

Rt Hon Nicky Morgan MP Secretary of State

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Dr Patricia Rice Chair School Teachers' Review Body Office of Manpower Economics 8th floor Fleetbank House 2-6 Salisbury Square London EC4Y 8JX

10 September 2014

Dear Patricia,

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

I should first of all like to offer my thanks for the STRB's work over the last year on both its 23rd and 24th reports. From 1 September this year schools across England and Wales will be implementing their new pay policies based on the recommendations of those reports.

You will be aware that the Government's policy for public sector pay in 2015-16, as set out in the Chancellor's Spending Review statement of June 2013, is for awards to average up to 1%.

I understand that the Chief Secretary to the Treasury wrote to you and all other Pay Review Body Chairs on 29 July 2014 to set out the Government's approach to public sector pay.

I should now like to ask for your recommendations on how to apply the pay award in 2015-16. In accordance with the Chief Secretary's letter, you will want to consider how the pay award should be applied and, in doing so, may wish to consider his comments on recruitment and retention issues; affordability; and the continued need for pay restraint. I intend to submit for your consideration written evidence that there remains a strong case for continued pay restraint in the public sector. My evidence will provide a detailed account of the teacher labour market based on the latest recruitment and retention data. I will also provide evidence of affordability at national and school level.

Considerations to which the STRB should have regard

In considering your recommendations you should have regard to the following:

- a) The need to ensure that the proposals reflect the Government's policy, as set out in the Chancellor's Spending Review statement of June 2013 that public sector pay awards in 2015-16 average up to 1%;
- b) The need to ensure that any proposals are affordable at both a national level and within the existing budgets of individual schools;
- c) The need to ensure that any proposals are not difficult or onerous for schools to implement;
- d) Evidence of the national state of teacher and school leader supply, including rates of recruitment and retention, vacancy rates and the quality of candidates entering the profession;
- e) Evidence of the wider state of the labour market in England and Wales;
- f) Forecast changes in the pupil population and consequent changes in the level of demand for teachers;
- g) The Government's commitment to increasing autonomy for 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.

Matters for recommendation

I refer to the STRB the following matter for recommendation:

 What adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to reflect the average of up to 1% pay award for public sector workers.

I should be grateful if the STRB could aim to provide a report on this matter as soon as possible in the **second half of February 2015**. I look forward to receiving your recommendations on the 2015 pay award.

Rt Hon Nicky Morgan MP

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