part of the STRB's 17th report, increases of 2.3 per cent for 2009-2011 were proposed, contingent upon your review of teachers' pay for the period from September 2009 and September 2010, and my response in a Written Ministerial Statement is enclosed. I am including within this remit the requirement for



department for
children, schools and families

the STRB to make a definitive recommendation in respect of these years. We are also following up on some important longer term matters, which follow earlier recommendations.

Considerations to which the STRB is to have particular regard

These considerations are:

- a. the need to make all recommendations affordable within the context of a requirement for responsibility in all public sector pay settlements and awards that are consistent with the achievement of the Government's inflation target of 2 per cent;
- b. recruitment and retention data and wider economic and labour market conditions, and the requirement for there to be clear evidence of a significant and material change in these factors to justify any change from the 2.3 per cent figures recommended in your 17th Report Part 1; and in England the fact that schools' budgets will have been set assuming 2.3 per cent pay awards in 2009 and 2010;
- c. the need to ensure consistent and reasonable pay arrangements which encourage teacher professionalism together with supporting recruitment and retention;
- d. the importance of promoting simplification of the pay system;
- e. the context of the new professionalism agenda and the range of work taken forward and in progress; and
- f. the need for coherence across the teachers' pay system.

The Review Body must also have regard to relevant legal obligations of relevant bodies, particularly anti-discrimination legislation relating to gender, race, sexual orientation, religion and belief, age and disability.

Matters for recommendation

I refer to the STRB the following matters for recommendation:

- a. whether teachers' pay should be increased by 2.3% from 1 September 2009 pending the outcome of your review of teachers' pay for the period from 1 September 2008 and your further recommendations on the continuing appropriateness of a 2.3% increase for 2009 and 2010 (see g below). A firm recommendation on this basis is necessary to allow for teachers' salaries to be increased in September 2009;

b. whether there should be an adjustment to the main and upper pay scale for inner London as proposed in your 17th Report Part 1.

c. whether, within the existing cost basis, SEN allowances should be reformed in light of the increased inclusion of pupils with SEN and disabilities in mainstream settings, including in respect of unattached teachers working in alternative provision such as PRUs; and if a separate allowance is to be retained whether the value(s) remain appropriate;

d. for Excellent Teachers, whether there should be separate 'national', 'fringe', 'outer London' and 'inner London' Excellent Teachers pay bands and whether there should be any adjustment of the bottom end of the pay band in relation to the value of U3;

e. taking account of the linked work on professional roles and responsibilities and conditions of employment, consider what changes or modifications are needed, which would have effect from September 2009, to the conditions of employment set out in parts 8–12 of the School Teachers' Pay and Conditions Document;

f. what changes should be made from September 2009 to the system of reward for leaders, to enable them to be paid in a transparent and consistent way for the wider range of leadership arrangements that schools are increasingly involved in, including any relevant findings from e. above;

g. whether the teachers' pay increases of 2.3% that you proposed for both 2009 -10 and 2010 -11 continue to be appropriate. This applies to the values and range minima and maxima of all current pay scales and allowances: the main and upper pay scales, the pay spine for the leadership group, Advanced Skills Teachers, unqualified teachers, Excellent Teachers, and TLRs.

Timescale for report

In order to allow adequate time for consideration of and consultation on your recommendations, and for the STRB to be able to take account of the teacher vacancy data that will be published by the Department in April 2009, I require you to report to me as follows:

by 23 January 2009 on all matters for recommendation covered by a. to f. above

by 12 June 2009 on the continuing appropriateness of the pay increases of 2.3% for 2009 and 2010 as set out in g. above.

I remain, as ever, very grateful to the STRB for its work and look forward to

receiving its recommendations.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ed Balls', written in a cursive style.

ED BALLS MP

APPENDIX B

Conduct of the Review

B1 On 25 June 2008, the Secretary of State for Children, Schools and Families asked us to consider seven matters on teachers' pay and conditions. We were asked to submit a report on the first six of these matters by 23 January 2009 with recommendations on the final matter by 12 June 2009. We were asked to have regard to a number of considerations. The Secretary of State's letter is at Appendix A.

B2 We were asked to make a recommendation in our Eighteenth Report Part One on whether teachers' pay should be increased by 2.3% from 1 September 2009 pending the outcome of this review and on the continuing appropriateness of a 2.3% increase for 2009 and 2010. A firm recommendation was needed to allow for teachers' salaries to be increased in September 2009. We recommended that teachers' pay be increased by 2.3% in September 2009, without prejudice to the mid-term review on which we are now reporting.

B3 This report concerns the matters on which we were asked to make recommendations by 12 June 2009. Our work to respond to these matters took place between February and June 2009.

Consultation

B4 On 23 September 2008 we gave the following organisations the opportunity to make written representations and provide evidence on the matters on which we were due to report in June:

Government organisations

Department for Children, Schools and Families (DCSF)
General Teaching Council for England (GTCE)
Training and Development Agency for Schools (TDA)
Welsh Assembly Government (WAG)

Organisations representing teachers

Association of School and College Leaders (ASCL)
Association of Teachers and Lecturers (ATL)
British Association of Teachers for the Deaf (BATOD)
National Association of Head Teachers (NAHT)
National Association of Schoolmasters Union of Women Teachers (NASUWT)
National Union of Teachers (NUT)

Undeb Cenedlaethol Athrawon Cymru (National Association of the Teachers of Wales) (UCAC)

Voice, formerly the Professional Association of Teachers (PAT)

Association of local authorities

National Employers' Organisation for School Teachers (NEOST)

Organisations representing governors

National Governors' Association (NGA)

Governors Wales (GW)

B5 We invited the above consultees to respond in writing by 12 February 2009 and asked them to copy their submissions to other consultees. We gave consultees an opportunity to comment in writing on other consultees' submissions by 6 March 2009. In recognition of the fact that some relevant data would become available after the deadline for the main submission in February, we asked consultees to provide supplementary submissions by 13 May.

B6 We additionally notified the following organisations of our remit in July 2008:

Agency for Jewish Education

Association of Directors of Education in Wales (ADEW)

Association of Professionals in Education and Children's Trusts (Aspect)

Catholic Education Services for England and Wales

Her Majesty's Inspectorate for Education and Training in Wales (Estyn)

Foundation and Aided Schools' National Association (FASNA)

Free Church Education Unit

General Synod of the Church of England

General Teaching Council for Wales (GTCW)

Information for School and College Governors (ISCG)

The Education Office of the Methodist Church

National College for School Leadership (NCSL)

National Primary Schools' Association

Office for Standards in Education, Children's Services and Skills (Ofsted)

B7 The following consultees made written submissions in February 2009: BATOD¹, DCSF², NEOST³, NGA⁴, NUT⁵, RIG (joint submission)⁶, Teacher Union Partners⁷ and UCAC⁸.

¹ BATOD (2009) <<http://www.batod.org.uk/index.php?id=/articles/teaching/payandcond/strb/strb2009.htm>>

² DCSF (2009) First submission to STRB: <<http://www.teachernet.gov.uk/docbank/index.cfm?id=13322>>

³ NEOST (2009) First submission to STRB: <<http://www.lge.gov.uk/lge/aio/982216>>

⁴ NGA (2009) <<http://www.nga.org.uk/consultations.aspx>>

⁵ NUT (2009) First submission to STRB: <<http://www.teachers.org.uk/story.php?id=4610>>

⁶ RIG (2009) First submission to STRB: <<http://www.teachernet.gov.uk/docbank/index.cfm?id=13317>>

⁷ Teacher Union Partners (2009) First submission to STRB: <<http://www.atl.org.uk/Images/STRB%20submission.pdf>>

⁸ UCAC (2009) First submission to STRB: <<http://www.athrawon.com/images/upload/STRB%20-%20UCAC's%20submission%20February%202009YSNGG.doc>>

B8 Teachers' pay and conditions of service have not been devolved to the Welsh Assembly Government and remain the responsibility of the Department for Children, Schools and Families (DCSF). The Minister for Children, Education, Lifelong Learning and Skills has contributed to and supported both the evidence from the Secretary of State for Children, School and Families and the RIG submission.

B9 The following consultees were invited to make oral representations: DCSF, NGA, NUT, RIG (invited to make joint representations with the Secretary of State), Teacher Union Partners, TDA and UCAC. All of these groups except NGA made representations at meetings in March 2009.

B10 NUT made a supplementary written submission in response to other consultees' submissions⁹ on 5 March 2009.

B11 The following consultees made supplementary submissions on 13 May 2009: DCSF¹⁰, RIG¹¹, NEOST¹², NUT¹³, Teacher Union Partners¹⁴ and UCAC.

Visits and Meetings

B12 In total, STRB had 6 working meetings between February 2009 (after the Part One Report was submitted) and 12 June 2009, when the report was submitted. This does not include oral representation meetings with consultees.

B13 Between February and June 2009 members of STRB visited schools in the following areas:

- Barking and Dagenham
- Brent
- Darlington
- the Vale of Glamorgan.

B14 In total 6 schools were visited: 3 secondary schools, 1 primary school, and 2 special schools. In each school, STRB members met groups of teachers and leaders to discuss pay and conditions.

⁹ NUT (2009) Second submission to STRB: <<http://teachers.org.uk/story.php?id=4733>>

¹⁰ DCSF (2009) Second submission to STRB: <http://www.teachernet.gov.uk/_doc/13573/Supplementary%20Pay%20Evidence%20130509%20final.doc>

¹¹ RIG (2009) Second submission to STRB: <[http://www.teachernet.gov.uk/_doc/13574/suppevidence%20080509%20\(2\).doc](http://www.teachernet.gov.uk/_doc/13574/suppevidence%20080509%20(2).doc)>

¹² NEOST (2009) Second submission to STRB: <<http://www.lge.org.uk/lge/aio/125240>>

¹³ NUT (2009) Third submission to STRB: <<http://teachers.org.uk/story.php?id=4734>>

¹⁴ Teacher Union Partners (2009) Second submission to STRB: <<http://www.atl.org.uk/Images/Teacher%20union%20partners%20-%20supplementary%20evidence.pdf>>

B15 STRB members also met the Minister for Children, Education, Lifelong Learning and Skills and officials from the Welsh Assembly Government in Cardiff. In addition:

- In February 2009 STRB members were given a presentation from DCSF on its schools' strategy.
- In April 2009 STRB members met the Chair of the School Support Staff Negotiating Body, Philip Ashmore.
- In April 2009 STRB members were given a presentation by the Director of Regional Development, Amanda Timberg, on the Teach First scheme.

B16 The Chair met the General Secretaries of ASCL, NAHT and NASUWT during April and May 2009.

APPENDIX C

Current and Recommended Pay Levels

Scales for qualified teachers in band D (currently covering England and Wales excluding London and the fringe)¹

Scale point	Current £pa	Recommended 1 September 2009 £pa	Recommended 1 September 2010 £pa
Main pay scale			
M1	20,627	21,102	21,588
M2	22,259	22,771	23,295
M3	24,048	24,602	25,168
M4	25,898	26,494	27,104
M5	27,939	28,582	29,240
M6	30,148	30,842	31,552
Upper pay scale			
U1	32,660	33,412	34,181
U2	33,870	34,650	35,447
U3	35,121	35,929	36,756

Scales for qualified teachers in band C (currently covering the fringe)¹

Scale point	Current £pa	Recommended 1 September 2009 £pa	Recommended 1 September 2010 £pa
Main pay scale			
M1	21,619	22,117	22,626
M2	23,248	23,783	24,331
M3	25,037	25,613	26,203
M4	26,894	27,513	28,146
M5	28,931	29,597	30,278
M6	31,138	31,855	32,588
Upper pay scale			
U1	33,652	34,426	35,218
U2	34,860	35,662	36,483
U3	36,114	36,945	37,795

¹ The main and upper pay scales are for teachers other than those in the leadership group, ASTs, Excellent Teachers and "unqualified" teachers.

Scale for qualified teachers in band B (currently covering outer London)¹

Scale point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Main pay scale			
M1	24,000	24,552	25,117
M2	25,487	26,074	26,674
M3	27,065	27,688	28,325
M4	28,741	29,403	30,080
M5	31,178	31,896	32,630
M6	33,554	34,326	35,116
Upper pay scale			
U1	35,926	36,753	37,599
U2	37,257	38,114	38,991
U3	38,634	39,523	40,433

Scale for qualified teachers in band A (currently covering inner London)²

Scale point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Main pay scale			
M1	25,000	<i>26,000</i>	<i>27,000</i>
M2	26,581	<i>27,493</i>	<i>28,408</i>
M3	28,261	<i>29,071</i>	<i>29,889</i>
M4	30,047	30,739	31,446
M5	32,358	33,103	33,865
M6	34,768	35,568	36,387
Upper pay scale			
U1	39,114	<i>40,288</i>	<i>41,497</i>
U2	41,035	<i>42,267</i>	<i>43,536</i>
U3	42,419	<i>43,692</i>	<i>45,000</i>

² The main and upper pay scales are for teachers other than those in the leadership group, ASTs, Excellent Teachers and "unqualified" teachers. Italic text denotes an enhanced pay award. We have recommended an indicative minimum starting salary (M1) for teachers in band A of £26,000 from September 2009 and £27,000 from September 2010 and consequential amendments to the main pay scale; and further enhancement in the value of the upper pay scale.

Pay range for Excellent Teachers in band D (currently covering England and Wales excluding London and the fringe)³

	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Minimum	37,672	38,804	39,697
Maximum	48,437	50,918	52,090

Pay range for Excellent Teachers in band C (currently covering the fringe)³

	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Minimum	37,672	39,901	40,819
Maximum	48,437	52,015	53,212

Pay range for Excellent Teachers in band B (currently covering outer London)³

	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Minimum	37,672	42,685	43,668
Maximum	48,437	54,799	56,061

Pay range for Excellent Teachers in band A (currently covering inner London)³

	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Minimum	37,672	47,188	48,600
Maximum	53,819	59,302	60,993

³ The minima for excellent teacher posts are 8% above the level of U3 in the relevant pay band and the maxima are equal to the minima plus the value of the maximum TLR1.

Additional payments for classroom teachers

	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
Teaching and Learning Responsibility (TLR) payment 2			
Minimum	2,422	2,478	2,535
Maximum	5,920	6,057	6,197
Teaching and Learning Responsibility (TLR) payment 1			
Minimum	6,997	7,158	7,323
Maximum	11,841	12,114	12,393
Special Educational Needs Allowance (SEN) 1	1,912	1,956	2,001
Special Educational Needs Allowance (SEN) 2	3,778	3,865	3,954

Spine for the leadership group in band D (currently covering England and Wales excluding London and the fringe)

Spine point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
L1	35,794	36,618	37,461
L2	36,692	37,536	38,400
L3	37,608	38,473	39,358
L4	38,545	39,432	40,339
L5	39,504	40,413	41,343
L6	40,494	41,426	42,379
L7	41,585	42,542	43,521
L8	42,544	43,523	44,525
L9	43,607	44,610	45,637
L10	44,726	45,755	46,808
L11	45,888	46,944	48,024
L12	46,945	48,025	49,130
L13	48,119	49,226	50,359
L14	49,318	50,453	51,614
L15	50,547	51,710	52,900
L16	51,890	53,084	54,305
L17	53,083	54,304	55,553
L18	54,417	55,669	56,950
L19	55,766	57,049	58,362
L20	57,149	58,464	59,809
L21	58,563	59,910	61,288
L22	60,017	61,398	62,811
L23	61,504	62,919	64,367
L24	63,029	64,479	65,963
L25	64,596	66,082	67,602
L26	66,194	67,717	69,275
L27	67,833	69,394	70,991
L28	69,517	71,116	72,752
L29	71,238	72,877	74,554
L30	73,011	74,691	76,409
L31	74,816	76,537	78,298
L32	76,675	78,439	80,244
L33	78,581	80,389	82,238
L34	80,523	82,376	84,271
L35	82,524	84,423	86,365
L36	84,568	86,514	88,504
L37	86,670	88,664	90,704
L38	88,815	90,858	92,948
L39	90,979	93,072	95,213
L40	93,250	95,395	97,590
L41	95,580	97,779	100,028
L42	97,974	100,228	102,534
L43	100,424	102,734	105,097

Spine for the leadership group in band C (currently covering the fringe)

Spine point	Current £pa	Recommended 1 September 2009 £pa	Recommended 1 September 2010 £pa
L1	36,781	37,627	38,493
L2	37,679	38,546	39,433
L3	38,594	39,482	40,391
L4	39,535	40,445	41,376
L5	40,497	41,429	42,382
L6	41,484	42,439	43,416
L7	42,578	43,558	44,560
L8	43,530	44,532	45,557
L9	44,597	45,623	46,673
L10	45,716	46,768	47,844
L11	46,874	47,953	49,056
L12	47,938	49,041	50,169
L13	49,112	50,242	51,398
L14	50,308	51,466	52,650
L15	51,531	52,717	53,930
L16	52,880	54,097	55,342
L17	54,079	55,323	56,596
L18	55,406	56,681	57,985
L19	56,756	58,062	59,398
L20	58,142	59,480	60,849
L21	59,559	60,929	62,331
L22	61,009	62,413	63,849
L23	62,491	63,929	65,400
L24	64,022	65,495	67,002
L25	65,583	67,092	68,636
L26	67,187	68,733	70,314
L27	68,822	70,405	72,025
L28	70,504	72,126	73,785
L29	72,231	73,893	75,593
L30	73,998	75,700	77,442
L31	75,808	77,552	79,336
L32	77,668	79,455	81,283
L33	79,573	81,404	83,277
L34	81,516	83,391	85,309
L35	83,517	85,438	87,404
L36	85,558	87,526	89,540
L37	87,660	89,677	91,740
L38	89,805	91,871	93,985
L39	91,966	94,082	96,246
L40	94,243	96,411	98,629
L41	96,570	98,792	101,065
L42	98,967	101,244	103,573
L43	101,417	103,750	106,137

Spine for the leadership group in band B (currently covering outer London)

Spine point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
L1	38,634	39,523	40,433
L2	39,532	40,442	41,373
L3	40,445	41,376	42,328
L4	41,388	42,340	43,314
L5	42,347	43,321	44,318
L6	43,334	44,331	45,351
L7	44,428	45,450	46,496
L8	45,387	46,431	47,499
L9	46,447	47,516	48,609
L10	47,569	48,664	49,784
L11	48,725	49,846	50,993
L12	49,788	50,934	52,106
L13	50,962	52,135	53,335
L14	52,155	53,355	54,583
L15	53,384	54,612	55,869
L16	54,730	55,989	57,277
L17	55,923	57,210	58,526
L18	57,260	58,577	59,925
L19	58,609	59,958	61,338
L20	59,992	61,372	62,784
L21	61,406	62,819	64,264
L22	62,857	64,303	65,782
L23	64,344	65,824	67,338
L24	65,869	67,384	68,934
L25	67,436	68,988	70,575
L26	69,034	70,622	72,247
L27	70,673	72,299	73,962
L28	72,357	74,022	75,725
L29	74,078	75,782	77,525
L30	75,851	77,596	79,381
L31	77,659	79,446	81,274
L32	79,515	81,344	83,215
L33	81,424	83,297	85,213
L34	83,366	85,284	87,246
L35	85,364	87,328	89,337
L36	87,405	89,416	91,473
L37	89,513	91,572	93,679
L38	91,655	93,764	95,921
L39	93,819	95,977	98,185
L40	96,093	98,304	100,565
L41	98,423	100,687	103,003
L42	100,811	103,130	105,502
L43	103,264	105,640	108,070

Spine for the leadership group in band A (currently covering inner London)

Spine point	Current £pa	Recommended 1 September 2009 £pa	Recommended 1 September 2010 £pa
L1	42,559	43,538	44,540
L2	43,460	44,460	45,483
L3	44,379	45,400	46,445
L4	45,313	46,356	47,423
L5	46,278	47,343	48,432
L6	47,265	48,353	49,466
L7	48,359	49,472	50,610
L8	49,315	50,450	51,611
L9	50,375	51,534	52,720
L10	51,497	52,682	53,894
L11	52,653	53,865	55,104
L12	53,716	54,952	56,216
L13	54,890	56,153	57,445
L14	56,089	57,380	58,700
L15	57,312	58,631	59,980
L16	58,661	60,011	61,392
L17	59,854	61,231	62,640
L18	61,188	62,596	64,036
L19	62,537	63,976	65,448
L20	63,920	65,391	66,895
L21	65,334	66,837	68,375
L22	66,788	68,325	69,897
L23	68,269	69,840	71,447
L24	69,800	71,406	73,049
L25	71,364	73,006	74,686
L26	72,962	74,641	76,358
L27	74,600	76,316	78,072
L28	76,285	78,040	79,835
L29	78,009	79,804	81,640
L30	79,782	81,617	83,495
L31	81,587	83,464	85,384
L32	83,443	85,363	87,327
L33	85,349	87,313	89,322
L34	87,294	89,302	91,356
L35	89,295	91,349	93,451
L36	91,336	93,437	95,587
L37	93,444	95,594	97,793
L38	95,583	97,782	100,031
L39	97,747	99,996	102,296
L40	100,024	102,325	104,679
L41	102,354	104,709	107,118
L42	104,742	107,152	109,617
L43	107,192	109,658	112,181

Ranges for head teachers in band D (currently covering England and Wales excluding London and the fringe)

Group	Range of spine points	Recommended salary range <i>1 September 2009</i> £pa	Recommended salary range <i>1 September 2010</i> £pa
1	L6 – L18	41,426 – 55,669	42,379 – 56,950
2	L8 – L21	43,523 – 59,910	44,525 – 61,288
3	L11 – L24	46,944 – 64,479	48,024 – 65,963
4	L14 – L27	50,453 – 69,394	51,614 – 70,991
5	L18 – L31	55,669 – 76,537	56,950 – 78,298
6	L21 – L35	59,910 – 84,423	61,288 – 86,365
7	L24 – L39	64,479 – 93,072	65,963 – 95,213
8	L28 – L43	71,116 – 102,734	72,752 – 105,097

Ranges for head teachers in band C (currently covering the fringe)

Group	Range of spine points	Recommended salary range <i>1 September 2009</i> £pa	Recommended salary range <i>1 September 2010</i> £pa
1	L6 – L18	42,439 – 56,681	43,416 – 57,985
2	L8 – L21	44,532 – 60,929	45,557 – 62,331
3	L11 – L24	47,953 – 65,495	49,056 – 67,002
4	L14 – L27	51,466 – 70,405	52,650 – 72,025
5	L18 – L31	56,681 – 77,552	57,985 – 79,336
6	L21 – L35	60,929 – 85,438	62,331 – 87,404
7	L24 – L39	65,495 – 94,082	67,002 – 96,246
8	L28 – L43	72,126 – 103,750	73,785 – 106,137

Ranges for head teachers in band B (currently covering outer London)

Group	Range of spine points	Recommended salary range <i>1 September 2009</i> £pa	Recommended salary range <i>1 September 2010</i> £pa
1	L6 – L18	44,331 – 58,577	45,351 – 59,925
2	L8 – L21	46,431 – 62,819	47,499 – 64,264
3	L11 – L24	49,846 – 67,384	50,993 – 68,934
4	L14 – L27	53,355 – 72,299	54,583 – 73,962
5	L18 – L31	58,577 – 79,446	59,925 – 81,274
6	L21 – L35	62,819 – 87,328	64,264 – 89,337
7	L24 – L39	67,384 – 95,977	68,934 – 98,185
8	L28 – L43	74,022 – 105,640	75,725 – 108,070

Ranges for head teachers in band A (currently covering inner London)

Group	Range of spine points	Recommended salary range <i>1 September 2009</i> £pa	Recommended salary range <i>1 September 2010</i> £pa
1	L6 – L18	48,353 – 62,596	49,466 – 64,036
2	L8 – L21	50,450 – 66,837	51,611 – 68,375
3	L11 – L24	53,865 – 71,406	55,104 – 73,049
4	L14 – L27	57,380 – 76,316	58,700 – 78,072
5	L18 – L31	62,596 – 83,464	64,036 – 85,384
6	L21 – L35	66,837 – 91,349	68,375 – 93,451
7	L24 – L39	71,406 – 99,996	73,049 – 102,296
8	L28 – L43	78,040 – 109,658	79,835 – 112,181

Spine for Advanced Skills Teachers in band D (currently covering England and Wales excluding London and the fringe)

Spine point	Current £pa	Recommended 1 September 2009 £pa	Recommended 1 September 2010 £pa
AST1	35,794	36,618	37,461
AST2	36,692	37,536	38,400
AST3	37,608	38,473	39,358
AST4	38,545	39,432	40,339
AST5	39,504	40,413	41,343
AST6	40,494	41,426	42,379
AST7	41,585	42,542	43,521
AST8	42,544	43,523	44,525
AST9	43,607	44,610	45,637
AST10	44,726	45,755	46,808
AST11	45,888	46,944	48,024
AST12	46,945	48,025	49,130
AST13	48,119	49,226	50,359
AST14	49,318	50,453	51,614
AST15	50,547	51,710	52,900
AST16	51,890	53,084	54,305
AST17	53,083	54,304	55,553
AST18	54,417	55,669	56,950

Spine for Advanced Skills Teachers in band C (currently covering the fringe)

Spine point	Current £pa	Recommended 1 September 2009 £pa	Recommended 1 September 2010 £pa
AST1	36,781	37,627	38,493
AST2	37,679	38,546	39,433
AST3	38,594	39,482	40,391
AST4	39,535	40,445	41,376
AST5	40,497	41,429	42,382
AST6	41,484	42,439	43,416
AST7	42,578	43,558	44,560
AST8	43,530	44,532	45,557
AST9	44,597	45,623	46,673
AST10	45,716	46,768	47,844
AST11	46,874	47,953	49,056
AST12	47,938	49,041	50,169
AST13	49,112	50,242	51,398
AST14	50,308	51,466	52,650
AST15	51,531	52,717	53,930
AST16	52,880	54,097	55,342
AST17	54,079	55,323	56,596
AST18	55,406	56,681	57,985

Spine for Advanced Skills Teachers in band B (currently covering outer London)

Spine point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
AST1	38,634	39,523	40,433
AST2	39,532	40,442	41,373
AST3	40,445	41,376	42,328
AST4	41,388	42,340	43,314
AST5	42,347	43,321	44,318
AST6	43,334	44,331	45,351
AST7	44,428	45,450	46,496
AST8	45,387	46,431	47,499
AST9	46,447	47,516	48,609
AST10	47,569	48,664	49,784
AST11	48,725	49,846	50,993
AST12	49,788	50,934	52,106
AST13	50,962	52,135	53,335
AST14	52,155	53,355	54,583
AST15	53,384	54,612	55,869
AST16	54,730	55,989	57,277
AST17	55,923	57,210	58,526
AST18	57,260	58,577	59,925

Spine for Advanced Skills Teachers in band A (currently covering inner London)

Spine point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
AST1	42,559	43,538	44,540
AST2	43,460	44,460	45,483
AST3	44,379	45,400	46,445
AST4	45,313	46,356	47,423
AST5	46,278	47,343	48,432
AST6	47,265	48,353	49,466
AST7	48,359	49,472	50,610
AST8	49,315	50,450	51,611
AST9	50,375	51,534	52,720
AST10	51,497	52,682	53,894
AST11	52,653	53,865	55,104
AST12	53,716	54,952	56,216
AST13	54,890	56,153	57,445
AST14	56,089	57,380	58,700
AST15	57,312	58,631	59,980
AST16	58,661	60,011	61,392
AST17	59,854	61,231	62,640
AST18	61,188	62,596	64,036

Scale for unqualified teachers in band D (currently covering England and Wales excluding London and the fringe)

Scale point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
1	15,113	15,461	15,817
2	16,871	17,260	17,657
3	18,629	19,058	19,497
4	20,387	20,856	21,336
5	22,145	22,655	23,177
6	23,903	24,453	25,016

Scale for unqualified teachers in band C (currently covering the fringe)

Scale point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
1	16,106	16,477	16,856
2	17,863	18,274	18,695
3	19,620	20,072	20,534
4	21,378	21,870	22,374
5	23,135	23,668	24,213
6	24,893	25,466	26,052

Scale for unqualified teachers in band B (currently covering outer London)

Scale point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
1	17,953	18,366	18,789
2	19,711	20,165	20,629
3	21,470	21,964	22,470
4	23,229	23,764	24,311
5	24,987	25,562	26,150
6	26,746	27,362	27,992

Scale for unqualified teachers in band A (currently covering inner London)

Scale point	Current £pa	Recommended <i>1 September 2009</i> £pa	Recommended <i>1 September 2010</i> £pa
1	19,007	19,445	19,893
2	20,764	21,242	21,731
3	22,522	23,041	23,571
4	24,279	24,838	25,410
5	26,037	26,636	27,249
6	27,794	28,434	29,088

APPENDIX D

Update on the Department's Response to Previous STRB Recommendations¹

Summary of STRB Recommendations in the Eighteenth Report Part One	Secretary of State's Initial Response ² and Relevant Actions by the Department
<p>Pay matters</p> <p>Teachers' pay should be increased by 2.3% from 1 September 2009 pending the outcome of the STRB's June 2009 review of the appropriateness of the indicative pay increases of 2.3% in teachers' pay proposed for September 2009 and September 2010.</p> <p>An adjustment to the main and upper pay scale for inner London: a minimum starting salary (M1) of £26,000 for teachers in band A and consequential adjustments to the main pay scale from September 2009; and an enhancement in the value of the upper pay scale in band A from September 2009.</p> <p>In the event that these recommendations are revised for September 2009, consequent adjustments should be made to teachers' pay reflecting any such revision.</p>	<p>Accepted to enable teachers to receive a pay increase in September 2009, pending the STRB's report in June 2009.</p>

Teachers' Professional Responsibilities and Conditions of Employment	
<p>The Department consult all interested parties on STRB's draft statements of purpose and professional responsibilities.</p> <p>The Department re-structure the STPCD to provide separate sections on teachers' responsibilities and conditions of employment and consider how best the provisions in the STPCD could be communicated to interested parties.</p> <p>The Department, in consultation with all interested parties, investigate the causes of long working hours for teachers and head teachers; make proposals for addressing the issues identified; and return these results to STRB for further recommendation.</p>	<p>The Secretary of State agreed that account should be taken of STRB's draft statements for teachers as work develops.</p> <p>Accepted.</p> <p>The Secretary of State noted that STRB had raised some legitimate questions and agreed that further consideration needed to be given to teachers' working hours. He was not minded to commission a new or exhaustive re-examination of policy in this area as he considered there was already sufficient scope within the reviews and measures already in place to consider the question raised by STRB and sought consultees' views.</p>
<p>The Department include, in the relevant section of the STPCD, a statement specifying that all teachers will have a reasonable expectation of access to and participation in continuous professional development.</p> <p>The Department include, in the relevant section of the STPCD, advice on the implications of the Working Time Regulations 1998 for teachers and school leaders.</p>	<p>The Secretary of State welcomed consultees' views on this matter.</p> <p>The Secretary of State noted the STRB was right to flag the implications of the existing working time regulations and welcomed consultees' views.</p>

Leadership Group

Where a head teacher becomes accountable for more than one school on a temporary basis, the STPCD be amended to enable the head teacher's pay to be based on a head teacher group calculated either on the basis of the total number of pupils across all of the schools involved, or by determining a head teacher group that is up to two groups higher than any of the schools the head teacher would be running, whichever method produces the higher group. In such circumstances, the relevant body should determine the seven point individual school range (ISR) that will be used to determine the head teacher's salary and decide the appropriate starting point for the head teacher on that range. Where one or more of the constituent schools is a group 7 or group 8 school, the head teacher's seven point ISR be based on the group size of the largest school, uplifted by between 5% and 20% at the discretion of the relevant body. Safeguarding provisions should not be applicable to temporary arrangements. Where a head teacher becomes accountable for more than one school on a permanent basis (i.e. a hard federation with a single governing body) the STPCD be amended to enable the head teacher's pay to be based on a head teacher group for the federation, calculated on the basis of total pupil units across all schools in the federation. In such circumstances the relevant body should determine the head teacher's seven point ISR and the appropriate starting point on that range. Where one or more of the schools in the federation is a group 7 or group 8 school, the head teacher's seven point ISR be based on the group size of the largest school in the federation, uplifted by between 5% and 20% at the discretion of the relevant body. For both temporary and permanent arrangements described above, the Department provide clear statutory guidance for the relevant body on assessing the appropriate level of uplift. This should make clear that increases approaching the maximum 20% should only be given in exceptional circumstances. The existing discretion in paragraphs 12.2.5 and 12.2.6 of the STPCD should continue to apply where the arrangements are permanent, but should not apply where additional accountability is on a temporary basis. Guidance should cover arrangements for ending temporary arrangements.

The Secretary of State supported the recommendations for interim changes to the current STPCD in order to recognise and reward head teachers who are accountable for more than one school, for extended services as part of their local authority's area plan or who provide services to another school, whilst further work is done to improve the consistency and transparency of their remuneration. He sought consultees' views on the proposals to introduce a limit on the discretion of the relevant body to increase head teachers' pay in the case of the very largest schools before making a final decision.

Accepted. The Secretary of State supported the position that salary safeguarding does not apply to temporary adjustments to pay.

<p>The existing provision as specified in paragraph 52 of the STPCD (Additional payments) be amended to enable the relevant body(ies) to make appropriate and proportionate payments for the cost of services provided by one school to another and for the governing body of the providing school to decide what payment, if any, should be made to the head teacher and other staff.</p> <p>A separate discretion should be added to the STPCD to allow the relevant body to remunerate a head teacher who takes on additional responsibility and accountability for the provision of extended services on site for children and young people as part of the local authority's area plan. Where the additional responsibilities fall outside education or teaching there should be separate contracts of employment that provide for appropriate payment, given the present scope of the STPCD.</p> <p>The Department, in consultation with all interested parties, draw up statutory guidance on the application of paragraph 52 (Additional payments) and the separate discretion above (enabling remuneration for additional responsibilities for the provision of extended services) based upon STRB's operating principles following paragraph 4.42; and</p> <ul style="list-style-type: none"> • the STPCD be amended to include an additional criterion requiring the relevant body, when considering the pay range for other members of staff, to take into account and record any additional responsibilities that are placed upon them when the head teacher has: taken on responsibility for one or more additional schools on either a temporary or permanent basis; • accepted an external role; or • taken on extra responsibility in respect of extended services or a soft federation; and <p>The Department provide clear statutory guidance on factors for consideration in these circumstances. Safeguarding provisions should not apply to temporary adjustments to teachers' pay.</p>	<p>Accepted. The Secretary of State supported STRB's view that arrangements take account of the impact on other members of staff and where appropriate, their remuneration.</p>
---	---

<p>A future remit provide for this Review Body, in consultation with all interested parties, to consider what changes there should be to pay arrangements for the leadership group as a whole; and</p> <p>The Department clarify the definition and status of “executive head teacher” and, if appropriate, make any necessary adjustments to ensure that there is a firm legal basis for the role as soon as possible.</p>	<p>Accepted.</p> <p>Accepted.</p>
<p>Special Educational Needs Allowances</p>	
<p>Additional reward should continue to be paid to teachers working in SEN roles but the present system of two separate and defined SEN allowances should be replaced with an SEN range.</p> <p>The new SEN range should start at or around £1,000 and the maximum be broadly equivalent to the value of the SEN 2 allowance (currently £3,778).</p> <p>A working group should be established to review eligibility for the new form of SEN allowance and the criteria for allocating teachers to an appropriate point on the SEN range and to consider related issues, including those highlighted in paragraph 5.46.</p> <p>The working group’s recommendations should be referred to STRB as part of a future remit.</p> <p>The STPCD guidance should be amended to ensure that, for an interim period pending the outcome of the working group’s review, all teachers in PRUs receive either an SEN 1 allowance or additional payment of at least equivalent value with effect from September 2009.</p>	<p>Accepted.</p> <p>The Secretary of State referred this matter to the SEN working group (see below).</p> <p>Accepted.</p> <p>Accepted.</p> <p>The Secretary of State was not minded to pre-empt work to establish criteria for payment of a SEN allowance but appreciated STRB’s consideration of the reward for teachers in alternative provision, and agreed that where such teachers meet the current criteria they would be eligible to receive the allowance.</p>

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
ID 6182733 07/09 432763 19585

Printed on Paper containing 75% recycled fibre content minimum.



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone Fax & E-Mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: customerservices@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

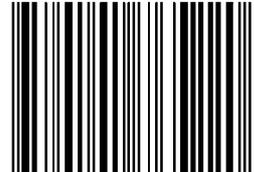
Customers can also order publications from

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-176522-0



9 780101 765220