



School Teachers'
Review Body

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TWENTY-EIGHTH REPORT – 2018

Executive Summary

Chair: Dr Patricia Rice

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 for Education. The STRB reports to the Prime Minister and the Secretary of State. The legal foundation for the function and work of the STRB is Part Eight of the Education Act 2002. The secretariat for the STRB is provided by the Office of Manpower Economics (OME).

The members of the STRB are:

Dr Patricia Rice (Chair)

Peter Batley

Sir Robert Burgess

Ken Clark

John Lakin

Mike Redhouse

Jeanne Watson

Executive summary

Our remit on pay for September 2018

In December 2017, the Secretary of State asked us to make recommendations on: *an assessment of what adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to promote recruitment and retention*. The remit letter asked us, when considering our recommendations, to have regard to: the Government's policy for public sector pay awards; the national state of teacher and school leader supply; affordability and the need to offer value for money; the wider state of the labour market in England and Wales; forecast changes in the pupil population and level of demand for teachers; and the Government's commitment to increasing autonomy for schools on pay matters.

A letter from the Chief Secretary to the Treasury set out the Government's new policy on public sector pay for 2018-19, stating that the Government recognised a need for more flexibility on pay in some parts of the public sector, particularly in areas of skill shortage. It emphasised that there would still be a need for pay discipline to ensure that public services remained affordable and sustainable.

Consultee views

The unions representing teachers and school leaders told us that a substantial increase in pay was required to address recruitment and retention pressures and raise the status of the teaching profession. They stated that uplifts should be applied to the salaries of all teachers and school leaders. Five of these organisations submitted a joint statement proposing an increase of 5%. Most teacher unions and the organisations representing local authorities and school governors stated that the Department should provide additional funding to schools to meet the cost of pay increases.

The Department did not make any specific proposals on the level of pay increase for teachers. The Secretary of State told us in oral representations that the level of uplift must represent a fair pay settlement for teachers. He stated that funding levels for the next two years would provide schools with some headroom for pay increases and that schools would have to implement our recommendations within their funding allocations. The Welsh Government did not provide any proposals on the level of pay increase but noted that no additional funding had been allocated for this.

Our analysis

The maintenance of an effective workforce of teachers and school leaders in England and Wales requires a large number of good graduates across a range of subjects to be attracted to join the profession each year, and for most of these to choose to make teaching their career.

In recent years, maintaining teacher supply has become more difficult. Last year saw a further deterioration in both recruitment and retention. The Government's overall target for recruitment to postgraduate initial teacher training (ITT) was missed in 2017/18 for a sixth successive year. The indications from interim UCAS data on applications suggest that the situation in 2018/19 will be no better. The numbers of vacancies and temporarily filled posts in schools and of teachers resigning from the profession have also continued to increase. These trends are particularly concerning as demand for teachers is expected to rise considerably over the next decade, particularly in secondary schools, as a result of increases in pupil numbers.

Several of our consultees raised concerns about the ability to attract teachers into leadership roles. This aligns with what we have heard on our visits to schools around the country, as few classroom teachers tell us they aspire to become senior leaders, and most assistant and deputy

heads we speak to do not wish to become head teachers. The statistical evidence available also supports this picture, showing emerging problems in recruiting and retaining school leaders.

Turning to pay trends, the evidence this year indicated that teaching has continued to lag behind other graduate professions, both in terms of starting salaries and pay progression prospects. Significant gaps have developed over a number of years between the teachers' pay framework and the earnings available in other graduate professions. The expected starting salaries for new teachers in England and Wales have persistently fallen short of median starting salaries for graduates. For 2016, estimates of the gap ranged between 10% and 25%. The median earnings of classroom teachers have increasingly lagged median earnings in other professional occupations, with the gap exceeding 5% in the last four years. Since 2010/11, the value of key points in the teachers' pay framework have also increased more slowly than the corresponding percentiles in the earnings distribution for other professional occupations, with gaps of up to 5% emerging.

We consider that these relative pay trends are important contributory factors in the recruitment and retention problems facing the teaching profession in England and Wales. The decline in the position of the teachers' pay framework in the labour market for graduate professions needs to be addressed as a matter of priority. With the prospects for wage growth in the wider economy better than for several years, a significant uplift to teachers' pay is required to forestall a further weakening in the competitive position of the teaching profession.

Pay is by no means the only factor that affects teacher recruitment and retention. However, a competitive teacher pay system will help schools to maintain the effective workforce of good teachers and school leaders that is essential to achieving strong pupil outcomes.

Our recommendations

For September 2018, we recommend that all pay and allowance ranges for teachers and school leaders are uplifted by 3.5%. This will address deteriorating trends in teacher retention by improving the position of the teachers' pay framework in the labour market for graduate professions. Unless we act now, graduate starting pay will also have moved still further ahead by next year, making teacher recruitment more difficult.

As has been the case for several years now, school leaders and governing bodies have autonomy in determining how their schools spend the funding they receive. It is for them to determine how to implement the changes to the School Teachers' Pay and Conditions Document (STPCD) arising from our recommendations. Different schools will make different decisions depending on their local circumstances, and this is an inherent feature of the way that the school pay and funding systems now work. Our objective in making our recommendations is to set a national pay framework that will assist school leaders and governing bodies in the recruitment and retention of teachers in their schools. They should give suitable priority to teachers' pay when setting their budgets to help ensure that an effective workforce is maintained.

Looking ahead

There is evidence of a number of persistent issues with the current teachers' pay and allowance framework. These will also need to be considered to make sure that the national pay framework provides the optimal structure for recruiting and retaining teachers and supporting their career progression in different school phases and subject specialisms, and in all areas of the country. This next phase may require targeted pay awards, and further uniform uplifts to pay and allowance ranges may not be appropriate in the future. **We welcome the Government's stated intention to set us a remit to consider further reforms to the teachers' pay framework to support a clear and compelling career pathway for teachers and improve the productivity of schools.**

