



Rt Hon Gavin Williamson CBE MP
Secretary of State

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15 December 2020

SCHOOL TEACHERS' REVIEW BODY (STRB) REMIT: MATTERS FOR REPORT

I would first of all like to offer my thanks for the STRB's work over the last year on its 30th report. Schools across England will now be implementing new pay policies based on the recommendations of that report. The Government continues to appreciate and value the independent expert advice and contribution that the STRB makes. I am writing to ask for your recommendations on the 2021/22 pay award.

This has been a challenging year for us all. School teachers and leaders have made a huge contribution to the nation's efforts in responding to the unprecedented challenges arising from the Covid-19 pandemic. They have shown extraordinary dedication and flexibility in adapting to different ways of working, while continuing to provide high-quality education for all pupils during this uniquely difficult period.

The timing of the Spending Review announcement has unfortunately delayed the commencement of the 2021/22 pay round. I am writing now to set out how the Government proposes working with the STRB in relation to the 2021/22 pay round and to formally begin the Review Body process.

You will have seen that the Chancellor of the Exchequer announced at the Spending Review that pay rises in the public sector will be restrained and targeted in 2021/22. As the Chancellor set out, Covid-19 is significantly impacting the economy, labour market and the fiscal position and has suppressed earnings growth and increased redundancies in the private sector.

If we carried on with blanket, across the board rises, the existing gap between public sector reward and the private sector would widen significantly. Therefore, it is right to temporarily pause pay awards for the majority of the public sector as we assess the impact Covid-19 has had on the wider economy and labour market.

This approach will also allow us to protect public sector jobs and investment in public services as Covid-19 continues to have an impact. We will be able to reassess this position ahead of the pay round 2022/23. The pause will apply to headline pay uplifts only – other payments such as progression pay and allowances will continue as before.

More detail on the government wide public sector pay policy can be seen in the Spending Review document. HM Treasury will set out the justification and evidence for this policy in more detail in the upcoming economic oral and written evidence.

We greatly value the work of the STRB and have only taken this decision in extraordinary circumstances. Whilst we will not be seeking a recommendation from STRB for pay uplifts in 2021/22 for the majority of teachers, we would welcome your views on uplifts for those earning the full time equivalent of basic earnings of less than £24,000. We propose to continue pay uplifts for these teachers at a value of £250 or the National Living Wage increase, whichever is higher. We will look to the STRB to provide recommendations on the implementation of these uplifts and I have provided further guidance on this in the annex of this letter. My department will submit evidence for this group in the usual way, covering the usual factors and in line with the pay policy announced at the Spending Review.

Looking ahead, my priority continues to be improving recruitment and retention, ensuring that we can attract high-quality recruits to the profession and retain teachers with experience and expertise. Although pay restraint means that progress towards achieving £30,000 starting salaries will be slower, I am still committed to raising pay for new entrants to make teaching an attractive graduate option.

My written evidence will set out a detailed account of the teacher labour market based on the latest recruitment and retention data. It will remain the case that schools will be responsible for determining increases in individual teachers' pay on the basis of a school-level assessment of performance. The pay points introduced this year for the main and upper pay range will also remain advisory in order to provide school leaders and governors with the flexibility to adopt different approaches to pay in their schools.

Considerations to which the STRB should have regard

In considering your recommendations on the 2021/22 pay award you should have regard to the following:

- a) Evidence of the national state of teacher and school leader supply, including rates of recruitment and retention, taking account the effects of Covid-19 on recruitment and retention;
- b) Evidence of the wider state of the labour market in England;

- c) Forecast changes in the pupil population and consequent changes in the level of demand for teachers;
- d) Adjustments for London which is delivered via differentiated pay ranges;
- e) The Government's commitment to the autonomy of all head teachers and governing bodies to develop pay arrangements that are suited to the individual circumstances of their schools and to determine teachers' pay within the statutory minima and maxima.

Recommendations should reflect the Government's policy on exercising restraint on public sector pay awards.

Given your restricted remit, we are hoping to expedite the process this year and ask you to submit your report by early May, subject to discussions with the OME.

Finally, I would like to thank you again for your invaluable contribution to teacher pay policy, and I look forward to continuing our dialogue in future.

A handwritten signature in blue ink, appearing to read 'G. Williamson', is positioned above the typed name of the Secretary of State for Education.

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Annex: Treatment of employees earning £24,000 or less

Definition of employees earning less than £24,000:

- This should be determined on the basis of basic salary of a full-time equivalent employee, pro-rated on the basis of hours worked, using the standard number of hours per week for that organisation.
- Part-time workers with an FTE salary of less than £24,000 should receive a pro-rata increase on the basis of the number of hours worked.
- The £24,000 is based on the normal interpretation of basic salary and does not include overtime, performance pay or bonuses, nor any regular payments such as London weighting, recruitment or retention premia or other allowances.

Furloughed employees should be eligible for the £250 payment only when their unreduced, FTE basic pay falls below the threshold.

Size of increase

We are asking the Review Bodies to recommend how the uplift should be implemented in a way that minimises distortion of existing pay spines, or for other structural reasons such as leapfrogging: Government will consider higher awards to accommodate these factors. Higher awards should also be implemented where necessary to accommodate National Living Wage (NLW) policy, although employees should receive the higher of NLW or £250 (but not both). When considering their recommendation, Review Bodies may want to consider:

- The level of progression pay provided to the workforce;
- Affordability;
- NLW increases; and
- How best to avoid 'leapfrogging' of those earning just under £24,000 with those earning just over £24,000. Government will consider modest, necessary awards in excess of the £24,000 threshold to avoid structural issues such as leapfrogging, if there is a strong case.