



Academies' approaches to teachers' pay

A report for the Office of Manpower Economics

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Incomes Data Research

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Executive summary

Academies, which now employ some 44% of teachers, are free to set their own terms and conditions, unlike local authority schools where pay must be set in accordance with the statutory guidance contained in the School Teachers' Pay and Conditions Document (STPCD). In May 2017, the Office of Manpower Economics (OME) commissioned Incomes Data Research (IDR) to investigate, by means of a number of case studies, the extent to which the terms and conditions of academies' teaching staff differ from their counterparts in local authority schools, and the application of the STPCD to academies' pay policies. The OME was particularly interested in understanding the extent of innovative practice in pay and other terms and conditions in academies.

Methodology

In June and early July 2017 some 577 academies were approached by e-mail and telephone. Incomes Data Research (IDR) was able to engage with HR or school business managers in 59 of the 577 academies, but was unable to get any response from the other 518. Of the 59, seven agreed to take part in the research. The seven are three large, one medium sized and one small multi-academy trust and two stand-alone academies. Case study visits involved the use of semi-structured interviews, which were taped. The seven organisations taking part represent 134 academies employing over 6,000 teachers. These numbers are small and may not be representative of the sector as a whole, though the near unanimity of the views of organisations of varying sizes is striking.

The pay policy process

Pay policies are originated by HR and/or business staff, discussed with heads and finance directors, and approved by governors. Five of the cases studies consult their recognised trade unions. Only one organisation recognises unions for collective bargaining, which takes place in a joint negotiating committee while the seventh case study does not recognise unions at all. The pay policies of six organisations refer explicitly to the STPCD and the previous spine point structure, with the seventh showing STPCD pay scales alongside its own, higher, scales.

The role of the STPCD

All seven case studies have pay structures modelled on the STPCD, with three of the seven attaching salaries higher than STPCD rates to the structures:

- one pays £2,000 more in Inner London and £1,500 more in Outer London than the STPCD rates for teachers on Inner and Outer London pay bands. In return teachers

may be asked to work five additional days per year, for training or special projects. This rarely happens in practice.

- one pays 2.5% more in return for a 40-hour week, compared to the standard of 32.5 hours
- one pays amounts ranging from 1% to 7% higher on different spine points.

Interviewees said that the STPCD was vital to their current pay arrangements. If they pay less they will be unable to recruit, and four paying STPCD rates said they cannot afford to pay more. Other reasons for continuing to use the STPCD include the reassurance for teachers of sticking to known and understood arrangements and the fear of potential problems with fairness, transparency and equal pay if not using it.

Problems with the STPCD include:

- timing – academies have to consult with their local unions, which may delay agreement and implementation
- recommended increases in excess of school budgets drawn up in May
- recommended increases to minimum and maximums out of line with the general increase, which disturbs differentials and results in difficulties with trade unions and budgets.

The case study academies find the STPCD either useful or indispensable, but some would like more input into the Document and the deliberations which precede it.

Pay decisions

All the case study academies have implemented the STPCD general increase in the last three years. Pay within their schools was not an issue because the national agreement is largely observed. Overall pay levels set by government were problematic.

Academies which could supply the data said that their overall paybill increase in 2016/17 had been 2-2.5%.

Using pay flexibilities

Academies taking part in the research mostly use pay flexibilities to enable them to recruit staff:

- newly qualified teachers (NQTs) are sometimes recruited several points higher up the main scale than the minimum, especially in London

- experienced teachers are appointed several points higher on their scale than their preceding post, as a recruitment incentive
- four of the seven organisations pay one-off bonuses for recruitment, ranging from £1,500 to £5,000 or additions to salary of £2,500
- two organisations pay one-off performance bonuses, ranging from £100 to £2,000
- five employers offer non-pay benefits to teachers. These include a shorter school year, three planning days in addition to the standard five training days, 50% support for training, sponsorship of Master's degrees, and salary sacrifice benefits such as childcare vouchers and cycle-to-work schemes.

Performance management

All the case study academies have detailed performance management policies. Teachers must meet objectives and Teachers' Standards to receive progression. Almost all teachers progress to the top of the main scale at the rate of one increment a year. And most teachers on M6 in most of the case study organisations progress to the upper pay scale when they have been on the top of the main scale for two years. The performance management system of one organisation focuses exclusively on continuous professional development, and makes no mention of pay progression. Decisions on pay progression are usually taken by heads, sometimes with input from finance or HR directors or governors.

Leadership pay and progression

Headteachers' pay is one area where the STPCD is not followed, although it may be used as a reference point. Three of the case studies pay headteachers spot salaries. Decisions on appointment pay and progression for headteachers invariably involve governors or trustees, and the chief executive in larger organisations.

There is no consultation or negotiation with trade unions on appointment pay for principals and deputy principals. However, the STPCD leadership group pay range is used for assistant heads and deputy heads in six case studies, with the seventh organisation's own leadership pay range used just for assistant heads. Pay committees involving governors often set the range of points on which school leaders are paid.

Recruitment and retention

The case study organisations are able to recruit staff though it is expensive and challenging to fill all roles. Science, maths and English posts are the hardest to fill. Financial recruitment and retention initiatives include one-off payments ranging from £1,500 to £5,000, additions to

salary of £2,500, flexibility on the spine point to which teachers are recruited and awarding teaching and learning responsibility (TLR) payments. These initiatives are mostly used to recruit staff, not to retain them, though one academy offers TLRs to help retain staff. Case study organisations said that workload rather than pay was the issue that prompted teachers to leave.

The proportion of unqualified teachers in the case study academies ranged from 2% to 15%, while the proportion on the main scale ranged from 21% to 65%. Teachers on the upper scale ranged from 68% to 12% of the teacher workforce.

Academies' ability to make their own pay arrangements

All the case study academies appreciated being able to make their own pay arrangements but said that they would be unable to recruit teachers if they paid less than the national agreement, and many cannot afford to pay more. Other disadvantages of moving away from the STPCD include constant benchmarking and justification of salaries and possible pay inflation as schools compete with each other for staff. And as teachers' expectations of a spine point structure and regular increments are strong, challenging them could cause problems with a teacher workforce that employers are anxious not to antagonise when recruitment is difficult and expensive.

Those interviewees who would like to move away from the national agreement and teachers' current expectations about its implementation mostly focused on progression – making it more rigorous and giving more to better performers, though this is currently thought unaffordable. There were some criticisms of other terms and conditions such as sick pay and pay protection, and support for overhauling and simplifying the Burgundy Book.¹

¹ The Burgundy Book is a handbook detailing all the national conditions of service for school teachers in England and Wales, covering additional terms including notice periods, retirement, sick pay, maternity and other leave and insurance provisions. There are also appendices covering arrangements between local authorities and recognised teachers' organisations. The latest edition is dated August 2000.

1. Introduction

In November 2016 some 44% of teachers worked in academies², which by July 2017 comprised 24% of primary schools and 63% of secondary schools³. Unlike local authority schools, where pay is determined by the statutory guidance contained in the School Teachers' Pay and Conditions Document (STPCD), academies are free to set their own terms and conditions. This freedom though, is constrained by the fact that teachers who transferred from local authorities when their schools first became academies will have had their pay and other terms and conditions protected by the Transfer of Undertakings (Protection of Employment) Regulations 2006. Teachers who were recruited by academies after the date of academisation could be employed on the academies' own terms and conditions, and teachers protected by TUPE could have chosen to transfer to academies' local terms and conditions.

In May 2017, the Office of Manpower Economics commissioned Incomes Data Research (IDR) to investigate, by means of a number of case studies, the extent to which the terms and conditions of academies' teaching staff differ from their counterparts in local authority schools, and the application of the STPCD to academies' pay policies. The OME was particularly interested in understanding the extent of innovative practice in pay and other terms and conditions in academies.

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620825/SFR25_2017_Main_Text.pdf

³ <https://www.gov.uk/government/publications/open-academies-and-academy-projects-in-development>

2. Methodology

In June and early July 2017 IDR contacted 645 individuals in 577 academies, to identify potential case studies. Contact details were obtained from JEM Education Direct, an educational marketing company, which maintains a database of academies. In the first instance the aim was to make contact with the HR or business manager and ask whether they would take part in the research. Each of the 645 individuals was e-mailed at least three times, and 200 of the 577 were telephoned. Unfortunately, the period of this initial research was schools' busiest period, towards the end of the summer term, and it only proved possible to engage with 59 academies to discuss whether they would agree to be interviewed.

The next stage was to send the 59 academies a brief questionnaire outlining the research and of those 59 academies, seven agreed to be interviewed. The 52 who declined reported that they were too busy or had no capacity to participate. Seven of the 52 volunteered that they use the STPCD incremental points; the remaining 45 provided no information on this point.

Of the seven who agreed to be interviewed, four said that they were only using what had been the STPCD incremental points, two pay additions to the national scales and one has its own scales. The seven case organisations range from a single secondary academy in London to a MAT with 45 academies throughout England. They operate a total of 134 academies and employ over 6,000 teachers.

Case study visits involved the use of a semi-structured interview (see appendix 2) which was sent to the academies as soon as they agreed to take part in the research. IDR spoke to two school business managers, four heads of HR and one HR manager. Conversations, which lasted around an hour and a half, were taped after explicit consent had been obtained and on the basis that the tapes would be deleted as soon as the researcher had transcribed her notes. All the interviewees were assured of confidentiality. Some were more concerned about this than others. Draft case studies were sent to seven interviewees for their approval.

While the respondents collectively represent 134 academies employing over 6,000 teachers, the number of organisations taking part in the research is small, so the views expressed to may not be representative of the sector as a whole. The near unanimity of the views of organisations of such varying sizes, on many of the questions raised, though is striking.

3. Case study organisation characteristics

At the beginning of September 2017 70% of all academies were converter academies. These are successful schools that chose to convert to an academy to access the increased autonomy that academy status brings. On that date some 30% of academies were sponsored academies, which are formerly under-performing schools now run by government approved charitable trusts, with a view to raising educational standards. Since 2010 sponsors have not been required to make a financial contribution to the schools they operate, though some do.

Six of the seven organisations that agreed to take part in the research are sponsored academies. These proportions do not represent academies as a whole. However, five of the seven case studies are multi-academy trusts, that is, trusts that operate more than one school, which more nearly reflects the fact that in November 2016 28% of academies were standalone and 72% were in multi-academy trusts. But the categories are fluid – one of the case studies was originally a converter academy but subsequently became the sponsor for several other schools that were not performing well.

The research focused on large multi-academy trusts because it seemed probable that these larger organisations would be more likely to have professional HR functions and thereby be equipped to take advantage of their local autonomy in pay and employment matters.

The seven case studies range from a single, sponsored secondary academy in London to a MAT with 45 academies throughout England. In total they operate a total of 134 academies and employ over 6,000 teachers.

Table 1: Characteristics of the case study organisations

<i>Case study</i>	Single or multi-academy trust	Sponsored or converter	Proportion of teachers on TUPE terms and conditions
<i>A</i>	Single, secondary	Sponsored	None, new school
<i>B</i>	Small MAT (primary and secondary)	Sponsored	18%
<i>C</i>	Large MAT (primary and secondary)	Sponsored	5%
<i>D</i>	Medium-sized MAT (primary and secondary)	Sponsored	50%
<i>E</i>	Large MAT (primary and secondary)	Sponsored	Less than 10%
<i>F</i>	Single, secondary, becoming a MAT with another school in September 2017	Converter	None
<i>G</i>	Large MAT (primary and secondary)	Sponsored	14%

4. The pay policy process

In the two single academies we spoke to, HR responsibilities form part of the portfolios of senior business staff, while the five larger organisations have a dedicated HR function. As table 2 shows, in all cases the pay policy is originated by the person responsible for HR, sometimes working with heads, and then discussed with finance directors, heads and chief executives. Five of the case studies recognise unions for consultation rather than collective bargaining, one recognises unions for collective bargaining and one does not recognise unions at all. Final decisions are made by governors together with HR, finance, chief executives and, in some cases, heads.

Six policies refer explicitly to the STPCD, and use what was the STPCD spine point structure. In the other case the STPCD rates are shown alongside the MAT's own rates in the pay policy. The MAT's rates are higher. This MAT's spine point structure is similar to the previous STPCD structure. In two other cases the MAT pays rates in excess of the STPCD rates, either in lump sum or percentage form. In three STPCD rates are paid and in one case, rates are 1% lower than STPCD rates.

In the five MATs there is a common approach to pay in all schools. Heads only have discretion over starting salaries and progression, within the scope of the pay policy. The extent to which heads use this discretion varies.

Table 2: Pay policy process and whether the policy refers to the STPCD

Case study	Single or multi-academy trust	Policy originated by?	Trade union recognition?	Final decision taken by?	Common approach to pay in all schools?	Heads able to set local pay and conditions?	Policy refers explicitly to the STPCD and spine points? *
<i>A</i>	Single, secondary	Finance and resources director	No	Pay and performance committee consisting of governors, finance and resources director and the principal.	-	-	Yes, but 1% lower as not increased in 2013.
<i>B</i>	Small MAT (primary and secondary)	HR director and finance director	Yes, for consultation	Resources committee consisting of three governors, head of HR, finance director and the chief executive.	Yes	No	Yes, but only pay ranges. Spine points are used in practice.
<i>C</i>	Large MAT (primary and secondary)	HR	Yes, for consultation	Directors, chief executive plus principals	Yes	No	Yes, plus £2,000 Inner London and £1,500 Outer London allowances, in addition to STPCD rates, for moving onto the MAT's contract. May be asked to work up to 5 additional days in return.
<i>D</i>	Medium-sized MAT (primary and secondary)	HR, with input from all the principals, finance director and the chief executive	Yes, for consultation	Trustees	Yes	No	Recognition agreement states STPCD and Burgundy Book used

Case study	Single or multi-academy trust	Policy originated by?	Trade union recognition?	Final decision taken by?	Common approach to pay in all schools?	Heads able to set local pay and conditions?	Policy refers explicitly to the STPCD and spine points? *
<i>E</i>	Large MAT (primary and secondary)	HR	Yes, for consultation	Sub board level committee if over 1% budget, otherwise management team.	Yes	No	Yes, pays STPCD rates plus 2.5% for a 40-hour week.
<i>F</i>	Single, secondary, becoming a MAT with another school in September 2017	Local schools HR service, amended by the school business manager and the head.	Yes, for consultation	Pay and personnel committee of the governing body.	-	-	Yes
<i>G</i>	Large MAT (primary and secondary)	Originated by HR working with a group of heads.	Yes, for collective bargaining	MAT board	Yes	No	Yes, alongside MAT pay rates, which are higher. 37.5-hour week.

* For all teachers except principals and deputy principals

5. The role of the STPCD

The STPCD underpins the pay policies of all seven organisations. The policies of six organisations refer explicitly to it, and use what was the STPCD spine points structure and the seventh uses a very similar structure. Three of the seven pay rates higher than the STPCD:

- one pays £2,000 more in Inner London and £1,500 more in Outer London than the STPCD rates for teachers on Inner and Outer London pay bands. In return teachers may be asked to work five additional days per year, for training or special projects. This rarely happens in practice.
- one pays 2.5% more in return for a 40-hour week, compared to the standard of 32.5 hours
- one pays amounts ranging from 1% to 7% higher on different spine points.

All our contacts said that as they operate in the same labour market as maintained schools they would be unable to recruit if they paid less than the national rates, but paying more was difficult, especially in the current climate of financial constraints. These constraints, the academies taking part in the research said, have already resulted in them making teachers redundant. As they cannot pay less, and they cannot afford more, using the STPCD, which is seen as fair and transparent, and which teachers understand, is the best option, they concluded. Reasons for continuing to use the STPCD spine points include:

- 'Recruitment would be difficult if we moved away from it.'
- 'It is reassuring to stick to the national scales.'
- 'There could be problems with fairness and transparency and equal pay issues.'
- 'The risk of problems with alternatives is great.'

When interviewees were asked to identify the most useful aspects of the national agreement their comments mostly echoed their reasons for using it. When asked to identify the least useful features of the STPCD the seven contacts each made different points. School budgets have to be drawn up many months before the Review Body recommendations are published, so the timing of the recommendations is a problem for some. Academies need to consult their unions, which takes time and results in delays that maintained schools do not have to cope with.

And when pay increases are higher than the budgets, academies can be pushed into deficit. In 2015 the 2% increase to M6 resulted in six of the seven organisations having the equivalent of an M6a and an M6b (either formally or informally) - M6a being the product of an increase of 1%, and M6b the product of an increase of 2%. Teachers reaching the top of the main scale

go onto M6a while M6b is available for the best performing teachers. Schools find these two points an irritant, and would like to get rid of them, as distinguishing between M6a performance and M6b performance is challenging, but do not feel able to annoy their teaching staff by doing so.

The 2017 2% increase to the top and bottom of the main scale is expected to cause further problems as unions press for differentials between M1 and M2, and so on up to M5, to be maintained. The 2% increase to M6 could result in the current M6a and M6b points both being increased by 1%, in line with increases to M2-M5, or 2%, as per the STRB recommendations. The unions will push for the 2% recommendation, while school budgets have only been based on a 1% increase.

Another organisation said that the current main and upper scales are the least useful aspect of the STPCD, and 'a bit artificial'. It would prefer a single nine-point scale. Two organisations object to the current sick pay arrangements, which they thought too generous, and one of these has reduced entitlements.

Table 3: Role of the STPCD

Case study	Single or multi-academy trust	Policy refers explicitly to the STPCD and spine points?	Why are the STPCD and spine points used	Most useful features of STPCD	Least useful features of the STPCD
A	Single, secondary	Yes	The system works because everyone accepts it.	The basic structure	The threshold to the upper scale, which is a bit artificial. It would be better to have a nine-point scale. The academy has reservations about sick pay.
B	Small MAT (primary and secondary)	Yes, but only pay ranges. Spine points are used in practice.	Very important and reassuring to stick to the national pay scales. We have bigger things to do than meddle with pay.	The spine points because they provide clarity. Teachers understand how progression works.	Sick pay. Have moved to a rolling 12-month period and reduced entitlement to 75 days' full pay and 75 days' half pay after four years
C	Large MAT (primary and secondary)	Yes, plus £2,000 Inner London, £1,500 Outer London for moving onto the MAT's contract. May be asked to work up to 5 additional days in return.	Recruitment would be difficult if we moved away from it	Part-time pay calculator	Pay protection should be limited to one year, rather than three..
D	Medium-sized MAT (primary and secondary)	Recognition agreement states STPCD and Burgundy Book used	Pulling away from the STPCD would result in ambiguity in terms of fairness and transparency and potential equal pay issues	Safeguarding process is clear..	The timing of the review body recommendations. There is an additional step for academies (consultation with trade unions), and there is no time to get it done. And three years' pay protection 'is ridiculous'.
E	Large MAT (primary and secondary)	Yes, pays STPCD rates plus 2.5% for a 40-hour week.	The risk of problems with any alternatives is great.	Clear and transparent	When the recommendation is higher than the school budget
F	Single, secondary, becoming a MAT with another school in September 2017	Yes	Have never seriously discussed moving away from the STPCD.	Relatively clear rules which everyone understands and adheres to.	TLR system is inflexible. Should be able to give TLR1 and TLR2 temporarily.
G	Large MAT (primary and secondary)	Yes, alongside MAT pay rates, which are higher. 37.5-hour week.	STPCD provides the base line against which the MAT competes.	As guidance for the sector as a whole	The spine points, which although not part of the Document, are observed by all.

6. Pay decisions

All the case study organisations have implemented the STPCD general increase in the last three years. In 2013 one academy did not increase rates by 1%, so they remain 1% lower than the national scales. When M6 was increased by 2%, most employers introduced a second M6 - M6b - increased by 2%, while retaining an M6 raised by just 1% - M6a - although one MAT only increased their M6 by 1%. In some cases teachers can progress to the second M6 by receiving outstanding appraisals. The reason for having these two M6 points is that trade unions insisted upon M6b, while academies said that they could only afford M6a for most teachers proceeding to the top of the main scale.

Our contacts were asked what impact their pay policy had had on teacher morale and motivation. As six of the seven largely observe the national agreement, pay within their schools was not an issue, although overall pay levels, seen as set by the government, were problematic. The school that pays the highest rates said that their staff knew and appreciated the fact that they were better paid than their local authority colleagues.

This year schools have budgeted for 1% increases to pay. Our contacts are nervous about the 2% increase to the top and bottom of the main range in 2017/18, partly because of the cost, and partly because they fear similar problems with multiple M6s. They are also nervous about increasing M1 by 2% while uprating other points by 1%, as this will disturb differentials.

Academies which could give us this data said that their total paybill increase, including progression, was 2-2.5% in 2016/17. One said that in 2017/18 it was projected to be 3.3%, but attrition is expected to bring this down to 1%.

Pay decisions relating to progression are discussed in section 8.

7. Using pay flexibilities

As table 4 shows, the academies taking part in the research use the flexibilities introduced for maintained schools in 2013, mostly to enable them to recruit staff. In particular:

- although pay policies tend to state that NQTs should be appointed at the range minimum, in practice they may be recruited several points higher, especially in London
- most pay policies state that teachers recruited from other schools should be appointed at their existing salary point. If they join in September, they will receive the increment they would have received at their previous school, subject to demonstrating good performance in their old school. In practice, however, schools sometimes depart from the policy by offering recruits additional increments to join the them
- pay progression is universally based on performance. The proportion of teachers not receiving increments is small. This issue is discussed in the section 8
- five of the seven organisations pay bonuses, ranging from around £100 to £5,000. As table 4 shows, most bonuses are paid for recruitment. One large chain pays performance bonuses of £500-£1,000 to around 2% of teachers. Another pays performance bonuses to around 3% of teachers, mainly to reward teams. Bonuses at this organisation are usually in the region of £100, but could be up to £2,000
- Five of the employers make non-pay benefits available to teachers. These include a shorter school year, three planning days in addition to the standard five training days, 50% support for training, sponsorship of Master's degrees, and salary sacrifice benefits such as childcare vouchers and cycle-to-work schemes.

Only one of our contacts was actively considering reviewing their benefits.

Table 4: Using pay flexibilities

Case study	Single or multi-academy trust	Appoint NQTs above the range minimum	Flexibility on appointment pay	Pay progression based on performance	Bonuses/additional payments	Non-pay benefits
A	Single, secondary	No	Yes, but less often than paying a recruitment bonus	Yes	£1,500 non-consolidated recruitment bonus, £2,500 recruitment and retention addition to salary, TLRs (2A or 2B). In 2016/17 one third of all teachers recruited received additional payments. Unconsolidated referral bonus of £1,000 paid to teachers who refer a potential recruit who is subsequently employed.	Shorter school year, attendance bonus – all staff with 100% attendance put names in hat for £100 each term.
B	Small MAT (primary and secondary)	Yes	Yes	Yes	Recruitment and retention bonus of £2,000-£5,000. Repayable if leave within two years. 17% of those recruited in 2016/17 received a payment.	Salary sacrifice childcare vouchers, cycle-to-work scheme, health cover. 50% support for training.
C	Large MAT (primary and secondary)	Policy is to recruit at M1 but up to M2 in exceptional circumstances. In practice up to M5 or M6.	Yes	Yes	Loyalty, attendance and exam bonuses	Health cash plan, ICT loans, Masters' degree sponsorship, childcare vouchers, cycle-to-work scheme.

Case study	Single or multi-academy trust	Appoint NQTs above the range minimum	Flexibility on appointment pay	Pay progression based on performance	Bonuses/additional payments	Non-pay benefits
<i>D</i>	Medium-sized MAT (primary and secondary)	Occasionally	Yes, but principle of portability is not in the pay policy.	Yes	None	Employee assistance programmes in a couple of schools which have come across from the maintained sector.
<i>E</i>	Large MAT (primary and secondary)	Policy is to appoint at M1 but schools appoint at higher points	Yes	Yes	Performance bonuses of £500-£1,000, paid to around 2% of teachers.	None
<i>F</i>	Single, secondary, becoming a MAT with another school in September 2017	Yes, no higher than M3 if have relevant experience.	Match previous salaries. One teacher given an additional temporary increment for a year, but this was outside the pay policy.	Yes	None	None
<i>G</i>	Large MAT (primary and secondary)	Yes, but flexibility little used.	Yes, but flexibility little used.	Yes	Bonuses of around £100 paid to teams, could be up to £2,000. 3% of teachers received bonuses in 2016/17.	Three extra training days, used for planning. Salary sacrifice childcare vouchers, cycle-to-work scheme, gym membership, retail savings.

8. Performance management

All the case study organisations have detailed performance management policies, which make it clear that progression is subject to meeting objectives and Teachers' Standards. Some state that outstanding performance may result in accelerated progression. In practice, as shown in table 5, almost all teachers progress to at least the top of the main scale at the rate of one increment a year, and double increments are unusual, though not unknown, except for retention purposes.

Progression to the upper pay scale is less certain in some academies. All the pay policies have similar provisions, with a typical policy stating:

'A successful applicant will ... have demonstrated, with reference to the academy's performance appraisal policy:

- that as a teacher they are highly competent in all elements of the relevant standards; and
- that their achievements and contribution to the academy are substantial and sustained.'
- If below point M6 on the salary scale their overall performance review at the last two annual reviews was judged to be outstanding.
- If at point M6 on the salary scale their overall performance review grade at the last two annual reviews was good.'

In practice almost all teachers in some academies who have been on M6 for two years proceed to the upper pay scale. In one academy, though, none of the applicants progressed to the upper scale in 2015/16.

Some of our contacts want progression decisions to be 'tougher', but accept that the system of awarding one increment each year to those on the main scale is as much part of teachers' expectations as the spine point structure and the STPCD pay range, and that is 'not worth rocking the boat' to change it. All our contacts said that their teachers work very hard, and work many additional hours, so clamping down on progression could be counter-productive.

One organisation's performance management system focuses exclusively on continuous professional development; pay progression decisions are taken separately.

The case study organisations' performance management systems include:

- all set objectives, ranging from 'up to three' to five. Some refer to SMART objectives
- objectives include pupil outcomes such as exam results or other numerical data, and professional development
- the need to meet Teachers' Standards
- observations, which may be formal or informal, limited or unlimited in number
- all state that teachers must achieve their objectives to receive progression.

Decisions as to who should receive progression are usually made by heads, sometimes with input from other directors, such as the finance director or HR, or governors. Appeals, which are rare, mostly go to heads in the first instance, and then to governors.

Table 5: Performance management

Case study	Single or multi-academy trust	What are the criteria for progression?	How does performance relate to pay decisions?	Who makes decisions about pay progression?	How many eligible teachers did <u>not</u> receive one increment in 2016/17?	What is the appeals system?
<i>A</i>	Single, secondary	Three objectives, set by head of department and validated by the principal and meeting Teachers' Standards. Objectives are usually exam results or numerical data.	Must meet criteria to receive increment.	Signed off by the principal, with input from the finance director.	Only one teacher out of 90 has not received an increment in the last three years. One person in 2016/17 received a double increment	Appeal to the head in the first instance, and then a committee of governors
<i>B</i>	Small MAT (primary and secondary)	Objectives are cascaded down from school objectives and are set by line managers. Could be exam results, pupil absence or behaviour.	Must meet criteria to receive progression.	The headteacher for the main scale, the head of HR, the finance director, the chief executive and the headteacher for progression to the upper scale.	One or two a year out of 66 teachers on the main scale do not progress to M6. Some 15 out of 19 who applied for the upper scale went up, but none of the eight who applied in another school progressed. Portfolios have improved dramatically since then.	Appeal to the governors.
<i>C</i>	Large MAT (primary and secondary)	Between three and five objectives, with principals moderating objectives across faculties.	Must meet objectives.	The principal, based on recommendations from line managers.	5% did not get progression in 2015/16 and 12% in 2016/17, probably because more teachers had reached the top of their scales.	The principal and then the governors.

Case study	Single or multi-academy trust	What are the criteria for progression?	How does performance relate to pay decisions?	Who makes decisions about pay progression?	How many eligible teachers did <u>not</u> receive one increment in 2016/17?	What is the appeals system?
<i>D</i>	Medium-sized MAT (primary and secondary)	Three objectives, one of which will be pupil outcomes, meeting Teachers' Standards and the job description. Set by line manager, moderated by headteachers.	Criteria must have been met.	The head.	20% did not get progression but many teachers are long-serving and at the top of their scales.	The principal and then the governors.
<i>E</i>	Large MAT (primary and secondary)	Between three and five objectives, including pupil outcomes meeting Teachers' Standards and, professional development	Criteria must have been met.	The principal	Information not available.	Appeal heard by one representative of the local governing body and one representative of the MAT.
<i>F</i>	Single, secondary, becoming a MAT with another school in September 2017	SMART objectives set by the line manager and moderated by the head. The number will be 'reasonable'.	Criteria must have been met.	The head makes recommendations to the governing body.	A 'handful' do not get progression.	Appeal heard by the governors.
<i>G</i>	Large MAT (primary and secondary)	Up to three SMART objectives and meeting Teachers' Standards.	The focus of the appraisal system is continuous professional development. Criteria must be met for progression but decision taken separately from appraisal meeting.	Head makes recommendations which are moderated by panels consisting of the head, chair of the local governing body, members of the senior leadership team and the HR business partner.	Most get progression.	Appeal to the line manager first, then the head and a governor.

9. Leadership pay and progression

Headteachers' pay is the one area in this research where the STPCD is not closely followed. Only one trust uses the STPCD range for headteachers, with the governors setting a seven-point range. The other six trusts said that they did not use the Document, although two loosely base their heads' pay on it. Three trusts pay spot salaries, with one saying that decisions on heads salaries start with a consideration of national scales but may vary substantially from them. Decisions on appointment pay for headteachers and their pay progression invariably involves governors or trustees, and in the larger trusts, the chief executive.

Appointment pay for principals and vice-principals is not arrived at by collective bargaining or consultation with trade unions in any of our sample. It is set by governors and in theory varies in academies in the same way as in local authority schools, that is by the size of the school. One interviewee, though, said that there was no correlation between heads' salaries and the size of the school, and geographical location, such as in London and the South East, has a bigger impact on pay. Large MATs often cluster schools in groups and employ an executive head in overall charge of all the schools in the cluster. In this case, the heads of the individual schools are paid less, in one case £10,000 less, than they would be paid if they were an autonomous head. Of the four organisations giving information on this point, three awarded heads spot salaries and in the other the head was on a seven-point range.

As table 6 shows, the STPCD leadership group pay range is used for assistant heads and deputy heads in six of the case study trusts, with the seventh organisation's own leadership pay range used just for assistant heads. In this trust pay for heads and deputy heads is treated similarly. Pay committees often set the range of points on which the school leaders are paid. Decisions on or recommendations for progression for assistant heads and deputy heads is usually made by headteachers though in the case of a small MAT the trustees carry out the review, and in others governor bodies make the final decisions.

Table 6: Leadership pay

Case study	Single or multi-academy trust	Is the STPCD leadership group pay range used for assistant principals and vice principals?	Pay progression for assistant principals and vice principals	Is the STPCD range for headteachers used?	Pay progression for headteachers?	Does pay for school leaders vary by size of school?
A	Single, secondary	Yes. The pay and performance management committee consisting of governors, the principal and the finance and resources director determines the five-point scale.	Principal makes recommendations to the pay and performance management committee. Normally one increment each year, though may be two for exceptional performance	No. Spot salary, decided by the pay and performance management committee.	A panel of three governors makes recommendations to the pay and performance management committee.	N/A (single school)
B	Small MAT (primary and secondary)	Yes. The pay committee, consisting of trustees, determines the salary scales.	Pay reviews are conducted annually by the pay committee.	No, but pay is 'loosely' based on national rates	Pay reviews are conducted annually by the pay committee.	Yes
C	Large MAT (primary and secondary)	Yes. Ranges set by the governing bodies.	Pay reviewed by the principal.	No. Pay set by the chief executive and the chair of the governors. There is no connection to the STPCD.	The chief executive and the chair of the governors review principals' salaries annually.	Yes
D	Medium-sized MAT (primary and secondary)	Yes. Pay committee consisting of the finance director, the education director and the head of HR decide the range.	Pay reviewed by the principal, and decisions moderated and approved by the local governing body	No, but headteachers' salaries 'bear some relation' to the STPCD range.	Pay progression recommendations made by the directors of education, moderated and approved by a committee chaired by the trust CEO.	Yes

E	Large MAT (primary and secondary)	Yes. Ranges determined by principals together with the trust's HR department.	Pay reviewed by principals.	No. Heads are on spot salaries which 'start with a consideration of the national scales but may vary substantially from them.	Pay progression recommendations made by the trust's managing director and director of education in consultation with the chair of the local governing body.	Yes
F	Single, secondary, becoming a MAT with another school in September 2017	Yes. The headteacher makes recommendations to the governor's pay and personnel committee for the five-point ranges.	Performance is reviewed by the headteacher, following the same procedure as for all other teachers.	Yes. The governors' pay and personnel committee sets a seven-point range.	The headteacher's performance is managed by the governor-constituted headteacher's performance management committee, advised by an external advisor.	
G	Large MAT (primary and secondary)	No, the trust has its own pay scales. Assistant heads are paid on the trust's leadership pay range.	The performance of assistant heads is assessed by the headteacher.	No. Pay benchmarking is used to pay spot salaries to heads and deputy heads. The group chief executive, the education director, an HR lead and chair of the local governing body determine headteachers' salaries.	The group chief executive, the education director, an HR lead and chair of the local governing body determine headteachers' progression.	

10. Recruitment and retention

The seven case study organisations said that they are able to recruit staff though it is challenging and expensive to fill all roles. Six out of the seven organisations said that recruitment was difficult, with science and maths, and then English, teaching posts being the hardest to fill. ICT, humanities and geography were also mentioned. The financial recruitment and retention initiatives include:

- recruitment and retention payments, with one-off unconsolidated bonuses ranging from £1,500 to £5,000
- a recruitment and retention addition to salary of £2,500
- flexibility on the spine point at which teachers are appointed, which in one organisation can result in 'recruiting at any point'
- teaching and learning responsibility (TLR) payments, usually TLR3s.

In practice, the employers mostly use these initiatives to help recruit staff, not to retain them. One academy which does not have problems with recruitment said it offers TLRs to help retain staff. Another said that it trains staff with resilience, workload and well-being training, to help teachers cope with their work, and has invested resources into improving pupil behaviour, which makes staff more productive.

None of our interviewees said that they had experienced difficulties recruiting or retaining school leaders.

In the six organisations that supplied data on the make-up of their teacher workforce, the proportion of unqualified teachers ranged from 2% in a single school academy to 15% in a large MAT. The share of teachers on the equivalent of the main scale varied from 21% in the single school to 65% in a large MAT. Teachers on the upper scale ranged from 68% in the single school to 12% in a large MAT, while those in leadership roles ranged from 17% to 23%.

Table 7: Recruitment and retention

Case study	Single or multi-academy trust	Difficulties recruiting and retaining staff?	Which subjects?	Aspects of pay policy designed to address problems	Impact of policies	Make-up of teaching staff
A	Single, secondary	Yes	Science, maths, ICT and geography	Unconsolidated recruitment bonus of £1,500 or £2,500 bonus recruitment and retention bonus addition to salary, though never paid for retention. Some flexibility on appointment salaries.	School feels able to pay whatever is necessary to recruit staff.	12% M1-M3, 23% M4-M6, 48% the upper pay scale and 17% in leadership roles.
B	Small MAT (primary and secondary)	Yes	English, science, maths and humanities	Recruitment and retention bonus of £2,000-£5,000. 50% contribution to training costs boosts recruitment.	Have been able to recruit.	14% unqualified, 36% main scale, 30% upper scale and 20% leadership scale.
C	Large MAT (primary and secondary)	Not at the moment, as spending a lot of money on it.	N/A	Policy is to recruit at M1 but in practice will recruit at any point to secure staff. Recruitment and retention bonuses of up to £2,500 currently being paid to fewer than 1% of teachers.	Able to recruit.	15% unqualified, 25% M1-M3, 19% M4-M6, 12% on the upper pay scale, 6% leading practitioners and 23% on the leadership scale.
D	Medium-sized MAT (primary and secondary)	Problems in some schools due to their challenging nature or their geographical location.	Maths and science	Bring people in higher up the scale and pay TLRs.	Able to recruit. Good HMI and Ofsted outcomes help with recruitment and retention.	3% unqualified, 10% M1-M3, 25% M4-M6, 45% on the upper pay scale, 17% on the leadership pay scale.
E	Large MAT (primary and secondary)	Yes	Maths, science and English	Recruitment bonuses and relocation allowances	Able to recruit.	Most teachers are at the bottom or the top of their scales, as they either leave within two years or stay for a long time.

Case study	Single or multi-academy trust	Difficulties recruiting and retaining staff?	Which subjects?	Aspects of pay policy designed to address problems	Impact of policies	Make-up of teaching staff
<i>F</i>	Single, secondary, becoming a MAT with another school in September 2017	Yes	Maths, science, English and IT	None, other than offering TLR3 payments (and associated responsibilities) to help retain staff.	Able to recruit.	2% unqualified, 21% main scale, 68% upper pay scale, 9% leadership scale.
<i>G</i>	Large MAT (primary and secondary)	Yes	Science and maths	None, other than offering pay higher than the STPCD rates at all pay points. Focus on retaining staff through resilience, managing workload and well being training and improving pupil behaviour, which makes teaching more productive.	Able to recruit.	65% main scale, 35% upper pay scale.

11. Academies' ability to make their own pay arrangements

All the case study academies appreciated being able to make their own pay arrangements. However, they said that they would be unable to recruit teachers if they paid less than the national agreement, and many cannot afford to pay more. As teachers' expectations of a spine point structure and regular increments are strong, challenging them could cause problems with a teacher workforce that employers are anxious not to antagonise when recruitment is difficult and expensive.

Those interviewees who would like to move away from the national agreement and teachers' current expectations about its implementation mostly focused on progression. One said that they would like to extend the rigorous performance appraisal undergone by those applying for the upper pay scale to all teacher progression, although this 'would hammer morale and motivation and in a sector plagued by recruitment and retention difficulties would be unwise.' Two interviewees said they would like more differentiated progression with greater rewards for better performers, and they would like heads to be tougher on progression. The general view is that the financial constraints being experienced by schools make giving more to better performers unaffordable.

In the meantime, the academies expect and want to continue to follow the STPCD. 'Without it we would be constantly benchmarking pay, teachers wouldn't know what to expect and would fall out among themselves and it could lead to pay inflation as schools compete against each other', said one. 'We might like to get rid of it, but it would have to be reinvented', said another. One academy interviewee would like academies to have more say in the School Teachers' Review Body, 'academies want the Document but they want more input into it.' And 'among MAT HR people there is no aspiration to be rid of the STPCD because the risk of an alternative not working out is too great.'

There were some criticisms of other terms and conditions such as sick pay and pay protection, and support for overhauling and simplifying the Burgundy Book.

Case studies

A large multi-academy trust

This trust has been operating since the 1990s and consists of 45 sponsored primary and secondary schools situated in and around London. Eight of these were set up by the chain and 37 have been transferred from local authority control over the years. There are 25,000 pupils and some 1,800 teaching staff. Around 95% of teachers are on local terms and conditions. These differ in substance from the STPCD in two ways. Spine point M6 is 1% lower than the STPCD because at the time the chain wanted to increase all spine points by the same amount – 1% - rather than the recommended 2% for M6.

There is also an extra allowance of £2,000 in Inner London and £1,500 in Outer London paid in addition to STPCD rates for teachers on Inner and Outer London pay bands. In return, teachers may be asked to work up to five days per year, mainly for continuing professional development. In addition, those on the contract are eligible for other relatively small cash and non-cash benefits. The academy chain uses all the STPCD pay scales and spine points apart from the headteachers' ranges.

Heads' control over salaries on appointment and progression, albeit within the STPCD pay spines, the incorporation of schools from local authorities over many years, and differing recruitment and retention pressures means that teachers are being paid different salaries for the same jobs across the organisation, leaving it open to equal pay challenges.

Pay policy

The pay policy is drafted by HR and approved by the organisation's four senior officers: the finance director, the primary director, the secondary director and the chief executive. It is then approved by a group consisting of all the principals, after which it goes to the Joint Consultative Committee, which includes the NUT and the NASUWT, for formal consultation rather than negotiation. The process takes around four weeks each year.

The policy sets out the main, upper, unqualified, and leadership pay spines. The first eighteen points of the leadership pay spine are identical with the leading practitioner pay spine, so leadership spine points are often used for leading practitioner salaries. Principals' salaries are determined outside the STPCD.

There is a common approach to pay in all schools with the exception that Teaching and Learning responsibility payments can be determined at academy level. However, as schools have been transferred from local authority control over many years and principals can determine appointment and progression, the harmonisation of salaries across the group is a big challenge. For example, school A has a recruitment and retention problem and moves a good teacher onto the leading practitioner/leadership pay scale, say L1-5. But the assistant principals are on L3-7, so after a few years the good teacher is on L5 while a newly appointed assistant principal is on L3 or L4. The school then changes the assistant principal range to L6-L11. Meanwhile the vice principal range, which was L8-11 means that an assistant principal at the top of their range will be on a higher spine point than a newly appointed vice principal, so the vice principal range has to be changed to L12-15. Meanwhile, school B, which is the same size and is the same group as school A has had no recruitment problems so has not changed its pay ranges. Assistant principals at school A are on L6-11 and at school B are on L3-7, while vice principals at school A are on L12-15 while at school B are on L8-11. This situation is not sustainable in the long run, not least because of the equal pay implications.

Pay decisions

Pay scales to date have been increased by the STPCD recommendation, apart from M6, as described above. Pay decisions for individual teachers are made by heads, based on recommendations by line managers. There is an expectation that every teacher appraised as 'good' or 'outstanding' will receive an increment. In 2015/16 95% of staff got pay progression, while in 2016/17 it was 88%. The cause of this reduction is unknown. It is not the result of more rigorous assessment and could be just that more staff are at the top of their scales. Pay appeals can be made to the governing body. There has only been one in recent years.

Leadership pay

Salary ranges for staff on the leadership scale are determined by the chair of governors and the chief executive. The principal determines annual progression. The pay policy states that: 'the principal may recommend that any member of the leadership team be paid additional points subject to the maximum of the individual range ... [or] ... may recommend changing the salary range' where there are substantial retention issues.

There have been problems with overlaps between the salaries for teachers on the leadership practitioner ranges and those for assistant and vice principals (see above). The academy chain is planning to help deal with this by using wider pay bands for leaders, perhaps L1-8 for assistant principals and L11-18 for vice principals, to give schools more flexibility and to avoid

this problem in future, but principals' ability to make appointment and progression decisions could continue to undermine pay parity across the group.

Principals' salaries on appointment are determined by the chief executive, the primary or secondary director (as appropriate) and a member of the trust board. There is no connection with the STPCD nor are there any rules as to the salaries that can be paid. The chief executive and the chair of governors review principals' salaries annually, based on overall performance and the achievement of objectives.

Using pay flexibilities

Although the policy is to recruit at the minimum of the scale pay flexibilities are used by the MAT to deal with problems with recruitment and retention. Recruitment and retention bonuses of up to £2,500 can be paid for a maximum of three years, reviewed annually but only ten of these are currently being paid to a teaching staff of 1,800. Recruitment and retention issues are more commonly addressed by appointing or progressing staff higher or faster up their pay ranges. Newly qualified staff should be appointed on M1 or M2 but often ask for M3 or M4. Exceptionally, one newly qualified science teacher was recently appointed on M6. Teachers currently on M3 in another school commonly say 'I'm not coming for less than M6'.

The chain provides a number of cash and non-cash benefits to teaching staff on local contracts:

- a loyalty voucher scheme, providing Marks & Spencer vouchers annually worth £50 after two years' service, £75 after three years' service and £100 each year after four years' service
- an attendance and punctuality bonus worth £100 a term plus a further £200 if 100% attendance is achieved for the full academic year
- an exam bonus of £200 for teachers achieving exam targets
- a health cash plan, providing optician check-ups, dental treatment, physiotherapy, acupuncture, specialist consultations, scans and selected private package surgeries. The employer pays the tax due on this taxable benefit
- loans to buy ICT equipment
- a 75% discount on masters' degree fees at the University of London's Leadership Centre.

Benefits available to all staff include a childcare voucher scheme, season ticket loans, an employee assistance programme, a cycle scheme and free gym membership.

Recruitment and retention

The trust has not found it difficult to recruit and retain teachers because 'it throws money at the problem'. But it believes that as the number of pupils and the demand for teachers grow, successful recruitment and retention will become more challenging. It currently has 150 Schools Direct trainees, but there is no guarantee that the trainees will be satisfied with being paid on spine point M1 when they have completed their training. Currently there are 741 teachers on the main pay scale, with more of those (446) on the bottom half of the main scale than the upper end (341). There are also 273 unqualified teachers, 103 leading practitioners and 420 teachers on the leadership scale.

Performance management and pay

All teachers are appraised annually and progress only if they receive a good or outstanding rating by meeting the Teacher Standards, their performance objectives and the requirements of the job description. There are generally three or four (and a maximum of five) objectives and there are three formal observations a year. The head moderates teachers' objectives across faculties and also appraisal outcomes.

Progression to the upper pay range follows the procedure set out in the STPCD. Teachers need to show that they are highly competent and that their achievements and contributions to the academy are substantial and sustained. If they are currently below spine point M6 they must have been rated as outstanding in their two previous performance reviews or at least 'good' if they are on spine point M6. The process is generally straightforward.

The role of the STPCD and its future

The STPCD provides the foundation for pay policy at this academy chain. It uses the pay rates set out in the Document, with the exception of M6, which is 1% lower, for historical reasons. The group size arrangements and the part-time pay calculator are the most useful aspects of the Document, while the three-year pay protection rules and the 'rarely' cover provisions are the least useful, since it is not clear what 'rarely' means.

Although, in an ideal world, the trust would like to see the STPCD abolished, it recognises that it would almost certainly be reinvented immediately, since, it says, the ensuing chaos would be unmanageable. Pay would go up as schools bid against each other to secure staff, and any school paying less than current rates would be unable to recruit.

Academies' ability to make their own pay arrangements

Academies' ability to make their own pay arrangements is constrained by the existence of a single labour market for all teachers. 'Moving away from the standard recognised pay regime would make recruitment more difficult'. Financial considerations, though, are prompting this academy chain to think about making changes. It would like more differentiated progression, greater rewards for high performers, a separate pay scale for leading practitioners which did not overlap with the leadership scale and to reduce pay protection.

Ideas under consideration include:

- setting a budget for performance pay and sharing it out on the basis of two shares for teachers rated as outstanding and one share for teachers rated as good
- giving, say, a 1% increase to teachers but not increasing the spine points by 1%
- increasing pay by 5% but making drastic changes to other terms and conditions such as hours, sick pay and maternity pay.

The trust would like to make significant changes but does not want to be the first organisation to do so and thereby invoke the wrath of the trade unions.

A large multi-academy trust (2)

This trust consists of 36 sponsored academies, as of September 2017. These primary and secondary schools and sixth form colleges employ 1,400 teachers and educate 21,000 pupils. Of the 36 schools, around two-thirds have transferred from local authority control, with the first transferring in 2006. More than 90% of teachers are on the organisation's own contracts, which pay a 2.5% premium on STPCD rates, in return for a 40-hour working week. Teachers are required to work for 195 days each academic year, of which ten are available for professional development. There are no other significant differences from STPCD terms and conditions and the Burgundy Book, and all teaching staff are on either what were the STPCD spine points, or the spine points plus 2.5%. There has been a temporary point M6b, to accommodate the 2% increase to the maximum recommended in 2015, but this is probably being abolished from September 2017. There are recruitment and retention issues in some schools and 'recruitment and retention' allowances may be offered. These are generally only used for recruitment.

Pay policy

In an era of shrinking budgets and redundancies, policy is determined by affordability and the need to 'mirror the pay structure set out in the STPCD', the trust says. The head of HR draws up the pay policy and pay budget for the year based on affordability, and then waits for the STRB recommendations. If these are in line with the budget, the policy is reviewed and agreed by the trust's senior management team. It then goes to the recognised trade unions for formal consultation. If the STRB recommendations are greater than the budget, the policy is first discussed by the management team and then by a sub board level committee, which decides how to proceed. Consultation with the unions follows.

There is a common approach to pay in all the schools. The policy is for newly qualified teachers to be appointed on the bottom of the main scale. Pay portability when making new teaching appointments is applied 'unless there are compelling reasons to do otherwise'. Headteachers control salaries on appointment and for progression, but are expected to adhere to the pay policy.

Pay decisions

Spine points to date have been increased by the STRB recommendations. The 2% increase to the maximum of the main scale in 2015 caused problems, as the trust could not afford to give 2% to all those on point M6, which is what the trade unions expected. M6 was actually increased by 1% and became point 6a, and point M6b, which was 2% greater than M6, was created. This has just caused aggravation with the trade unions and confusion, so point M6b will probably be abolished from September 2017.

Leadership pay

Pay for school leaders and heads varies by size of school, with all heads on spot salaries. Decisions on heads' salaries start with a consideration of the national scales, but may vary substantially from them. The trust is increasingly grouping up to five schools together and appointing regional heads of several schools. In these cases, the heads of the individual school divisions are called 'heads of school' and are paid less than they would if they were autonomous heads. Principal pay is decided in relation to key performance indicators by the trust board, based on advice from the organisation's managing director and director of education, together with the chair of the governing body.

Using pay flexibilities

Any departures from the policy of appointing newly qualified staff on the bottom of the main scale and other teachers on the same point as their previous employment are modest, amounting to just one or two additional points, and are motivated by recruitment difficulties. Progression is normally one point, but may be increased to two points 'in exceptional circumstances to reward outstanding performance'. There are no non-pay benefits. The trust has not considered introducing such benefits.

More training is provided in trust schools than is standard for local authority schools, with ten of teachers' 195 days working time available for continuous professional development. Separate programmes are run for newly-qualified and classroom teachers, leading practitioners, and senior leaders, principals and executive principals.

Recruitment and retention

The trust is experiencing difficulties recruiting maths, science and English teachers. One member of staff to date has successfully head hunted school leaders. Officially there are no payments at the disposal of the head to retain staff. Staff generally either leave within two years or stay for a long time, so are bunched at the bottom and top of the main scale and on the upper pay scale. Teacher turnover is around 20%.

Performance management and pay

The organisation's pay policy states that the local governing body 'will ensure that appropriate funding is allocated for pay progression at all levels. Funding will not be used as a criterion to determine progression.' 'Teachers' performance against performance targets, success measures and evidence indicators and their demonstration of Teachers' Standards are the basis on which decisions to award pay progression are made.' Teachers need to meet all their objectives, demonstrate that they are competent in all aspects of the Teachers' Standards,

and their teaching should be at least 'good' to receive progression. Progression for teachers who achieve the desired standard is normally one point, though they can receive two points in exceptional circumstances to reward outstanding performance. Teachers have between three and five objectives, set by their line manager. There are also formal and informal observations. Line managers assess whether teachers' objectives and standards have been met but principals make the final decisions as to whether or not to award pay progression.

The basis for progression to the upper pay scale at the trust is the same as that set out in the STPCD, namely that teachers should be highly competent in all elements of the relevant standards and their contributions to the academy are substantial and sustained, defined by the trust as follows:

- *'Highly competent:* the teacher's performance is assessed as having excellent depth and breadth of knowledge, skills and understanding of the Teachers' Standards in the particular role they are fulfilling and the context in which they are working.
- *Substantial:* the teacher's achievements and contribution to the school are significant, not just in raising standards of teaching and learning in their own classroom but also in making a significant wider contribution to school improvement which impacts on pupil progress and the effectiveness of staff and colleagues.
- *Sustained:* the teacher must have had two consecutive appraisal reports and have made good progress towards their objectives; they will have been expected to have shown that their teaching expertise has grown over the relevant period and is consistently outstanding.'

Decisions on progression to the upper pay scale are made by the principal.

The role of the STPCD and its future

The trust is firmly committed to the STPCD, which is the foundation of its own pay policy, and says that if it ceased to exist the trust would simply increase spine points by what could be afforded each year. The most useful aspects of the Document are that it is clear and transparent, while the least useful is that STRB recommendations can be higher than the trust's budgeted increase to its paybill. Some of the trust's schools are already in deficit, and exceeding the budget would put more schools in deficit.

Academies' ability to make their own pay arrangement

The trust has no aspirations to depart from the national agreement or to abolish it, since 'the risks of any alternative not working out are too great'. The commitment to the Document will

continue while it remains affordable. If it is not affordable the trust will be in a quandary, since 'we cannot have national scales higher than our own'.

A large multi-academy trust (3)

This MAT's pay and reward arrangements differ markedly from the STPCD. In 2014 new terms and conditions for academy staff were put in place. These are designed to be competitive with the STPCD and shadow the previous STPCD spine points, with six main scale equivalent points. The upper-scale equivalent points have two half points, one each between the equivalent of U1 and U2 and between U2 and U3.

All the MAT's pay points for qualified teachers are higher than STPCD rates, with the bottom of the MAT's main scale equivalent for schools outside London paying 7% more, which is designed to help the organisation recruit the best new teachers. Differentials for other points range from 1% to 6.6%. The differentials for academies in inner and outer London are slightly lower. Unqualified teachers receive STPCD pay rates. Heads control appointment and progression, but rarely depart from the pay policy provisions of recruiting at the bottom of the pay scale or the existing salary of serving teachers, while progression is rarely more than one increment at a time. Heads can offer recruitment and retention incentives and benefits as appropriate, and a relocation allowance of up to £8,000 is available for hard to fill roles. Modest performance bonuses, usually in the order of £100 though potentially up to a maximum of £2,000, were paid to around 3% of staff in 2016/17.

Pay policy

The MAT's pay policy was drafted by HR working with a group of headteachers, then taken to the organisation's joint negotiating committee, where it is discussed with the trade unions, who are recognised for the purposes of collective bargaining, consultation and individual representation. 'The JNC is required to bargain in good faith and to agree recommendations to submit to the MAT and its recognised unions for final approval and implementation.' Final decisions are made by the MAT board and the pay policy was not formally agreed with the unions. The policy sets out both the MAT's own pay ranges and the STPCD scales. There is a common approach to pay in all schools.

Pay decisions

The pay policy states that there will be a general review of all parts of teachers' pay each year, the purpose of which is to ensure 'that the salaries of teachers are and remain competitive'. All teachers currently receive a cost-of living increase – usually the STPCD increase. The general review is negotiated with the JNC. In the last few years the MAT's own pay ranges have been updated by the STPCD increases. In 2015 the pay point equivalent to the top of the main scale was formally uplifted by 1% and then schools had the discretion to award an

additional 1% to those on this pay point, clearly linked to individual performance and contribution.

In addition to the general review teachers receive individual pay awards. Progression to points equivalent to M2 and M3 are automatic unless teachers are subject to a formal capability procedure or have failed to complete the induction period satisfactorily. Further progression is on the basis of contribution. The points equivalent to M3-M6 are formally described as guidance points though in most cases they are used as scale points.

Heads make recommendations for pay awards. The organisation's appraisal system focuses on performance and development, and makes no references to pay or progression. Inevitably performance reviews inform individual progression, but the process of making decisions on pay is separate from the reviews. Heads' recommendations are subject to review by each academy's moderation panel. This consists of the head, the chair of the local governing body, members of the senior leadership team and the academy's HR business partner. Its purpose is to ensure consistency within the school, and it is responsible for approving the final pay awards. The central office HR team and the MAT's education director review outcomes from time to time, and group summary reports are discussed annually with the recognised trade unions.

Leadership pay

Pay for heads and deputy heads are not covered by collective bargaining. It varies by size and type of school. Pay benchmarking is used to pay spot salaries to heads and deputy heads with the organisation aiming to pay median rates on appointment and upper quartile rates for outstanding performance. The benchmarking uses published salaries and information gathered locally. The group chief executive, the education director along with an HR lead and the chair of the local governing body determine the salary for the head, on appointment and from year to year. Deputy heads' pay is also based on benchmarking but is set locally by the head and the chair of the local governing body.

Using pay flexibilities

Flexibility is a key part of the policy but down to local heads' discretion. Newly qualified teachers are usually appointed on the bottom of the scale and teachers normally progress at the rate of one increment at a time annually, on the equivalent of the main scale and every two years on the upper scale. In theory heads have considerable discretion over starting salaries and progression but in practice few depart from the pay policy.

Bonuses can be paid. In the main they are intended to reward teams and are usually in the order of £100, though can be up to £2,000. In 2016/17 some 3% of teachers received a bonus.

In terms of other benefits, the MAT offers three days' planning time at the beginning or end of term in addition to the statutory five days' training. Other benefits include salary sacrifice childcare vouchers, a cycle to work scheme, gym membership and retail savings. The MAT also operates enhanced maternity, paternity, adoption and shared parental leave pay policies.

Recruitment and retention

The MAT has problems recruiting science and maths teachers particularly in certain geographical locations. Initiatives to help the academies recruit teachers include the higher pay offered to all teachers, especially those in their first years of teaching, toolkits and support for schools, a refer-a-friend scheme and relocation payments up to £8,000 at the discretion of the head. 'Headteachers don't want to pay extra when recruiting, as it disturbs teachers already in post', the MAT says, and in any case, it does not believe in an escalating price war. Instead, there is a focus on retention. 'Workload, not pay, is the issue.' Training in managing workload and well-being is provided, together with resilience training during the induction period. Resources have been put into improving pupil behaviour. Labour turnover has fallen by five percentage points in the last year and absence has fallen and is now close to the national average. Around two thirds (65%) of teachers on the MAT's terms and conditions are on the equivalent of the main scale and one third are on the upper scale.

Of the 14% of teachers who are still on STPCD terms and conditions, just over a quarter (27%) are on the main scale equivalent and around three quarters (73%) are on the equivalent of the upper scale. The MAT observes that these TUPEd teachers prefer the certainties of the STPCD contract to higher pay they would receive if they moved onto the MAT's pay scales.

Performance management and pay

The performance management system focuses on continuous professional development. Progression decisions are not directly linked to it, though are informed by it. All staff have an annual performance and development review meeting with an additional six-monthly light touch interim review. Reviewees need to take responsibility for up to three objectives, which 'must show an appropriate balance between improving the impact of teaching on pupils' achievements and personal development, where relevant, including exam outcomes, and improving the professional skills and/or achieving the aspirations of the individual.' Objectives should be SMART and 'contribute to the school's plans for improving educational provision and performance.' Reviewees make their own assessment as to whether or not they have

achieved or exceeded their objectives, though this is tested by the reviewer. There are also classroom observations. The review includes discussion and reflection regarding meeting Teachers' Standards, but starts from the premise that standards are being met unless clear evidence to the contrary is provided.

There will be a recommendation by the head for progression by one incremental point where 'the objectives set have been achieved' and the performance of the teacher consistently meets the Teachers' Standards. Teachers whose performance is judged to be 'consistently outstanding' can progress to the top of the upper pay scale equivalent and at a faster rate through their respective range, with 35 doing so in 2016/17. Teachers on the equivalent of the upper pay scale are more likely to receive accelerated progression than those on the equivalent of the main scale.

Training and development is provided for each teacher in line with their career pathway and career stage. The pathways are:

- induction – induction activities for new starters
- core – essential training for each teacher's role
- step up – training to support further development, talent management and career progression
- extend – opportunities to have greater impact on the teacher's school and across the MAT.

The role of the STPCD and its future

The STPCD still provides the baseline against which the organisation competes. The MAT uses a five point main scale structure and upper scale three point structure, with two additional half increments, one each between the first and second and the second and third upper scale pay points. The trust says that the Document is most useful for the sector as a whole, and in particular, smaller MATs who do not have the resources to come up with alternatives. The spine points are the least useful aspect of current arrangements, but 'although the Document does not set out spine points, it would be hard to eradicate something that is so universally known and understood.' The MAT believes that if consolidation into larger and larger MATs continues, the STPCD could become redundant over time.

Academies ability to make their own pay arrangements

The MAT currently takes advantage of its freedom to make its own pay arrangements. In future, it would like heads to use this more as they become more confident in making local decisions.

A medium-sized multi-academy trust

One of the schools in this trust became an academy in 2011, and seven others have joined it over the years to become a multi-academy trust. There are eight primary and secondary academies, including a sixth form college, which together have 300 teachers and around 5,000 pupils in the same region in the North. Around 50% of teaching staff are on local contracts though these differ from the local authority contracts TUPEd staff had in only minor details. The trust's recognition agreement with the unions states that it will use the STPCD and the Burgundy Book. All teaching staff, except heads, are on what were the STPCD spine points, and heads' salaries bear some relation to the STPCD range for headteachers. There was briefly an additional point on the main scale, which was the previous year's M6 rate increased by 2% (the STPCD recommended increase to the scale maximum). M6 was increased by 1%. Staff could progress to the new point if they received a satisfactory appraisal. The new salary point was unpopular and was abolished on 31 August 2017. There are recruitment and retention challenges in some of the schools and these are addressed by appointing teachers higher up the scale than they might be appointed in schools without those problems, or by awarding them Teaching and Learning Responsibility payments. There are no recruitment and retention bonuses.

Pay policy

The pay policy is owned by HR, who each year take input from all the principals, the finance director and the chief executive. The policy is then taken to the Joint Consultative Committee, in which the NUT, NASUWT, ATL, ASCL and Unison participate. There is formal consultation but not negotiation. The organisation's trustees then formally ratify the policy. The policy sets out the main, upper, unqualified and leadership pay spines. There is a common approach to pay in all schools and heads can only implement the policy. Heads do control appointment salaries and progression though the chief executive chairs a pay committee consisting of the finance director, the education director and the Head of HR which challenges and moderates heads' individual decisions.

The academy chain has its own contracts, and around half the teaching staff are on them. They differ only slightly from the local authority contracts that some of the TUPEd staff still have. The local contracts have probationary clauses, confidentiality and intellectual property provisions, and mobility clauses. Teachers have been dismissed during probationary periods, though the unions do not recognise the probationary periods. Mobility clauses require teachers to move to any of the trust's schools, but there are plenty of references to this being 'through discussion and with agreement'.

Pay decisions

Spine points in recent years have been increased by the STPCD recommendation of a 1% pay increase to teachers' salaries. The fact that the Document does not recognise the spine points and in 2017 recommends increases of 2% to the top and bottom of the main scale causes problems. The de facto scale maximum of the main scale is M6, but the trust says it cannot afford to give all staff a 2% pay increase and if it applied 2% to M6 and M1 only, it would be potentially unfair to those on the other spine points. While it understands that the 2% is intended to give head room, in practice it causes problems for all the many academies that use the spine points. Its attempts to create a separate point, described above, failed because the unions insisted that everyone on M6 should be getting the 2% as it is in practice the scale maximum. The trust resisted this and just increased M6 by 1%.

Leadership pay

On appointment, the STPCD is used as the 'benchmark' and 'guide' for school leadership posts when setting pay. Recommendations on pay progression are made by principals, and moderated and approved by local governing bodies. Headteachers' appointment pay does not follow the STPCD but 'bears some relation' to it. Recommendations on pay progression for headteachers are made by directors of education, and are moderated and approved by a committee chaired by the CEO of the trust.

Using pay flexibilities

Newly qualified teachers are occasionally appointed above the minimum point, and teachers in schools with recruitment and retention problems may be appointed at higher points on the scales than schools with no problems. There are almost no non-pay benefits. Two of the eight schools have employee assistance programmes, but these have been inherited from the local authority. They may be extended to the other six schools in the group.

Recruitment and retention

It is difficult to recruit science and maths teachers in some schools, partly because of their geographical location, and they may be appointed higher up a scale than would otherwise be the case to secure them. There are few retention problems, and no financial steps are taken to retain teachers. Many teachers are long serving; 45% are on the upper pay scale, 23% are on the top half of the main scale and 10% are on the bottom. Fewer than 3% of teachers are unqualified. The trust budgets for a 2.5% increase in the pay budget each year, to cover the 1% plus progression payments.

Discussions on appointment salaries for heads will start with the headteachers' pay range. Heads have been paid up to 20% more, in exceptional circumstances, but there are no trust documented rules dealing with heads' salaries, other than the STPCD guidance.

Performance management and pay

The trust has a rigorous performance appraisal process. The head of HR believes that performance-related pay works, but that a pay pot of around 7-8% is needed for it to work properly. Teachers are appraised against the whole job - their job descriptions, Teachers' Standards and objectives - with everyone on the main scale meeting those requirements receiving an increment until they reach the top of the scale. Teachers on the upper pay scale can only receive an increment every two years. There are usually three objectives and one will refer to pupil outcomes, but there is no one-size-fits-all approach. All leaders have 'collaboration' – both internal and external – as one of their objectives. The number of formal observations varies. Good teachers in schools which are performing well will have fewer than three observations while teachers in challenging schools may have more than three. There are also informal observations.

Some 80% of teachers received progression in 2016/17. A number of teachers are on the top of their scales or on the upper pay scale and so only receiving an increment every other year. Five teachers received no progression last year, for performance reasons.

The role of the STPCD and its future

While the STPCD provides a solid foundation for the organisation's pay policy and outcomes, there are problems. The least useful aspect of the current arrangements is the timing, the trust says. That probably worked when there were only local authority schools but it does not work for academies who have to undertake another stage of consultation with their trade unions. Academies organise their budgets in May and teachers have to be told what their salaries will be by 31 October. The timing of the STRB recommendations and potential wait for the government to endorse them means that there is no time to consult with the unions locally and budgets are compromised. 'It wouldn't be in the spirit of our recognition agreement to impose a settlement on staff', the trust says.

The organisation finds the safeguarding policy is clear, which is useful, but its provisions are 'completely wrong. It is ridiculous to have to protect pay for three years when you are trying to restructure as a result of funding cuts.' It also describes the provisions of the Burgundy Book as 'extremely out of line with other jobs in this country'. 'Who in the private sector gets six months' full sick pay followed by six months' half pay? And the situation whereby those

provisions apply for an academic year rather than being on a rolling basis are even worse. We have had individuals exhaust their sick pay provision, come back for a week at the start of the academic year, and then go off sick again.'

Academies want the STPCD but they want much more involvement in deciding its provisions, and the Burgundy Book needs overhauling too, the trust said.

Academies' ability to make their own pay arrangements

Academies' freedoms to depart from the STPCD are limited, the trust says, because doing so would be either unaffordable, if they increased pay, or would result in an inability to recruit, if they reduce it. It chooses to use the STPCD and the spine points because pulling away from them would compromise fairness and transparency and could cause equal pay problems. It is also likely to be expensive. 'It would be a major piece of work to put something else in its place, which in any case would need to be properly negotiated with the trade unions and we're not ready for it.'

This multi-academy trust would like more scope to reward higher performers, but says that this is impossible with a 1% increase when it is making staff redundant at the same time. By taking the spine points out the government tried to remove the cost of living increase. Performance-related pay needs 7-8% of the pay pot to work, and with that budget it is reasonable to have no cost of living increase. 'But the whole basis of performance-related pay is a non-starter when you only have 1% to play with.'

A small multi-academy trust

This multi-academy trust is located in the South East of England. It comprises two secondary academies which were previously maintained schools but became sponsored academies in 2007 and a primary Free School. There are 2,100 secondary and 330 primary pupils and 183 staff in the three schools. Of the 183 staff 33 were TUPEd over from the previous maintained schools in 2007. All 183 teachers are now on identical terms and conditions but it took until 2015 to achieve this. The academies' pay arrangements follow the STPCD closely, but the MAT is making changes to teachers' non-pay terms and conditions to try to align them more closely with those of the support staff and to reduce costs. Teachers' sick pay entitlement, for example, is being reduced from 1 September 2017.

Pay policy

The trust's pay policy is written by the head of HR in conjunction with the finance director and discussed with the chief executive. It is then presented to the resources committee which consists of the same three individuals and governors. The resources committee authorises the pay policy. Consultation with the academies' two trade unions recognised for consultation, the NUT and the NASUWT is the next stage. If other changes are negotiated with the unions, the amended policy goes back to the resources committee for authorisation.

There is a common approach to pay in all three schools, with headteachers unable to set or influence local pay and conditions. The pay policies emphasises that 'all pay decisions must be properly rooted in evidence ... and all pay decisions will be recorded with reasons.'

Since August 2013, the pay policy has only set out the STPCD main and upper pay ranges and pay ranges for unqualified teachers, leading practitioners and headteachers. In practice all the traditional spine points are used on appointment and for progression. Prior to 2015/16 any local conditions for teachers formed an annexe to their contract of employment. Staff employed since 1 September 2017 do not have an annexe and are referred to the trust's staff handbook.

Non-pay benefits include salary sacrifice childcare vouchers, a cycle to work scheme, private medical cover, an emotional support service and a 50% contribution to the cost of training 'relevant to the business'. Currently a teaching assistant studying for a degree, and several teachers studying for their Masters' or a PhD are receiving this support, as are teachers doing first aid and safeguarding courses. The cost of training support is repayable in full or in part if a teacher leaves within two years.

The trust also runs a private term-time only nursery which is a substantial benefit, both to staff and as an aid to recruitment and retention. Although the nursery is open to any child, trust staff have priority and some 80-90% of places are taken by current staff.

Pay decisions

Initial pay decisions for all teachers except the leadership group are made by the headteachers in conjunction with the head of HR and finance director. Pay scales are updated by the STPCD increase, and there is an expectation that teachers will receive this increase and an increment each year until they reach M6. Although such progression is 'relatively automatic' teachers must meet objectives to receive an increment and progression is at the discretion of the headteacher. Of those on the main pay scale one or two teachers a year do not receive an increment, and a few receive two increments, for excellent performance.

The paybill for all teachers increased by 2.4% in 2015/16 and 2% in 2016/17, including the 1% and the cost of increments. The head of HR said that the reduction year on year had been due to a more rigorous approach to progression to the upper pay scale.

Leadership pay

Pay decisions for the leadership group roles – headteachers, chief executive officer, the head of HR and the finance directors – are made by the Governors' Pay Committee. This establishes initial salaries and annual reviews 'within the requirements of the Teachers' Pay and Conditions Document and local arrangements', that is, that the STPCD is the starting point but that salaries can be varied according to local needs. The pay of headteachers varies by the size of the school and is 'loosely' based on national rates. The trust will pay extra for particularly good headteachers and/or challenging conditions but says that is always important to be able to justify headteachers' salaries.

Using pay flexibilities

The trust uses pay flexibilities mainly to address recruitment and retention challenges. It pays recruitment and retention bonuses of between £2,000 and £5,000, is flexible on appointment pay and may award more than one increment to excellent performers. The recruitment and retention bonuses are reviewed annually and are repayable if the teacher leaves within two years. Seven of the 40 staff recruited in 2016/17 received the payments. In the last year one of these payments has been removed and one reduced. Another teacher lost the bonus but was given an additional increment. Starting salaries are also flexible. Newly qualified teachers may be appointed above the range minimum. The trust's pay policy does not commit it to match recruits' previous salaries. Pay progression is determined by performance.

Recruitment and retention

The academies face recruitment challenges, particularly with English, science and maths and, to a lesser extent, humanities. The recruitment bonuses they pay have enabled them to recruit the teachers they need. The trust has recruited abroad, which it found expensive and disappointing when recruits left within a year or so. It does not make a point of recruiting at the bottom of scales or taking on Newly Qualified Teachers to save money, saying that a balance of teachers of different levels of experience is best. Of its 183 teachers 14% are unqualified, 36% are on the main pay scale, 30% are on the upper pay scale and 20% are on leadership pay scales. The trust is keen to 'grow its own' and has contacts with local universities to help identify promising recruits. The 50% contribution to training costs supports staff development and aids recruitment.

Performance management and pay

All teachers have an annual appraisal based on observations and objectives, which are cascaded down from the objectives set for the chief executive by the governors. Teachers' objectives could include improved exam results, absence levels or improved pupil behaviour. There are also formal lesson observations. Teachers on the main pay scale receive one increment if they meet the Teachers' Standards and their objectives and all teaching is assessed as at least 'good', until they reach the top of the main pay scale. Teachers exceeding the Teachers' Standards and their objectives, with all teaching assessed as good and some as outstanding, could receive two increments. Teachers who do not meet their objectives or the Teachers' Standards may receive a half or no increment. It is rare for a teacher not to receive at least one increment.

Progression to the upper pay scale is much less certain. A new procedure was introduced from the start of the 2016/17 academic year whereby applicants must produce portfolios containing evidence of their achievements over the previous two years. The headteachers must personally sign off the justification for a move onto the upper pay scale. The headteachers then meet with the chief executive officer, the head of HR and the finance director, in a pre-resources meeting, to recommend and agree which applications should be put forward to the resources committee, which signs off the moves to the upper pay scale. Of the 19 applying to move onto the upper pay scale in one school in 2016/17, 15 succeeded and in another school none of the eight who applied were successful. The head of HR noted that the standard of portfolio has already improved, with scruffy and inadequate portfolios being resubmitted in a much better condition.

The role of the STPCD and its future

Although the academy chain has some criticisms of the STPCD, in particular the length of the document and its 'ambiguity', these do not extend to pay setting. Most people have a three-page contract of employment, the head of HR observes – why should teachers have an 86-page document? It says that although the spine point structure does not feature in the document it is in practice the most useful element of national pay arrangements, providing clarity and a sound and transparent basis for progression.

The trust is attempting to bring teachers' other terms and conditions more in line with those of support staff. It now has single grievance, disciplinary and redundancy policies, and a common appraisal date. Teachers' sick pay is being reduced from 100 days to 75 days on full pay and from 100 to 75 days' half pay on a rolling 12-month basis, from 1 September 2017.

Academies' ability to make their own pay arrangements

Despite applauding the reassurance and clarity that the nine-point national pay scale provides to teachers this trust might, in an ideal world, like to explore moving away from it. The fact, though, that any pay variation would have to be upwards, would mean incurring additional costs which would be hard to justify. Reducing pay would simply result in an inability to recruit. The trust would also be happy to investigate extending the rigorous performance appraisal undergone by those applying for the upper pay scale to all teacher progression, although says that this would take up a lot of teachers' time. But such moves would 'hammer' morale and motivation, which, in a sector plagued with recruitment difficulties, would be unwise. It would also require huge amounts of benchmarking activity to justify every pay decision. 'We have got bigger things to do than meddle with pay', the head of HR said. 'And is it even possible to design a better system?'

An academy

Since the early 1990s this academy has been a grant-maintained school, a Foundation school and then, in 2011 an academy, and so has been used to operating outside local authority control for many years. It has 1,700 pupils and 108 FTE teachers. It currently uses the STPCD pay ranges and what were the standard spine points. The academy is currently merging with another academy, which has 1,000 pupils, to become a multi-academy trust. Pay and progression arrangements for the two schools are currently being harmonised. The new school has an 11-point main scale and a five-point upper pay scale, providing half increments for additional flexibility when awarding progression, and both schools will be using these new scales from September 2017. Apart from this issue the case study describes arrangements before the merger took place.

The academy does not pay recruitment and retention or other bonuses. Its pay policy specifies that M3 is the maximum for newly qualified staff with relevant experience while teachers from other schools are appointed on the same salary or the next point up, providing they can produce evidence of having met their objectives and Teachers' Standards in their previous role. The school's governors believe that too much discretion at local level on appointments can result in unfairness, confusion and, potentially, equal pay claims. Like many other schools, the 2% increase, the maximum recommended in 2015, has resulted in an M6a (the previous M6 increased by 1%) and an M6b (the previous M6 increased by 2%). Teachers can move from M5 to M6b if they request an additional observation and are assessed as consistently good or outstanding.

Pay policy

The academy's pay policy is based firmly on the STPCD and the Burgundy Book. It has never seriously discussed moving away from them and there is no interest in doing so. 'If we did we would be unable to recruit staff', it says. The school subscribes to an HR service available from the local county council to all schools in the area, and some from further afield. Each year the HR service provides a draft pay policy which the school business manager amends to suit the school's own circumstances. These changes include provision for some additional payments eg for twilight sessions or for training undertaken at weekends. The amended draft is then discussed with the head and then taken to the pay and personnel committee, which consists of four governors, the chair, and the head as advisor. Once the committee has approved the policy it goes to the recognised trade unions for formal consultation. If the changes, such as the proposed replacement of the existing nine-point main and upper scales with 16-point main and upper scales, are significant, the entire teacher body is consulted for a period of two to three weeks. Any teacher can send comments to the head. Reaching a

consensus is important; 'we rely on the goodwill of staff, which relies on fairness and transparency'. All comments from staff are considered by the governors before the policy goes back to the governing body for final approval.

In the case of the proposed changes to the incremental scale the teachers at the academy prefer their existing nine-point scales. This is because the half increments in the 16-point scales at the school with which it is merging can be awarded as follows: one increment if objectives are partly achieved, two increments if they are fully achieved and three increments if they are exceeded. Though teachers at this academy do not object in principle to the 16-point scale, they are not entirely happy with the new categories of 'partly achieved' and 'exceeded' objectives within the performance review policy and the school will continue to consult on the criteria for these ratings. Teachers believe that with the current extensive changes to the examination system, grade boundaries and value-added data it is impossible to set specific targets related to student outcomes which are consistent and fair across all subjects and all ability ranges. The performance reviews due to take place in October 2017 for the preceding year will use the old system, which gives the school another year to agree the criteria for the new system.

Pay decisions

STPCD recommendations for annual pay increases are always adopted, with all spine points except the maximum in 2015 updated by 1% in the last few years. The 2% increase to the maximum of the main scale in 2015 resulted in the creation of an additional scale point, M6b, 2% above the previous M6, to which teachers can apply to move if they undergo an additional observation and receive good or outstanding ratings in all their observations. Teachers who simply meet their objectives move to M6a, the previous M6 plus 1%. The headteacher's ability to make decisions on appointment salaries and progression is constrained by the pay policy which limits what can be awarded, and there are no additional payments, such as recruitment and retention or other bonuses which can be made to teachers. The trust budgets for a 2% paybill increase each year, to cover the 1% increase to spine points and the cost of progression. It is concerned about the implications of a 2% increase to the main scale minimum and maximum salary points, not just because of the cost but because of the expectations that this raises the suggestion that all spine points should be raised by 2%. Very few teachers are on M1 so there will be few direct costs at the bottom of the main scale.

Leadership pay

The school uses the STPCD ranges for school leaders and the headteacher. The governors' pay and personnel committee sets the seven-point range for the head's salary. The head

makes recommendations to this committee for five-point ranges for assistant principals and vice principals. The school's performance management procedure applies to all teachers, including the head. The headteacher reviews the performance of assistant and deputy principals, while the headteacher's performance is managed by the governor-constituted headteacher's performance management committee, advised by an external advisor.

Using pay flexibilities

There is currently a modest use of pay flexibilities by this academy. Newly qualified teachers are appointed on point M1, or up to M3, if they have relevant experience, while serving teachers on the main or upper scales coming from other schools just have their salaries matched. There are no additional payments. As a one-off, a new maths teacher was recently given a temporary increment for two years, for recruitment purposes; this was agreed by governors outside the pay policy.

On merging with the other academy an 11-point main scale and a five-point upper pay scale, providing half increments, will be adopted and the current six-point main scale and three-point upper scale will be abandoned. This will provide additional flexibility for progression purposes. Teachers may be appointed on these half points in the future, once the system is clarified.

One area of flexibility is arrangements to allow teachers to take on additional responsibilities. The school uses TLR1s and TLR2s for permanent changes and TL3s for temporary changes. Alternatives to this are the appointment of teachers to Lead Practitioner or Assistant Principal roles, which means that they are no longer limited to 'directed hours' and can be required to work additional hours, such as lunchtime duty or in the school holidays.

Recruitment and retention

Most of the academy's teachers are long serving, with 68% currently on the upper pay scale; 21% are on the main scale. It has three unqualified teachers, two of whom are part time. 8% of teachers are on the leadership scale. The academy has had problems recruiting maths, science, IT and English teachers. It points out that newly qualified teachers who have been in receipt of a tax-free bursary of £25,000 are not going to join a school on point M1, currently paying a taxable £22,467.

In the past the academy paid 'R/D' (for retention/development) allowances. These were used for very good young teachers who the school wanted to keep but where there was no post to which they could be promoted. They would be given a minor responsibility or 'task related' or

project job in order to widen their experience. The school is now using TR3 allowances payments instead of 'R/D' allowances.

Performance management and pay

The performance management procedure applies to all teachers, including the head. Teachers must meet their objectives and Teachers' Standards to receive pay progression. The line manager and the teacher together generally agree between three and five objectives, which are SMART (specific, measurable, achievable, realistic and time-bound). Teachers' objectives cover student progress as well as ways of developing and improving teachers' professional practice. The professional development opportunities required to support agreed objectives, to develop strengths and to address areas for development or professional growth, are recorded as part of the performance management process. Performance review meetings must take no more than one hour and take place in directed time. There are a minimum of one and a maximum of three formal lesson observations a year and the head has the right to drop in to lessons to monitor the quality of teaching.

After the annual performance review meeting the line manager writes a commentary on the meeting, and the head reviews and moderates all the comments and decides whether progression should be awarded. The system may change so that the line manager makes the recommendations, but there are concerns that different line managers will assess teachers differently, with some being more rigorous than others, which could result in inconsistent outcomes.

The headteacher's performance is managed by the governor-constituted headteacher's performance management committee, advised by an external advisor.

Under the current arrangements teachers who meet their objectives and Teachers' Standards receive one increment. Where they are on point M5, request an additional observation and receive good or outstanding ratings for all their lesson observations, they can go to point M6b (1% above point M6a). The school with which the academy is merging has half increments, awards one increment for partly meeting objectives, two points for meeting objectives, and three points for exceeding objectives. Teachers at academy F who will soon be using the same system are concerned about the criteria for 'partly meeting' and 'exceeding' objectives, and discussions are continuing.

The role of the STPCD and its future

The academy is committed to the STPCD and its future, because it provides clear rules that everyone understands and adheres to. 'It is important that teachers trust that your pay policy is equitable and fair. ... Things work better where you have a transparent pay policy, not where the head decides whether your face fits and rewards teachers accordingly.' The STPCD should avoid any provisions which give heads too much flexibility, it says.

The school would like to see some changes to the Document. It would like to be able to award TLR1s and TLR2s on a temporary basis, to recognise work of a time-limited nature. It feels that the fact that TR1 payments and TR2 payments are permanent means that schools will only use TLR3s, which are not large enough for their intended purpose. 'The unions will not let schools get away with TLR3s if teachers are taking on substantial responsibilities', the academy says.

The academy also says that it is a problem having to pay for invigilators for 'mock' exams, which have become more important now that coursework has been scrapped for most subjects. At present teachers are not required to invigilate public exams or mock exams which require changes to the school timetable.

Academies ability to make their own pay arrangements

The academy says that the main challenge to its current arrangements is the new multi-academy trust that is being set up with the merger with another school. This will require some restructuring to ensure that, for example, faculty heads in both schools are paid the same or that where there are differences the reasons are clear and the rationale understood. It is also necessary to ensure that the criteria being used when the school's half increments and different performance appraisal categories are adopted are understood and accepted by the teaching staff. Other than this, the new multi-academy trust has no plans to depart from the current use by the two constituent academies of the STPCD and what were the previous spine points.

An academy (2)

This single, sponsored academy trust opened in 2007. Located in London, it has round 1,150 pupils and 90 teachers. Its pay policy refers explicitly to the School Teachers' Pay and Conditions Document to define pay arrangements, scales and progression levels. It uses the spine points that used to be set out in the STPCD for all teachers and leaders except the principal, who is on a spot salary. The academy uses its flexibility to make its own pay arrangements mainly to enable it to recruit staff, paying unconsolidated recruitment bonuses, additions to salary and Teaching and Learning Responsibility awards (TLRs). On recruitment, teachers are paid at least the same rate as they were paid in their previous school.

Pay policy

The academy's pay policy and pay decisions are made by a pay and performance committee consisting of governors, the principal and the finance and resources director. The policy refers to the six-point unqualified teachers' pay range, spine points M1-M6 and U1-U3 for teachers, LP1-LP18 for lead practitioners and L1-L43 for the school leadership team and determines the five-point scale for assistant principals and vice principals. It describes the academy's progression arrangements, with automatic progression to M3 for classroom teachers and the award of increments to those meeting their targets.

Pay decisions

Pay decisions usually follow the STPCD increase, so that scales are increased by 1% each year and teachers receive the 1% plus any increment they are entitled to. A 1% increase is factored into the academy's budget for the next five years. The exception was in 2013, when, to save money rather than for strategic reasons, scales were not increased, so that they remain 1% behind the national rates. There is an annual performance review in September and October. This results in recommendations from members of the senior leadership team as to whether or not individual teachers should progress to their next spine point. Although the policy sets out that increments can be withheld for failing to meet targets, this is rare in practice – just one case in the last three years. Additional increments can be given for excellent performance but this is also rare. Usually a couple of teachers each year request an extra increment and just one may receive it. Apart from the possible withholding of or award of an extra increment, there are no attempts to reward teachers differently from each other. Once the individual recommendations as to salary progression are made, they are reviewed by the principal and then, with input from the finance and resources director, put to the pay and performance management committee for its approval.

Leadership pay

Using the STPCD leadership group pay range, the pay and performance committee determines the five point scale for assistant principals and vice principals. Progression each year is normally at the rate of one increment, though two may be awarded for exceptional performance. The principal reviews the performance of the assistant and vice principals each year and makes recommendations to the pay and performance management committee.

The headteacher is paid a spot salary, decided upon by the same committee. Each year a panel of three governors makes recommendations to the pay and performance management committee on pay progression for the head.

Using pay flexibilities

The academy uses pay flexibilities almost exclusively to deal with recruitment challenges. Eight of the 24 teachers recruited in the 2016/17 academic year received additional payments. Four teachers received unconsolidated one-off bonuses of £1,500, one received a recruitment and retention addition to salary of £2,500, and three got Teaching and Learning Responsibility awards. These TLRs are not given specifically to reward extra responsibilities and duties, but once given are used to require teachers to do something extra where possible. In practice there is not always something extra for them to do. The TLRs given are usually 2A – worth £2,640 in 2016/17 – or, occasionally, 2B - worth £4,403. There is some flexibility on the spine point to which teachers are recruited, though this is used less often than bonuses. The unconsolidated bonus of £1,500 may be increased to £2,500 for teachers of certain subjects, such as science. There is an unconsolidated referral bonus, too, of £1,000, paid to teachers who refer a potential recruit who is subsequently employed.

There is no differentiation in practice in the pay of teachers in post: all but one in the last three years have received an increment unless already at the top of the upper scale where they will only receive the national increase – 1% for the last three years.

Teachers at the academy also benefit from a reduction in the school year, which in 2017/18 will be several days shorter than the standard 195 days. This is intended to reward teachers for their hard work. On a smaller scale, attendance prizes are given out three times a year. Each term all teaching and support staff with 100% attendance put their names in a hat and three have their names drawn out and receive a prize of £100. Around 40 out of a total staff of 150 usually have perfect attendance.

Recruitment and retention

Recruitment is challenging but successful at this school. Science teachers are always difficult to recruit while maths, ICT and geography teachers have also been difficult to find. Although there is what is termed a recruitment and retention bonus of £2,500 pa, it has never been paid to retain a staff member. In general, the school feels that it has the flexibility to pay whatever it needs to recruit staff, who will always be paid at least what they were paid in their previous school. Morale and motivation are not an issue at the school. Pay is not a significant factor once teachers are in post. This is to the credit of hard working teachers who focus on their work rather than their pay packet, the finance and resources director says.

The school actively recruits newly qualified teachers and those currently on spine points M1-M3, and then progresses them through the ranges. However, it has recently taken on two U3 teachers and says it is very useful to have people who deliver great teaching day in and day out, who can handle class discipline and work well with departmental colleagues. Currently, more than half of classroom teachers are on the upper pay scale, with nearly one in five of all teachers on U3.

The school has no difficulty recruiting senior staff and has got good 'middle leaders' coming up.

Performance management and pay

Teachers at this academy have three objectives against which they are appraised at the beginning of the autumn term. Objectives are intended to be 'rigorous, challenging, achievable, time-bound, fair and equitable in relations to teachers with similar roles/responsibilities, and will have regard to what can reasonably be expected of any teacher in that position, given the desirability of the teacher being able to achieve a satisfactory balance between the time required to discharge his/her professional duties and the time required to pursue his/her personal interests outside work'. Objectives focus on the teacher's priorities: one relates to students' progress, often exam results, one relates to personal practice and the other may cover particular issues such as having a difficult class or working well within the department. There are no formal lesson observations. Instead there is a culture of the senior leadership team constantly 'dropping in', with no notice. This is intended to promote a collegiate learning atmosphere which supports continuous improvement in teaching.

The annual review takes place in September and October. A member of the senior leadership team assesses whether each teacher has met their objectives, and recommends whether or

not they should receive their next increment. Pay scales are updated by the national increase, and teachers who have met their objectives receive that increase together with their increment. Of the teachers who are entitled to an increment, only one has not received it in the last three years. The principal reviews the senior leadership teams' pay recommendations and puts them forward to the governors' pay and performance committee for their final approval.

If a teacher wishes to appeal against the decision they first discuss it informally with the principal. If still dissatisfied, the grounds for the appeal are put in writing and a formal meeting takes place with the principal, where the teacher can be accompanied by their union representative or colleague. If this does not resolve the issue the teacher can then appeal to a panel of three governors, who make the final decision. The focus in the appeals procedure is ensuring that the correct process has been followed and that teachers have been treated fairly.

The role of the STPCD and its future

The STPCD is the foundation which supports this academy's pay arrangements. The academy says that it has little desire to change any of its provisions, though it finds the move to the upper pay scale a bit artificial – no one has been turned down in the last three years. Although this saves money to keep teachers on M6 for an extra year, it would make more sense to have a single nine-point scale, the academy believes. It also has some reservations about what it describes as generous sick pay provisions. The removal of spine points from the STPCD is not very helpful, it says, since they are being used the whole time and have to be obtained from other sources. 'While the current system of progression means that teachers at the top of the scale are overpaid, teachers at the bottom are underpaid and performance isn't properly rewarded, the system works because everyone accepts that this is just how it is.'

Academies' ability to make their own pay arrangements

The school observes that when academies were first set up and were able to pay what they wanted, it was believed that the teaching market would be liberated. This hasn't happened, it says, probably because the people making the pay decisions like what is familiar and academies are fishing in the same labour pool as maintained schools. This makes not following the national agreement closely unattractive. Paying more than national rates is expensive and paying less would make it hard to recruit. And the fact that academies are now funded on the same basis as maintained schools means that there is no money to spare. This academy is satisfied with the flexibility it currently has, despite the constraints of mostly operating within the STPCD.

Appendix 1: Initial screening questions

1. Is your academy: a. part of a chain; b. a 'converter' academy; c. both?
2. Is the academy/school a primary or secondary institution, or if a chain, does it operate at both primary and secondary levels?
3. If a chain, how many institutions of each type are part of the group?
4. How many pupils are taught at the school, or across the group as a whole?
5. In your HR department is there a specialist reward/pay and benefits role, or are these responsibilities part of your or another HR professional's role, alongside other duties? If no, who is responsible for pay issues? (This person may be more suited to participating in the interview).
6. Do you link teachers' pay movements to appraisal outcomes?
7. When it comes to pay progression, do you still use the previous system of six and three incremental points on the main and upper pay ranges?

Appendix 2: Questionnaire



Office of Manpower Economics

June 2017

Academies' approaches to reward:

The Office of Manpower Economics (OME) has commissioned Incomes Data Research (IDR) to carry out a number of case studies examining academies' approaches to rewarding teachers. The study aims to explore in particular the extent to which academies make use of the additional flexibilities afforded to schools under recent reforms of the School Teachers' Pay and Conditions Document (STPCD) and academies' use of wider approaches to reward that may fall outside the provisions of the STPCD.

This research will inform the work of the public sector pay review bodies, which advise the Government on the pay of a number of public sector workforces. These pay review bodies include the School Teachers' Review Body (STRB), which makes recommendations to the Prime Minister and the Secretary of State for Education on the pay, professional duties and working time of school teachers in England and Wales.

Research outputs for the OME will include a series of short case studies (which will be sent to interviewees to check for factual accuracy) and an analysis of the aggregated information. **All case studies will be anonymised.** Most case studies will look at academies but a small number may look at similar developments in maintained schools.

IDR is seeking to interview the person(s) responsible for reward policies and decisions in a number of academies of different types – primary and secondary, sponsored and converter, chains and independent. The interviews should take between an hour and an hour and a half. We would like to record the interviews for the convenience of the researcher, but the recordings will be deleted as soon as they have been transcribed. The questions we will ask you are set out below.

Any information supplied will be treated as confidential and organisations will only be identified by letter – academy A, academy chain B and so on – in the study report.

Name/contact details:

Role: _____

Pay policy process

1. Who is involved in decisions relating to the institution's pay policy?
 - Extent to which SMT/teaching staff involved or consulted
 - Extent of governing body involvement
 - Extent to which others (e.g. local authority, trades unions) are involved or consulted

2. Academy chains will additionally be asked:
 - Is there a common approach to pay in all schools in the chain?
 - If not, how and why does this vary?
 - Are heads able to set local pay and conditions?
 - Does pay for headteachers/school leaders vary by size of school in the same way that pay in local authority maintained schools varies?

The role of the School Teachers Pay and Conditions Document (the national agreement)

3. How does the School Teachers Pay and Conditions Document (STPCD) influence your school's reward policy?
 - Does the STPCD provide a foundation for your pay policy?
 - If so, do the former pay points (ie the six-point main pay range and the three-point upper pay range) included in the STPCD prior to 2013 continue to feature in your pay policy?
 - Which features of the STPCD do you find most useful?
 - Which features of the STPCD do you find least helpful?

4. How many TUPE'd teachers do you have and how many of them have moved onto local terms and conditions?

Using pay flexibilities – understanding your approach

5. We would like to discuss in some detail those elements of the recent reforms to the national pay framework that you have implemented. In particular, what local flexibilities in relation to pay have you applied in your school? In each case, we would like to understand the rationale for using, and the frequency of the use of, the particular provision. Examples are:
 - Appointing newly qualified teachers above the range minimum

- Flexibility on the level of pay on appointment of existing teachers
 - Differentiating pay progression based on performance or other factors (from accelerating progression to withholding progression)
 - Introducing your own system of progression points (describe)
 - Others?
6. Are there elements of your reward package for teachers that fall outside the STPCD? If so, could you describe these, including their key features, the rationale for introducing them etc. Examples might include:
- Non-pay benefits
 - Non-consolidated payments (or bonuses)
 - Pay scales that differ from those contained in the STPCD
 - Others?
7. Have you considered introducing such initiatives but decided against? If yes, what were your reasons for not going ahead?

Appraisal

8. Please describe your appraisal systems and any relationships with pay and pay progression:
- How objectives are set and reviewed
 - How objectives relate to pay decisions
 - Who is involved in appraisal-related pay decisions
 - Appeals system in respect of outcomes

Impacts of pay policies

9. Have you found or are you finding it difficult to recruit and retain teachers and school leaders?
- If so, which particular roles?
10. Are any aspects of your pay policy particularly designed to help recruit and retain teachers?
- If yes, what impact have these had?
11. What impact do you believe your pay policy has on teacher morale and motivation? How has this informed pay practice?

12. The STPCD national pay ranges were uplifted by 1% in 2015 and 2016 - have you applied the same uplift to your own pay ranges?

13. What is your estimate of the increased total cost of your pay increases for teachers in each of 2015 and 2016 (ie including both the annual percentage uplifts to pay ranges and pay progression to staff)?

14. How are teachers distributed on both the main and upper ranges? Roughly what proportions are in the upper and lower halves of each distribution respectively?

Overall observations?

15. Do you have any thoughts about the future direction of your pay policy?

16. Do you have any thoughts about the future of the STPCD/national pay framework for local authority maintained schools?

17. What would an ideal pay system look like in five years' time?