



School Teachers'
Review Body

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THIRTY-FIRST REPORT – 2021

Chair: Dr Patricia Rice OBE



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**Presented to Parliament by the Prime Minister
and the Secretary of State for Education
by Command of Her Majesty**

July 2021



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Any enquiries regarding this publication should be sent to us at:

Office of Manpower Economics
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Consultee organisations, terms and abbreviations

Consultee organisations which made representations and provided evidence to the STRB

ASCL	Association of School and College Leaders
BATOD	British Association of Teachers of the Deaf
DfE/The Department	Department for Education
NAHT	National Association of Head Teachers
The NASUWT	
NEOST	National Employers' Organisation for School Teachers
The NEU	National Education Union
NGA	National Governors' Association
Secretary of State Voice	Secretary of State for Education

Terms and abbreviations

ASHE	Annual Survey of Hours and Earnings
COVID-19	Coronavirus Disease
CPI	Consumer Prices Index
CPIH	Consumer Prices Index including owner occupiers' housing costs
DLHE	Destination of Leavers from Higher Education
EEA	European Economic Area
EPI	Education Policy Institute
FTE	Full-time Equivalent
GDP	Gross Domestic Product
HESA	Higher Education Statistics Agency
HMT	Her Majesty's Treasury
IDR	Incomes Data Research
IFS	Institute for Fiscal Studies
ISE	Institute of Student Employers (formerly Association of Graduate Recruiters (AGR))
ITT	Initial Teacher Training
LA	Local Authority
MPR	Main Pay Range
NFER	National Foundation for Educational Research
NFF	National Funding Formula
NQT	Newly Qualified Teacher
OBR	Office for Budgetary Responsibility

Ofsted	Office for Standards in Education, Children’s Services and Skills
OME	Office of Manpower Economics
ONS	Office for National Statistics
PGCE	Postgraduate Certificate in Education
PAR	Pupil Adult Ratios
PRPP	Performance-related pay progression
PTR	Pupil Teacher Ratios
QTS	Qualified Teacher Status
RPI	Retail Prices Index
SEND	Special Educational Needs and Disabilities
SOC	Standard Occupational Classification
STPCD	School Teachers’ Pay and Conditions Document
STEM	Science, Technology, Engineering and Mathematics
STRB/Review Body	School Teachers’ Review Body
SWC	School Workforce Census
TFP	Temporarily Filled Posts
TLR	Teaching and Learning Responsibility allowance
TPS	Teacher Pension Scheme
TSM	Teacher Supply Model
UCAS	The Universities and Colleges Admissions Service
UPR	Upper Pay Range

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The School Teachers' Review Body

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

The members of the STRB are:

Dr Patricia Rice (Chair) OBE

Sir Robert Burgess

Ken Clark

Harriet Kemp

John Lakin

Lynn Lawrence

Martin Post

Dr Andrew Waller

EXECUTIVE SUMMARY

Context to our consideration of the remit

The last 12 months have been dominated by the COVID-19 pandemic which has had major social and economic consequences for the UK, with severe restrictions placed on individuals and businesses. These restrictions have had a serious impact on the economy, reflected in the deterioration seen across a range of economic indicators.

Teachers and school leaders have faced unprecedented challenges including remaining open throughout this period to key groups of pupils, managing the balance between face-to-face teaching and virtual delivery of lessons for different groups of pupils, and adapting their infrastructure to ensure that schools are 'Covid-compliant'. In many schools this has coincided with serious staffing issues caused by illness or self-isolation.

These challenges were recognised in all the submissions we received from our consultees and we join them in applauding the extraordinary efforts of teachers and school leaders this year.

Our remit for 2021/22

We received our remit letter from the Secretary of State on 15th December 2020. The letter referred to the Chancellor of the Exchequer's announcement at the Spending Review in November 2020 that pay rises in the public sector 'will be restrained and targeted in 2021/22'. The Government said its policy aimed to protect jobs and investment in public services. In this context, the Secretary of State said he was not seeking a recommendation for pay uplifts in 2021/22 for the majority of teachers. The letter invited the STRB's recommendations on increases for those earning less than £24,000 per annum (or part-time equivalent), stating that the Government proposed to continue pay uplifts for these teachers at a value of £250 or the National Living Wage increase, whichever was higher.

Our assessment of the labour market for teachers

While our remit letter did not seek pay recommendations for the vast majority of teachers, it did ask us to have regard to the national state of teacher and school leader supply and of the wider labour market. We have therefore undertaken a full assessment of the evidence relating to these matters and this is set out in Chapter 3 of our report.

In 2020/21 overall recruitment to Initial Teacher Training (ITT) increased by 23% on 2019/20. This should help to address some pressures on teacher supply. However, the headline figures included significant over-recruitment of both primary trainees and trainees for some secondary subjects. Despite the more favourable recruitment conditions, several key subjects continued to recruit substantially below the required number of trainees (Chemistry, Design and Technology, Mathematics, Modern Foreign Languages, and Physics).

The overall leaving rate across the profession improved from 9.6% in 2018 to 9.2% in 2019. The latest data showed a slight improvement in the retention rate of teachers in their initial years of service, following several years of marked increases in the leaving rates among these teachers. We hope the latest figures signal a reversal of this trend. The number of resignations across the profession remains high, and particularly so among those early in their careers where some 27% of joiners leave within three years. As such, teacher retention remains a pressing concern.

The experience of the 2008 recession suggests that improved recruitment numbers may be relatively short-lived as the wider economy recovers. The profession's ability to recruit new teachers is inextricably linked to the wider graduate labour market. As such, the sustainability of the improvement in ITT recruitment, and the extent to which shortages in specific subjects are addressed, will depend on how competitive teaching as a career is in relation to the wider market, where the speed of recovery remains uncertain.

Recent awards have made some progress towards making teacher pay more competitive in the wider graduate labour market, particularly starting pay. The latest economic data suggest earnings and pay settlements in the wider economy are showing signs of recovery. If this is indicative of an upturn in the wider graduate labour market at a time when pay uplifts for teachers are paused, then recent progress in strengthening the competitiveness of teachers' pay will be lost. This poses significant risks to teacher recruitment and retention.

We recognise the exceptional pressures placed on the economy and on public sector finances by the COVID-19 pandemic. However, we are firmly of the view that a pay pause for teachers of more than one year risks a severe negative impact on the competitive position of the teaching profession, jeopardising efforts to attract and retain the high-quality graduates necessary to deliver improved pupil outcomes. The Review Body urges that we be allowed to fully exercise our role in making recommendations on pay uplifts for all teachers and school leaders for 2022/23, based on the evidence, including conditions in the wider economy.

Our recommendations on the pay of teachers earning less than £24,000

Our remit letter asked us for recommendations only on the pay uplifts for those whose full-time equivalent basic earnings are less than £24,000. It is estimated that this applies to around 6,000 teachers paid on the unqualified teacher pay range. We recommend for 2021/22:

- A consolidated award of £250 to all teachers whose full-time equivalent basic earnings are less than:
 - £24,000 in the Rest of England
 - £25,194 in the Fringe
 - £27,419 in Outer London
 - £28,681 in Inner London
- Any part-time teacher whose full-time equivalent basic earnings meet the eligibility criteria receive the award on a pro-rata basis according to their working hours.
- The award be paid to all eligible teachers, whether located on a published pay point or not.
- This award be independent of any progression considerations.
- The treatment of teachers between existing published pay points, including the management of possible leapfrogging, be at the discretion of employers who should ensure no teachers located just above the pay thresholds for eligibility are significantly disadvantaged relative to other teachers.
- That employers ensure that implementation of the pay award complies with the National Living Wage policy.

We also recommend that advisory pay points be reintroduced on the unqualified teachers' pay range for 2021/22. The proposed values are set out in Appendix E of the report.

Looking ahead

We have commented this year on two issues related to our remit.

First, as in previous reports, we have again noted the concerns expressed by a number of our consultees about the equalities impacts of the pay system. It is a serious matter for us that these questions continue to be raised. Both our consultees' evidence and wider independent research have suggested there are questions that, as a minimum, require further exploration. We are pleased that the Department is planning a study covering issues of equality and diversity. As this will take some time to deliver its findings, we encourage the Department, in parallel, to make use of the detailed census data it collects annually on the teaching workforce.

Second, teachers' wellbeing is an important issue and is likely to remain a significant concern, even after the additional pressures caused by the COVID-19 pandemic recede. It is important that teacher wellbeing is both recognised and addressed, not least because this will positively affect recruitment and retention. In this context, the Secretary of State told us that schools could direct some of this year's funding increase towards better support for teachers. We encourage the Department to continue to work with the sector in reducing workload and promoting more flexible working arrangements for teachers.

Finally, our report last year highlighted two matters we considered that future remits should address. We understand that the COVID-19 pandemic has impacted on both the Department's priorities and wider Government pay policy. We continue to seek an opportunity to review aspects of the pay framework for classroom teachers to ensure it recognises high performance and increases in teaching excellence and capability, while also rewarding teachers for taking on management and leadership responsibilities. We would also support a review of the existing leadership pay framework, including the factors determining pay for school leaders, the issue of pay differentials between the teacher and leadership pay ranges, and the leadership roles covered by the pay structure.

CHAPTER 1

Introduction and context to the remit

- 1.1 This chapter sets out the context to our consideration of the remit, explains our approach to conducting the review and outlines the structure of this report.
- 1.2 The School Teachers' Review Body (STRB) is an independent body that provides advice on the pay and conditions of school teachers in England to the Prime Minister and the Secretary of State for Education. As specified in the Education Act 2002, the role of the STRB is to consider matters referred to it by the Secretary of State and provide recommendations.

Context to the current remit

Impact of COVID-19 pandemic

- 1.3 The last 12 months have been dominated by the global COVID-19 pandemic. This has had a profound impact on the operation of schools with teachers and school leaders facing unprecedented challenges. Some schools have had to remain open throughout this period to key groups of pupils, often with the need to manage pupils in 'bubbles'. This has required teachers and school leaders to manage the balance between face-to-face teaching and virtual delivery of lessons for different groups of pupils, often in the face of serious staffing issues caused by illness or self-isolation. Additionally, schools have had to adapt their infrastructure to ensure they are 'Covid-compliant' and many have conducted virus testing as well as continuing to manage track and trace systems.
- 1.4 Over this period, school leaders have had to consider a continuous stream of guidance and documentation, frequently requiring them to modify their schools' management as the COVID-19 pandemic developed. Leadership teams have also been heavily involved in supporting staff, pupil and family well-being and mental health, including managing the free school meals offer.
- 1.5 Teachers have also had to significantly modify their approaches to teaching, including organising the delivery of remote learning in line with Department for Education (DfE) requirements¹. This work has involved increased liaison with families and offering support to pupils having difficulties with home learning. As schools have returned to full attendance, teachers have in addition been assisting pupils in readjusting to school life. Further, alongside the logistics of delivering learning, teachers have had to prepare for the new approaches to pupil assessment and examination, as stipulated by Ofqual.

¹ Department for Education (2021) *Remote Education Good Practice* - <https://www.gov.uk/government/publications/remote-education-good-practice/remote-education-good-practice>

- 1.6 As we write our report, many of these challenges remain ongoing as schools continue to manage the considerable continuing risks associated with the virus.
- 1.7 The COVID-19 pandemic has had major social and economic consequences for the UK, with severe restrictions placed on individuals and businesses. These restrictions have had a severe impact on the economy, reflected in the deterioration seen across a range of economic indicators. We comment in more detail on the impact on the economy in Chapter 3.
- 1.8 In reaction to the economic recession, the Government announced in November 2020 that it would apply a temporary pause to pay awards for the majority of public sector employees, with only those earning full-time equivalent basic pay of less than £24,000 per annum eligible for a pay award in 2021. In doing so, it stated the main objectives were to protect public sector jobs and investment in public services, and to help ensure that medium-term public sector pay growth retains parity with the private sector.

STRB's recommendations in our 30th report

- 1.9 Our 30th report was delivered to the Government in June 2020, the process having been delayed due to the onset of the COVID-19 pandemic. In our report, we recommended the minimum of the MPR be increased by 5.5% and the maximum of the MPR and the minima and maxima of all other pay and allowance ranges be uplifted by 2.75%. Our recommendations applied to all four regional pay bands. We further recommended that advisory pay points be reintroduced on the MPR and UPR. We were pleased that our recommendations were accepted in full by the Government in July 2020 for implementation from September 2020 onwards.
- 1.10 These awards aimed to strike a balance between improving the position of teacher starting pay, such that it becomes more competitive in the context of the wider graduate labour market, and recognising the key role played by more experienced teachers.

The remit for the STRB's 31st report

- 1.11 We received our letter from the Secretary of State on 15th December 2020. The letter referred to the Chancellor of the Exchequer's announcement at the Spending Review that pay rises in the public sector 'will be restrained and targeted in 2021/22'. In this context, the Secretary of State said he was not seeking a recommendation for pay uplifts in 2021/22 for the majority of teachers. The letter went on to invite STRB's views on uplifts for those earning the full time equivalent of basic earnings of less than £24,000 per annum, stating that the Government proposed to continue pay uplifts for these teachers at a value of £250 or the National Living Wage increase, whichever is higher. The letter sought recommendations from the STRB on the implementation of these uplifts.

- 1.12 The remit letter stated that the STRB should have regard to five considerations when making its recommendations:
- Evidence of the national state of teacher and school leader supply, including rates of recruitment and retention, taking account of the effects of the COVID-19 pandemic on recruitment and retention.
 - Evidence of the wider state of the labour market in England.
 - Forecast changes in the pupil population and consequent changes in the level of demand for teachers.
 - Adjustments for London which is delivered via differentiated pay ranges.
 - The Government's commitment to the autonomy of all head teachers and governing bodies to develop pay arrangements that are suited to the individual circumstances of their schools and to determine teachers' pay within the statutory minima and maxima.
- 1.13 The remit letter also provided more detailed guidance on the definition of eligible employees, and the need to take into account potential structural issues in determining the size of the award. These included minimising distortion of the existing pay ranges and consideration of leapfrogging.
- 1.14 The letter emphasised that recommendations should reflect the Government's policy on exercising restraint on public sector pay awards.

The pay review process

- 1.15 The pay review process began with the receipt of the remit letter in December 2020 which stated that our report should be submitted in May 2021. We invited our statutory consultees², including the Secretary of State, to submit initial written representations and evidence by 3rd February 2021. The Department subsequently informed us that it would be unable to meet this deadline, so it was extended, initially to 10th February and subsequently to 17th February for all consultees. The report is being submitted to the Secretary of State and Prime Minister in May 2021, in accordance with the agreed timetable.
- 1.16 After initial written submissions were received, we shared these with all consultees and provided them with an opportunity to make a supplementary submission commenting on other parties' representations and evidence by 3rd March.
- 1.17 The STRB conducted oral evidence sessions via video conference with eight consultees during March 2021. As in the preceding round, we recognise that this was a demanding time for our consultees, given their continuing roles in supporting schools, teachers and others in managing the many challenges

² An obligation to consult with the Secretary of State and other relevant bodies is placed on the Review Body by section 121 of the Education Act 2002. The individual organisations which we consulted are listed in Appendix B.

generated by the COVID-19 pandemic. We once again thank our consultees for providing oral evidence in these difficult circumstances, and for adapting so readily to conducting these sessions remotely.

- 1.18 During the oral evidence sessions, we sought views and evidence from representatives of each consultee organisation on the details of the remit matters we were asked to consider, and on wider aspects of school funding and the teacher labour market. We challenged and sought clarification on points presented in their written submissions and sought their views on other consultees' evidence. We conducted oral evidence sessions with: the Department, including the Secretary of State; teacher and head teacher unions and associations; employer representatives and school governor representatives. A summary of the key points raised in the written and oral representations from our consultees is set out in Chapter 2.
- 1.19 In addition to considering the evidence and representations received from our consultees, we commissioned from our secretariat our own analyses on the teaching workforce, based on a range of statistics and research that are cited throughout this report. As in previous years, we have carefully examined data on the recruitment and retention of teachers, the wider labour market for graduates, and on teachers' earnings. Some of the data we have used this year have inevitably been impacted by the COVID-19 pandemic. Given our agreed submission date of May 2021, the report has been able to draw on data published up to the end of April 2021.
- 1.20 The STRB usually undertakes an annual programme of visits during each summer and autumn. This year, due to COVID-19 pandemic restrictions, we were unable to conduct face-to-face visits. We did, however, convene a number of virtual discussion groups where we spoke to teachers, school leaders, local authority officials and Teach First trainees. We heard views on matters such as recruitment and retention, teachers' earnings compared to other professions, the structure of the pay framework, workload and morale. Despite the change of approach, we were able to hold productive conversations which enhanced our understanding of the issues and challenges faced by the profession. We would like to extend our thanks to all those individuals and organisations who shared their views with us during the last year. The key messages we took from this year's visit programme are provided at Appendix C.

The structure of this report

1.21 This report provides our recommendations in respect of the matters referred to us by the Secretary of State, and the evidence base and rationale for our decisions. It is structured as follows:

- Chapter 2 summarises the written and oral representations made by the Department and our other statutory consultees on the remit.
- Chapter 3 presents data on the teacher labour market, including our detailed analyses of teacher and wider graduate earnings.
- Chapter 4 sets out our assessment of the state of the labour market for teachers.
- Chapter 5 summarises our consideration of the remit matters relevant to teachers earning less than £24,000 and presents our conclusions and recommendations.
- Chapter 6 provides our broader observations on matters relevant to teachers' pay and conditions.

CHAPTER 2

Representations from the Department and consultees

Introduction

- 2.1 This chapter summarises the representations the STRB has received from its consultees in relation to this remit. It covers:
- The COVID-19 context
 - The remit for our 31st report
 - The pay award for teachers earning less than £24,000
 - The wider pay framework
 - The teacher labour market
 - School funding and finances.
- 2.2 For each topic above, we have set out the Department for Education's views, followed by views of the other consultees.

The context to the round

The Department's views

- 2.3 The Department's written evidence observed that the teacher workforce had faced 'unprecedented disruption during the past year due to COVID-19' but that teachers had 'risen to the challenge and made a significant contribution to the nation's efforts in responding to the COVID-19 pandemic'. It said that school teachers and school leaders had shown 'an enormous degree of flexibility and resilience in adapting to new ways of working, supporting children of key workers and vulnerable children in school, while continuing to provide high-quality education for all pupils'. It went on to note that the pandemic had shone a light on the vital role that teachers play in children's lives.

Consultees' views

- 2.4 All the submissions we received this year praised teachers and school leaders for their response to the COVID-19 pandemic.
- 2.5 NEOST described 'the extraordinary effort teachers and leaders have shown during the pandemic and the continued requirement to support the development of children and young people' while the NGA noted how tirelessly teachers had worked during the COVID-19 pandemic.
- 2.6 ASCL spoke of a pandemic which has seen school staff, and in particular school leaders, 'placed under the most immense pressure and with an ever more increasing workload'. It said that school leaders had worked evenings,

weekends and throughout their holidays in response to the ever-increasing demands placed on them. The NAHT similarly noted the pandemic had placed extraordinary and continuing pressures on teachers, leaders and pupils and said that school leaders and teachers had operated 'as an essential service throughout the COVID-19 pandemic, facing many significant challenges'.

- 2.7 The classroom teacher unions also strongly commended the contributions of the teaching workforce. The NEU suggested teachers and other education professionals would play as central a role in the recovery from the COVID-19 pandemic as they have in responding to its impact. Voice noted that teachers, leaders and support staff had toiled tirelessly over the past 12 months, including working through holidays with no additional pay. The NASUWT concurred, stating that teachers had gone far beyond the call of duty during the pandemic and spoke of teachers' selfless dedication to the children and young people that they teach.
- 2.8 Several consultees highlighted the negative impact the COVID-19 pandemic had had on the teaching workforce, including on recruitment and retention, workload and morale. NEOST reported that most of its stakeholders were very concerned at the potential impact of the pay freeze on morale, recruitment and retention. ASCL said that reported reductions in advertised vacancies may reflect reluctance to recruit virtually and pointed to anecdotal evidence which indicated an increase in pension and retirement enquiries. NAHT spoke of teachers and leaders being exhausted by a year of constant crisis management.
- 2.9 The NASUWT said teachers had paid for their selfless dedication during the COVID-19 pandemic with their health and, in some cases, with their lives. It said that the pandemic had deepened the crisis of workload, morale and motivation within the teaching profession, and believed it vital that the Review Body responds to this. In its written evidence, BATOD noted an increase in workload due to the COVID-19 pandemic and suggested this would have an impact on teacher wellbeing and mental health and lead to recruitment difficulties.

The remit for our 31st report

The Department's views

- 2.10 The Department noted that the COVID-19 pandemic had not only affected the school system, but also the wider economy. In this context, it referred to the Chancellor's announcement at the 2020 Spending Review of the Government's policy to exercise restraint on public sector pay awards which, it said, was needed until the full impact of the pandemic on the wider economy became clearer.
- 2.11 The Department confirmed there would be a temporary pause on pay rises for the majority of teachers to protect jobs and investment in public services. Instead, it was asking the Review Body to make recommendations on a pay

award for only those teachers whose full-time equivalent earnings were less than £24,000. The Department said that the pay pause would apply to headline pay uplifts and that teachers therefore continued to be eligible for performance-related pay progression and promotion, depending on their schools' pay policies.

- 2.12 The Department confirmed the Government would reassess the pay policy ahead of issuing the remit for the 2022/23 pay round.

Consultees' views

- 2.13 Consultees were unanimous in their criticism of the Government's decision to exclude the vast majority of teachers and school leaders from this year's remit. NEOST said that had it been formally invited to comment on this year's public sector pay restraint policy, it may have considered teachers like NHS staff should be excluded from the pay freeze. It also suggested the pay freeze was likely to exacerbate recruitment and retention challenges. The NGA stated that 'It is difficult to understand how imposing a public sector pay freeze on teachers can be justified' in view of the important role teachers and leaders have played in the COVID-19 pandemic.
- 2.14 The joint submission from ASCL, NAHT, the NEU and Voice stated the Government was out of touch with the profession and its position was not credible. It said 'its attempts to use the impact of the pandemic to justify further attacks on pay, despite the huge contribution made by teachers and school leaders to the national response to the pandemic, have created enormous anger'. It noted that the Government's message on pay was in sharp contrast to its focus last year on rewarding teachers.
- 2.15 ASCL expressed 'utter disbelief and overwhelming disappointment' at the public sector pay freeze. It stated that this was not a fair or appropriate reaction to the COVID-19 pandemic and economic pressures; and did not reflect recruitment and retention difficulties. In its supplementary submission, it expressed concern that the pay freeze may extend beyond one year and, citing Chartered Institute of Personnel and Development research suggesting an upturn in the economy, said the decision to freeze pay for teachers was premature.
- 2.16 NAHT described the remit as largely meaningless and the Secretary of State's direction to the STRB as 'an act of gross and irresponsible folly'. It said the narrow remit was based 'on a specious notion of comparative pay in the public and private sectors' and suggested that STRB had been prevented from conducting the full breadth of its work.
- 2.17 The NASUWT described an outpouring of anger from teachers in response to the pay freeze and said the pay freeze was 'an insult to the profession' and 'to the integrity and independence of the Review Body'. In its supplementary evidence, it said the Department's evidence lacked a full rationale for the teachers' pay freeze and was an indication of 'its arrogance and contempt

for the Review Body process'. It also suggested the Department's evidence showed a lack of understanding of the school funding settlement as it has already budgeted for a pay award in 2021/22.

- 2.18 The NEU set out its rationale for the lack of justification for a pay freeze, emphasising the impact on teacher morale and recruitment and retention. Its evidence highlighted teachers' negative views on the pay freeze and the fact that school funding levels had not been changed.
- 2.19 Voice said it was shocked by the Chancellor's decision to freeze public sector pay, describing the decision as 'a kick in the teeth for thousands of dedicated teachers'.
- 2.20 Several consultees were critical of the evidence put forward by the Government to justify the pay freeze, in particular in relation to comparisons of public and private sector pay. ASCL cited evidence of the volatility of the data used to evidence the pay freeze decision and quoted the Bank of England Monetary Policy Summary suggesting earnings growth was being pulled down by the reduced pay of those employees who had been furloughed. It also presented a range of sources indicating there would be private sector pay increases in 2021. NAHT said it rejected the partial and selective evidence for a pay freeze.
- 2.21 The NASUWT said the Department's evidence lacked a full rationale for the teachers' pay freeze and referenced research suggesting a pay freeze would harm the economy as public servants would have less disposable income. The NEU stated that the Treasury had used misleading comparisons of pay in the public and private sectors. In its submission, it stated that the Government had used 'an unusual and selective methodology and timeframe'. It said the reduction in private sector pay 'was a temporary effect that had been reversed by September 2020' and cited more recent data showing a recovery in private sector earnings.
- 2.22 All the teacher unions called on STRB to assess the evidence on the broader workforce and make recommendations accordingly. In its supplementary evidence, ASCL noted consultees were united both in the opposition to the pay freeze and to the narrow remit set by the Secretary of State. In its written evidence it urged the Review Body to make a recommendation on the increase in pay that teachers and school leaders deserve. NAHT urged STRB to undertake a full consideration of the actions needed to improve teacher and leadership supply and said the review body has a critical role to play in warning government about 'the clear and present danger that its austerity policy presents to teacher and leader supply'. It urged STRB to recommend pay awards for all teachers and school leaders, leaving it for the Government to determine whether to accept such recommendations.
- 2.23 The NASUWT called on the Review Body to resist the attempts of the Secretary of State to reduce its role and not be limited in its deliberations by the constrictions of the current remit letter. It said the recommendations

which the Review Body makes in its 31st Report would be crucial in determining the level of teacher supply in our post-Brexit, post-Covid economy. The NEU opposed the decision to impose a pay freeze and the consequential attempt to restrict the STRB in its work. It asked STRB to undertake its usual comprehensive and objective assessment and to set out its views in full, including in the form of formal recommendations. The NEU stated 'a meaningful and credible analysis requires the whole range of relevant factors to be considered – and appropriate recommendations made'. Voice strongly disagreed with the narrowness of the remit and said it believed STRB should operate beyond these 'artificial constraints'.

The pay award for teachers earning less than £24,000

The Department's views

- 2.24 In its written evidence to the Review Body, the Department set out its views on eligibility and implementation of the pay award. It also provided data on the unqualified teacher workforce and estimated that around 6,400 (FTE) unqualified teachers would be eligible for the £250 award.
- 2.25 The Department provided a proposal on the implementation that would award £250 award to those earnings less than £24,000 in the Rest of England with eligibility elsewhere determined by calculating an implied 'London weighting' component of pay using the percentage differential between the London pay value and that for the Rest of England at either the minimum or the maximum of the unqualified teacher pay range.
- 2.26 In oral evidence, the Secretary of State confirmed that any awards should be fully consolidated. He suggested there was some merit in using existing union/local authority pay points on the unqualified teacher pay range as these were widely used, although noted they were not universal so might not work for all schools. He believed points would therefore need to be 'advisory' such that schools retained some flexibility.

Consultees' views

- 2.27 On eligibility, all consultees agreed that some adjustment needed to be made to allow for the higher value of the pay ranges in the London areas. NEOST suggested STRB could consider using the existing local authority/union reference pay points to determine who should receive the £250 award in 2021, thus resolving the question of how to deal with London weighting. ASCL also supported using existing local authority/union reference pay points and proposed that qualifying pay points in the London pay areas be adjusted such that they retain the same percentage differential relative to their respective Rest of England values.

- 2.28 On the award itself, most consultees accepted that a flat £250 payment would be straightforward while ASCL proposed a 1% (or similar) award. Voice and the NASUWT suggested they would accept 1% or £250, whichever was highest. All consultees believed the award should be consolidated.
- 2.29 On the implementation of the award, all consultees agreed that the publication of pay points in the STPCD was appropriate with some teacher unions stating these should have a 'mandatory' status. NEOST suggested the introduction of advisory points would retain some degree of flexibility for schools. Several teacher unions proposed that any teacher currently located between published pay points should be moved up to the next point. Failing this, the NEU emphasised that all eligible teachers, including those not paid on the advisory points, should receive the increase.

The wider pay framework

- 2.30 Several of our consultees commented on aspects of the existing pay and conditions framework. This was mainly related to the balance between starting pay and pay for more experienced teachers, aspects of leadership pay, the operation of performance related pay progression and issues relating to teacher workload.

Starting pay

- 2.31 On the question of starting pay for teachers, the Secretary of State, in oral evidence, reiterated his commitment to a £30,000 salary within the timescale of this parliament, while noting the need for this to be balanced across the whole workforce.
- 2.32 While a prospective higher starting salary was generally welcomed, consultees raised a number of concerns. NEOST noted the risk of an over-focus on starting pay at the expense of other teachers while the NGA said it supported a £30,000 salary in principle but was worried about affordability. ASCL stated that the increase in starting salaries to £30,000 should be matched across all pay ranges and allowances, maintaining the current differentials between points and ranges. While NAHT suggested a £30,000 starting salary would attract high-calibre candidates, it observed that the Department remained narrowly focused on early career teachers.
- 2.33 The NASUWT said it feared the introduction of a £30,000 starting salary would be at the expense of prospects further up the pay scales. The NEU said the pay freeze would break the £30,000 starting salary promise made by the Government, noting that, in its 2020 evidence to the STRB, the Government had highlighted the disadvantaged position of teacher starting pay compared with other graduate professions. Voice said it was disappointed that the Government's 'much vaunted £30,000 starting salary has fallen at the first hurdle'.

Leadership pay

- 2.34 Consultees raised a number of issues relating to leadership pay. NEOST suggested that any broad review of the framework should include leadership pay. NGA remained concerned about governing boards' interpretation of the flexibilities in the STPCD in relation to leadership pay and said it would be helpful to have further discussions on these issues. ASCL said in oral evidence that differentials between classroom teachers and school leaders were too small and pay values too low given leaders' accountability and workload. NAHT pointed to several problem areas with the leadership framework: pay levels, the pupil-weighted methodology and leadership roles, including business managers, not covered by the framework. The NEU, in its supplementary evidence, stated that improved pay for school leaders was essential to secure supply. The NEU said that appropriate pay levels and career pathways for school leaders were essential 'to tackle the deep-seated recruitment and retention problems for school leadership'.

Performance-related pay progression (PRPP)

- 2.35 All our consultees commented on the system of performance related pay progression. In oral evidence, the Secretary of State strongly emphasised his support for the principle of PRPP. In contrast, all the teacher and leadership unions underlined their opposition and sought its removal. ASCL said there was currently no evidence that performance-related pay impacts positively on pupil outcomes, and growing evidence that it may have a negative impact on retention and workload. It said its position on PRPP was that 'employers should have the autonomy to choose whether or not to continue with a performance related pay system or to develop an alternative robust appraisal system that is not linked to pay'. In oral evidence, it said it would prefer a more supportive, developmental appraisal model, with progression based on, for example, how effective a teacher is at developing their practice. NAHT noted its earlier evidence to the Review Body that performance related pay progression in schools was both divisive and flawed. It referred to its own review of the research evidence which showed that, at best, performance related pay systems in the public sector were ineffective and, at worst, positively harmful.
- 2.36 The NASUWT described the wide-spread failure of PRPP and suggested that, despite advice from the Department, many schools were failing to follow appropriate procedures which was leading to discriminatory outcomes for certain groups. It called on the Review Body to recommend an ending of the link between teachers' and school leaders' pay progression and the outcomes of the performance management process. The NEU discussed the problems caused by PRPP and the 'dismantling of the national pay structure' and sought an objective evaluation of the structure. It described the Department's complacency in the context of the impact on workload and noted teachers and school leaders were overwhelmingly opposed to PRPP, citing its own survey which suggested some 40% of classroom teachers and 25% of

leaders had considered leaving due to PRPP. It said that the Department's presentation of PRPP as a positive offer underlined the extreme weakness of its case on teacher pay. Voice said it was increasingly concerned about pay inequality; in this context it called for the removal of PRPP.

- 2.37 Several consultees commented favourably on changes to arrangements in the academy sector, indicating that pay progression for teachers in some trusts was less dependent on formulaic performance measures.

Pay inequalities

- 2.38 In oral evidence, in response to a question about the equalities impact of the pay system, the Secretary of State said he was 'incredibly committed' that the pay framework should not discriminate. He noted schools were responsible for managing their pay systems and that they were generally good at this. He also referred to previous evaluation evidence from NFER which did not find evidence of discrimination.
- 2.39 ASCL noted the gender imbalance in leadership posts and cited research suggesting women suffered pay inequalities where pay was dependent on performance. NAHT noted the ongoing gender pay gap in teaching and the lack of good data on protected characteristics other than gender, and asked STRB to continue to hold the Department to account for its lack of action on the issue of pay equality.
- 2.40 The NASUWT said there was a growing body of evidence that performance related pay was a source of discriminatory pay outcomes, particularly on grounds of gender, disability and race. It noted these were all protected characteristics under the Equality Act 2010 and that any unlawful discrimination against teachers in these categories made schools and academy trusts vulnerable to legal action. In this context, it referred to its own analysis of published pay data which highlighted a gender pay gap and research by Warwick University which examined earnings trends for teachers with protected characteristics and related workforce data to illustrate a range of pay inequalities³. It urged the STRB to reiterate that the Department needs to do further analysis of its 2013 and 2014 pay reforms to ensure they do not discriminate and suggested it could also use the SWC data to undertake a long overdue equalities assessment; it asked that STRB press for this work to be undertaken. The NASUWT also expressed its disappointment at the Department's decision to delay planned research into the most recent pay reforms and asked the STRB to seek a reconsideration of this.
- 2.41 The NEU reported continued discrimination in the teacher pay structure, evidenced by its own research which suggested unfair treatment of women, ethnic minority and disabled teachers, and also those working part-time and flexibly. It said that the Department's own evidence on use of allowances also

³ NASUWT (2016) University of Warwick Institute for Employment Research, *Teachers' Pay and Equality, Longitudinal research into the impact of changes to teachers' pay on equality in schools in England* – <https://www.nasuwt.org.uk/advice/pay-pensions/pay-progression.html>

highlighted inconsistencies and inequities in the pay system. It called for a full equality impact assessment of the teacher pay structure, with identification of the reforms needed to secure a pay structure with equal pay outcomes. Voice said it was increasingly concerned about pay inequality and encouraged STRB to call for a full investigation by the Department.

Other issues raised in evidence

- 2.42 All the teacher unions sought the restoration of mandatory pay points for all pay ranges. NAHT, the NASUWT, the NEU and Voice also sought the restoration of pay portability while ASCL told us it was neutral on the issue.
- 2.43 The NASUWT also called on the STRB to reinforce the non-pay conditions which are in the STPCD including increasing protected PPA time to 20% of teaching time. Voice said that workload continued to be a major issue and also asked for STRB to consider increasing PPA time to 20%. The NEU asked STRB to seek a remit on workload and the working time provisions in the STPCD and set out a range of research and data supporting its case. The NASUWT noted the Department's suggestion that more of the 2021-22 funding may be directed towards activities such as CPD. In this context it pointed to the lack of entitlement to CPD in the STPCD and asked STRB to recommend the inclusion of a statutory entitlement.
- 2.44 Voice said reform of the pay structure was long overdue. While it appreciated there may be some merit in using the pay structure to recognise key career milestones, it did not support the idea of career stage expectations for a salary structure that could penalise teachers because they had no wish to follow certain career routes. It also said that while it accepted that the UPR threshold can motivate teachers it stood by its call for the threshold to be removed as it was an artificial barrier and was increasingly bureaucratic. The NEU sought the removal of the upper pay range threshold, and a reduced number of points on a single pay spine for classroom teachers.
- 2.45 The NASUWT and the NEU called for all supply and agency teachers to be brought within the scope of the Review Body and the STPCD and provided evidence that that their pay lagged that of other teachers. The NEU noted supply teachers' current arrangements were expensive, unfair and inefficient.

Recruitment, Retention and Workload

The Department's views

- 2.46 The Department noted the increased number of Initial Teacher Training (ITT) recruits in 2020, with 23% more trainee teachers compared to last year, but acknowledged the experience of previous recessions suggests this could be a short-term gain. It also recognised significant gaps remain in key subjects, despite the improvement in recruitment to initial teacher training, and said supply remained challenging, particularly in secondary schools where pupil numbers were projected to grow by 15% between 2018 and 2025.

- 2.47 The Department also noted that retention was a challenge, especially amongst early career teachers, which continued to be a significant area of focus. Its analysis showed that over 20% of new teachers leave within their first two years of teaching and 33% within their first five years.
- 2.48 In the context of recruitment and retention, the Department referred to various initiatives aimed at supporting teacher supply and quality, notably the new ITT Core Content Framework (CCF) and the Early Career Framework (ECF) which, it said, would provide early career teachers with a funded entitlement to a structured two-year package of high quality training. The Department said that it was also putting measures in place to support teacher and leader wellbeing, for example, its partnership with a flexible working consultancy. In oral evidence, the Secretary of State said the Department was also currently evaluating the effectiveness of its retention payments programmes.
- 2.49 To address teacher vacancies, the Department highlighted the continued development of its Teaching Vacancies Service and measures taken to make it easier for former teachers to return to teaching.

Consultees' views

- 2.50 The written submissions from consultees noted the increase in ITT recruits this year and highlighted that targets for shortage subjects continued to be missed. Several linked the upturn in ITT recruitment to the economic impact of the COVID-19 pandemic and suggested the improvement would be brief, as had been the case after the 2008 recession. For example, the NASUWT commented that the increase in ITT applications for 2020/21 was likely to be short-lived and that the 'fundamental drivers of the recruitment and retention crisis remain substantially unaddressed'.
- 2.51 Several consultees referenced the decrease in overseas teachers joining the profession, both from the European Economic Area (EEA) and elsewhere, which, they said, could exacerbate existing teacher recruitment pressures. In its submission, NAHT commented that teachers from overseas helped to fill gaps in shortage subjects, particularly in the secondary phase. NAHT also voiced its disquiet that 'the sponsorship requirements for overseas teachers will prove too bureaucratic and time-consuming to operate for all but a handful of schools'.
- 2.52 A number of submissions referred to the increase in pupil teacher ratios across state-funded secondary schools. The NASUWT commented that forecast increases to pupil numbers in the secondary sector could result in significant shortages to teacher supply and 'further unacceptable increases in pupil-teacher ratios' unless recruitment and retention issues are addressed.
- 2.53 Consultees contended that teacher recruitment challenges were felt across both school phases and at all career stages. Several specifically highlighted the challenge of recruiting high quality candidates to leadership positions.

For example, NGA reported that there was a greater challenge recruiting into senior executive leadership positions in schools with lower Ofsted ratings and NEOST reported challenges in both primary and secondary phases, and especially so for school leaders and experienced teachers.

- 2.54 Many of the consultees expressed concerns that both the pay freeze and the COVID-19 pandemic would have a negative impact on retention, suggesting that many experienced staff who were remaining in post during the pandemic to help their schools would subsequently look at early retirement options. In its written submission NGA suggested that experienced teachers would leave due to the lack of a pay award, whilst NAHT raised concerns that the pandemic would lead to a large outflow from the profession, including teachers and leaders.
- 2.55 Several consultees noted the increase in wastage rates between 2011 and 2019 and the increased tendency for teachers to leave the profession for reasons other than retirement. The NEU cited research by the Education Policy Institute which stated that ‘in recent years, the share of exits due to reasons other than retirement has increased, with around 85% of exits in 2018 as compared with 60% in 2011. This is concerning as it means a much larger share of exits are now driven by teachers moving to other jobs rather than because they are retiring’. In its written submission, the NASUWT argued that retention was an issue across career stages and that pay-based solutions should not only be focused on early career teachers. Voice’s submission raised concerns about the impact of the Government’s Recruitment and Retention Strategy and said it was ‘leading to an exodus of experience’.
- 2.56 Consultees’ written submissions highlighted workload pressures on teachers which can negatively impact on retention. NEOST’s submission cited the latest Teacher Wellbeing Index, published by Education Support, which indicated that over half of all education staff had considered leaving the sector due to workload. The survey also showed that education professionals reported a large increase in a range of symptoms tied to their mental health and wellbeing. The NEU cited NFER’s annual report for 2020 which showed that 57% of full-time teachers reported they would like to work fewer hours than they currently do.
- 2.57 The joint union submission from ASCL, NAHT, the NEU and Voice raised a particular concern over the additional workload pressures due to the COVID-19 pandemic which has created ‘severe stress and other health and well-being issues for teachers and school leaders’. BATOD highlighted that, as a result of the pandemic, there has been a significant increase in workload for Teachers of the Deaf. In its written submission NGA reported that the wellbeing of senior leaders was a particular concern and more generally, staff wellbeing was second in the list of most common concerns of school governing boards in NGA’s 2020 Annual Governance Survey. ASCL highlighted findings from its member Pay and Conditions Survey

which found that 71% of respondents reported working longer hours than before the COVID-19 pandemic and 72% feeling that they do not have an acceptable work-life balance.

Teachers' earnings and position in the graduate labour market

The Department's views

- 2.58 In its submission, the Department stated that 'pay is a key driver for improving recruitment and retention, especially in early career' and that it remained committed to raising pay for new entrants to make teaching an attractive graduate option. It highlighted that teacher starting pay had become significantly more competitive and that, following the 2020 pay award, the teachers' starting salary of £25,714 outside London placed it above ISE graduate salaries cited in STRB's 2020 report. Similarly, in Inner London, the starting salary of £32,157 was above both the ISE London median and the High Fliers national average. The submission cited international studies which highlighted the positive impact of pay on retention, particularly for early career teachers.
- 2.59 The Department acknowledged that the proposed pay restraint in 2021 meant progress towards the £30,000 starting salary would be slower and that it would revisit the pay policy in 2022/23 once the economic outlook was clearer.

Consultees' views

- 2.60 Several consultees noted that teachers' earnings had been cut in real terms since 2010. The NEU provided its own analysis which suggested real terms pay losses of up to 19% compared to RPI inflation, from 2010 to 2021. The NASUWT asked the STRB to have regard to RPI rather than other measures of inflation, particularly as RPI was used for student loan interest and by other employers for pay settlements.
- 2.61 A number of consultees also pointed to reductions in take-home pay due to increased pension contributions since 2012, which may have prompted young teachers to opt out of the pension scheme. The NASUWT referred to the teachers' pension as the only non-pay reward which teachers received and highlighted that the Government paused the implementation of improved pension benefits in 2019. The NASUWT provided its own analysis which indicated that teachers who had remained in the profession since 2010/11 were between £28,082 and £180,326 cumulatively worse off in 2020/21 as a result of increasing pension contributions, the Government's public sector pay freeze and the 1% pay cap.
- 2.62 NGA commented that 'improving the competitiveness of teachers' pay framework and embedding healthy workforce cultures are equally important when it comes to recruiting and retaining quality staff in schools and trusts'. ASCL raised a similar point, noting that the starting salary was 'just one part

of the package that people look at when considering a career in teaching. They also look at the potential salary available over time through progression, along with other conditions of employment’.

- 2.63 Several submissions commented on the position of teacher salaries relative to other graduate professions. The NEU stated that pay cuts have ‘contributed to the falling value of teacher pay against other graduate professions’ and that a pay freeze would cause gaps between teaching and comparable graduate professions to widen. ASCL referred to ASHE data that it suggested highlighted the poor position of teacher salaries relative to other graduate professions. It was also concerned that the delay to the £30,000 starting salary would allow other graduate starting salaries to increase further in the meantime and negatively impact on the recruitment and retention of young teachers. Voice referred to research by High Fliers, which reported that the median starting salary at the leading employers is £30,000 in 2020. Whilst this has remained unchanged for the seventh consecutive year, Voice commented that this is above pay for unqualified teachers and for qualified teachers at the beginning of their career. Voice also referred to research by the Education Policy Institute which reported that teachers are, on average, paid less than most other professional occupations.
- 2.64 The NASUWT asserted that the Department’s evidence was based on a misguided view that there was a less pressing case for addressing later career-stage teachers’ pay. The NASUWT also cited research which showed that more experienced teachers were likely to be particularly sensitive to changes in pay.
- 2.65 NAHT was critical of the Department for omitting to discuss leadership pay in its submission and stated that ‘a decade of real terms pay cuts for teachers and leaders and the erosion of pay differentials for leadership resulting from Departmental pay policies have unarguably contributed to a supply crisis within the profession’.

School funding and finances

The Department’s views

- 2.66 The Department’s evidence noted that core funding was increasing by £2.2 billion in the 2021-22 financial year, compared to 2020-21 – the second year of the three-year school funding settlement from the 2019 Spending Round. It suggested the increases for the lower paid public sector workers would be affordable within school budgets and that the funding increase would allow schools to invest in a range of resources and activities to improve educational outcomes for pupils. For example, schools could invest this in school improvement activities; continuing professional development for teachers; additional teaching staff or pastoral support; and/or teaching resources. It emphasised that schools had the flexibility to decide how to best use their funding to support their staff and pupils.

- 2.67 In oral evidence, the Secretary of State underlined that he saw any available funding being directed to 'raising standards' and improving outcomes for pupils. He also told us that schools could direct some of this year's funding increase towards better support for teachers.
- 2.68 The Department estimated the total cost of the pay award to eligible teachers' base pay to be approximately £1.6m. Accounting for employer National Insurance and Teacher Pension Scheme contributions, it said this would rise to approximately £2.2m and would be split across phases broadly proportionally and was affordable from existing school budgets.

Consultees' views

- 2.69 NEOST, ASCL, NAHT, the NEU and Voice, in oral evidence, all contended that there was not as much headroom as the funding settlement might suggest and several believed the COVID-19 pandemic had added to schools' budget pressures. NEOST said its own research highlighted many schools struggling financially with the position likely to have deteriorated with the pandemic. NAHT cited Education Policy Institute research which shows that nearly all schools reported incurring additional staff and non-staff expenditure as a direct result of the COVID-19 pandemic. It also highlighted that changes to the timing of the Annual School Census resulting in reduced pupil premium payments this year. The NEU noted that some 200 academies were in receipt of insolvency notices and in oral evidence NGA said balancing budgets was their members' biggest concern.
- 2.70 The NASUWT, in contrast, suggested in oral evidence that the funding settlement meant there was no barrier to a full range of pay awards this year, citing published statistics showing large overall balances for most schools.
- 2.71 NEOST noted that that the sectors with the greatest reliance on unqualified teachers were special schools and pupil referral units. It reported that the impact of a £250 increase on schools' pay structures was assessed by 84% of its respondents as having little or a moderate impact. While it welcomed the planned increases to overall school funding, it was concerned at the lack of certainty around High Needs and SEND funding and was disappointed that additional funding has not been made available to help cover all exceptional costs incurred by schools in responding to the pandemic.
- 2.72 NEOST provided an LGA commissioned analysis of school finances, which showed:
- Schools in areas of deprivation, smaller rural schools, Pupil Referral Units and Special Schools were disproportionately negatively impacted in terms of the overall increase in school funding for 2021/22.
 - Special Schools and PRUs employed the most unqualified teachers and were likely to be disproportionately negatively impacted by the cost of any pay uplift for in 2021/22.

- The likely impact of the proposed pay award for eligible teachers was extremely modest. When set against the notional minimum increase for primary and secondary schools it said, 'there can be little question of affordability'.
- The current funding landscape was not a level playing field, and for any school already in financial difficulties, with unfunded COVID-19 related costs, a minimum formula funding increase, a squeeze on SEND top-up funding and cash freeze for the Pupil Premium Grant, the impact would be greater.

2.73 The Review Body wishes to thank the consultees for the evidence and views they have provided this year. We are conscious that this has been delivered alongside the considerable additional work resulting from the COVID-19 pandemic. We have, as ever, received a wealth of evidence with a variety of perspectives across the key issues. The evidence will be referred to in subsequent chapters as we assess the latest position on the labour market and consider our decisions on the remit question relating to teachers earning less than £24,000.

CHAPTER 3

The teacher labour market and school finances

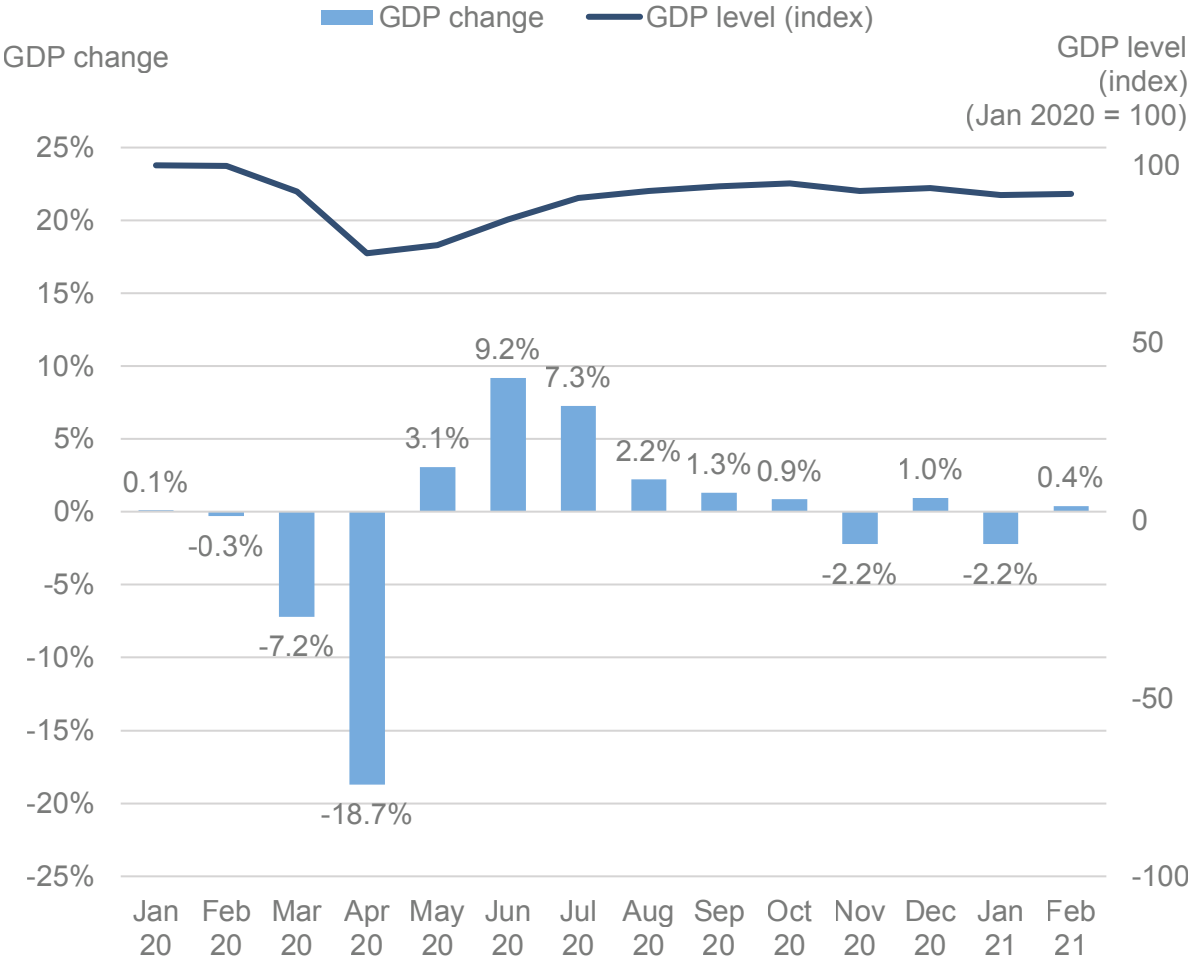
Introduction

- 3.1 In this chapter we present a summary of the evidence used to inform our assessment of the teacher labour market. We discuss the wider economic context, the graduate labour market and present a range of information relating to the school workforce, examining recruitment and retention trends. This chapter concludes with our assessment of the national and school-level funding context.
- 3.2 It should be noted that the most recent data available relating to the teacher workforce are from the School Workforce Census (SWC) for the year to November 2019 and hence do not reflect the impact of the COVID-19 pandemic. Some of the trends seen may therefore be subject to change as we move forward in a climate of considerable uncertainty.

Economic context

- 3.3 Each year we consider our recommendations in the context of the current and expected economic climate. As a result of the continuing COVID-19 pandemic, there remains a high degree of uncertainty over the extent and duration of the overall impact on the economy.
- 3.4 In 2020, over the year as a whole, the UK economy saw its largest ever annual contraction of 9.8%, as measured by real gross domestic product (GDP). Monthly estimates of GDP show that it reached its lowest level in April 2020, recovering strongly in June and July as lockdown measures were eased. The level of GDP in February 2021 was 8.1% below where it was in January 2020. The path of GDP since January 2020 is shown in Figure 1.

Figure 1: Change in GDP in 2020. Monthly and indexed in January 2020⁴.



3.5 In March 2021, the OBR forecast GDP growth of 4.0% overall in 2021, following a fall of 3.8% in the first quarter of the year. It expects the rapid rollout of vaccines and easing of public health restrictions to fuel a recovery in output to pre-pandemic levels by the middle of 2022. The Bank of England, in its February 2021 Monetary Policy Report, said that it expected there to be growth of 5.0% overall in 2021, with a rapid recovery to pre-COVID-19 levels of activity by the first quarter of 2022⁵.

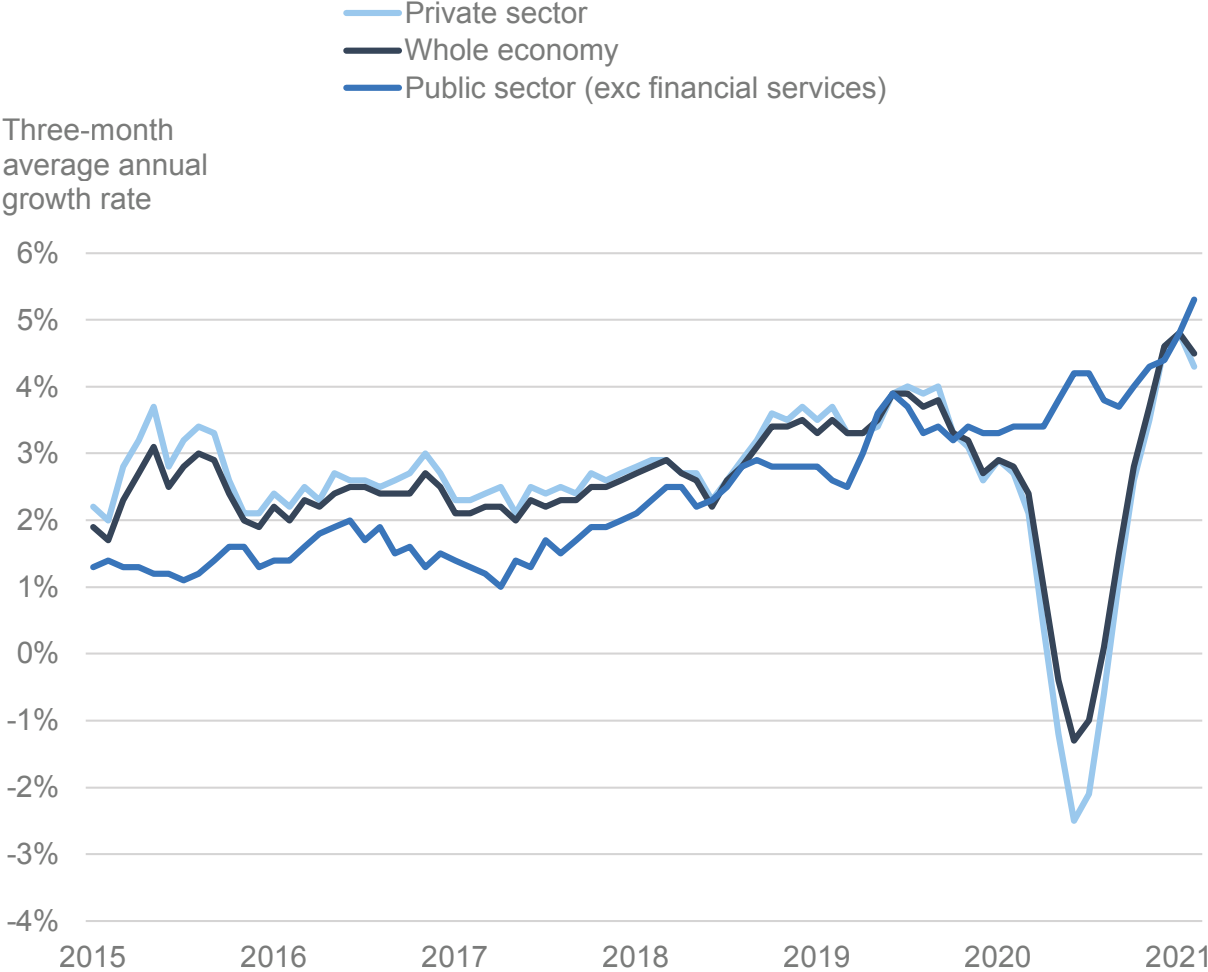
3.6 CPI inflation was 0.7% in March 2021, down from 1.5% a year earlier. CPIH inflation was 1.0% and the RPI rate was 1.5%. Lower inflation over the last year has been driven largely by falling petrol and energy prices, as well as lower prices for clothing and footwear. The Bank of England said it expected CPI inflation to rise quite sharply in spring 2021 as the reduction in VAT for certain services comes to an end, the energy price falls of a year earlier drop out of the 12-month rate, and petrol and utility prices rise. It projected CPI inflation to be close to 2.0% in 2022 and 2023.

⁴ OME analysis of ONS GDP data. ONS (2021) *GDP monthly estimate, UK: February 2021* - <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/february2021>
⁵ Bank of England (2021) *Monetary Policy Report – February 2021* – <https://www.bankofengland.co.uk/monetary-policy-report/2021/february-2021>

- 3.7 The number of employees on payrolls in March 2021 was down 813,000 compared with March 2020, according to HMRC Pay As You Earn (PAYE) Real Time Information. Whilst the Accommodation and Food Services sector has been worst hit, Retail, Manufacturing, and Arts and Entertainment have also seen substantial falls in employment. Areas of the public sector, in particular health, have seen expanding employment. This overall fall in the numbers on payrolls over the last 12 months has disproportionately affected younger workers. In the year to March 2021, the number of PAYE recorded jobs for those under 18 years fell by 32.6% and for those 18 to 24 years fell by 8.7%, compared to a fall of 2.8% across all age groups.
- 3.8 The number of job vacancies fell sharply in the first half of 2020, down by 58% between January and May 2020. There was some recovery after May, but the number of vacancies in the first quarter of 2021 was still 23% lower than a year earlier. The number of redundancies increased in the autumn of 2020, to reach 395,000 in the three months to November, a record high, but had fallen back to 204,000 in the three months to February 2021. The number of employees furloughed peaked at 8.9 million in May 2020 and remained at 4.7 million at the end of February 2021.
- 3.9 According to the average weekly earnings series, the level of private sector average earnings fell between February and April 2020, remained stable until June and has grown since then. Whole economy average earnings growth was 4.5% in the three months to February 2021. This will have been influenced by compositional changes in the workforce whereby employment has fallen most in lower-paying sectors. Removal of the compositional effect suggests the underlying wage growth was around 2.5%⁶. Private sector average earnings growth was 4.3% and public sector average earnings growth (excluding financial services) was 5.3% (shown in Figure 2).

⁶ ONS (2021) *Labour market overview, UK: April 2021* – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2021>

Figure 2: Average weekly earnings growth in the private sector, public sector, and whole economy. Three-month average annual change, 2015-2021⁷.



3.10 PAYE data for February 2021 indicate that median monthly pay increased by 4.3% over the year to £1,937⁸. Average monthly pay increased by 5.5% over the year to £2,658⁹. This will have been influenced by the compositional effect. The median annual pay growth experienced by employees who were in employment over the year was 2.0% in February 2021, up from a low of 0.2% in May 2020.

3.11 Most employers have continued to give pay increases over the last year. According to XpertHR, the median pay settlement for 2021 pay reviews was 1.5% by April, with 29% of 2021 pay reviews resulting in freezes. In 2020, the median pay review recorded by XpertHR was 2.0% and 26% of pay reviews were freezes¹⁰.

⁷ OME analysis of ONS (2021) *Labour market statistics time series* – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatistics>

⁸ Employees who were furloughed as part of the Coronavirus Job Retention Scheme should feature in this data as their payments should have been reported through the Real Time Information system.

⁹ ONS (2021) *Earnings and employment from Pay As You Earn Real Time Information, UK: April 2021* – <https://www.ons.gov.uk/releases/earningsandemploymentfrompayasyouearnrealtimeinformationukapril2021>

¹⁰ OME analysis of unpublished XpertHR data.

The graduate labour market

3.12 This year, the ONS reported on the impact of the COVID-19 pandemic on graduates^{11,12}. Headlines from this publication include:

- An increase in graduate unemployment following the onset of the pandemic.
- The third quarter (Q3) 2020 unemployment rate for all graduates was 4.6%, which is the highest seen in Q3 over the last three years.
- For recent graduates, defined as those who have graduated within the last five years, the unemployment rate was 12.0% against an average of 6.3% across the last three years.

3.13 The Institute of Student Employers (ISE) Annual Student Recruitment Survey 2020 is based on a sample of 179 employers. These tend to be large graduate employers, many of which are London-based¹³. The survey opened on 1 September 2020 and closed on the 7 October 2020¹⁴. Key points were:

- Respondents reported hiring a total of 18,361 graduates during 2019/20, with 45% of graduates recruited to work in London. On average, firms received 60 applications for each graduate vacancy.
- Employers reported a 12% decline in graduate recruitment in 2019/20 and around half anticipated a further decline in 2020/21. The decline in hiring was unevenly spread amongst the different sectors. While the Charity and Public sector expected growth of 4% between the numbers hired in 2018/19 and their target anticipated hires for 2020/21, the Retail and Fast Moving Commercial Goods sector expected a dramatic decline in hiring of 45%.
- Respondents who were able to provide figures for both years reported that between 2018/19 and 2019/20 the volume of applications rose by 14%, but the number of new graduates hired declined by 12%.
- The median starting salary varied by sector, with the highest seen in the Legal sector (£38,250) and the lowest seen in the Charity and Public sector (£26,000).

¹¹ Office for National Statistics (2021) *Graduates' labour market outcomes during the coronavirus (COVID-19) pandemic: occupational switches and skill mismatch* – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/graduateslabourmarketoutcomesduringthecoronaviruscovid19pandemicoccupationalswitchesandskillmismatch/2021-03-08>

¹² A graduate is defined as an individual aged between 21 and 64 years not enrolled on an educational course who has attained a higher education degree or equivalent.

¹³ Here, graduates are individuals with a degree who are entering a post that the organisation classes as a 'graduate' role. These are typically entry level roles for those with a degree.

¹⁴ Institute of Student Employers (2020) *Student recruitment survey 2020: Challenge and resilience in the year of COVID-19*. Available to ISE members – <https://ise.org.uk/page/ISEPublications>

3.14 High Fliers' 2021 study covers graduate vacancy and starting salary data for 100 major graduate employers in the UK¹⁵. The fieldwork took place in December 2020 and sought information relating to the 2020/21 recruitment round. The key points were:

- The median graduate starting salary is expected to remain at £30,000 in 2021 for the seventh consecutive year.
- Recruitment was 12% lower in 2019/20 than in 2018/19. Furthermore, graduate recruitment in 2019/20 was 15% lower than the original recruitment targets for the round.
- Recruitment targets for the 2020/21 round suggest that the number of vacancies may increase by 2.5% compared to 2019/20, but there remains considerable uncertainty as a result of the COVID-19 pandemic.
- Overall, compared to 2018/19, most sectors are expected to have fewer graduate vacancies in 2020/21, in spite of the predicted rise in roles for 2020/21 versus 2019/20. Consulting (1%), Investment Banking (6%) and Consumer Goods (7%) are the only sectors expected to increase their graduate vacancies.
- More than 80% of employers have seen an increase in the applications for the 2020/21 round so far, compared to the same period last year. On average, graduate job applications have increased by 41%, the highest ever annual increase recorded by High Fliers.

Graduate pay comparisons

3.15 Table 1 compares median graduate starting salaries, as recorded by ISE and High Fliers, with teachers' minimum starting salaries. It shows that the minimum salary for teachers outside London falls considerably below the two graduate comparators, whereas teachers' starting pay in Inner London is more competitive. High Fliers and ISE samples are heavily weighted towards graduate jobs in London and the South East.

3.16 Over recent years, the gap between teachers' minimum starting salaries and other graduate starting salaries has been decreasing. In the last three years, the median graduate starting salary reported by ISE has increased by 8%, whilst High Fliers has remained stable. Over the same period, the teachers' minimum starting salary has increased by 12%.

¹⁵ High Fliers Research (2021) *The Graduate Market in 2021* – https://www.highfliers.co.uk/download/2021/graduate_market/GM21-Report.pdf

Table 1: Graduate starting salaries compared to teachers' minimum starting salaries, 2016 to 2020¹⁶.

Source	2016	2017	2018	2019	2020
ISE	£27,500	£28,000	£28,250	£29,000	£29,667
High Fliers	£30,000	£30,000	£30,000	£30,000	£30,000
Teachers (England)	£22,467	£22,917	£23,720	£24,373	£25,714
Teachers (Inner London)	£28,098	£28,660	£29,664	£30,480	£32,157

3.17 ISE provided us with a regional breakdown of starting salaries, reported in Table 2 (note that salaries for some regions are based on a relatively small number of organisations). The organisations included in the sample are not the same between years and therefore a direct comparison between last year's data and this year's data cannot be made. The regional data show:

- The median starting salary received by graduates (graduate median salary) in London is over £3,000 higher than any other UK region, at £31,000. Graduate median pay in other regions spans a narrow range, from £24,000 to £27,825, other than in Northern Ireland where it is somewhat lower (£21,000).
- The median salary offered by firms (organisational median salary) is higher than the graduate median in every region. This reflects generally fewer graduate vacancies at the higher paying firms compared to those paying lower salaries.

Table 2: Median graduate starting salaries by region, ISE, 2020¹⁷.

Region	Organisational median	Graduate median	Number of ISE members reporting salary on that region	Number of graduates recruited by those members
London	£33,000	£31,000	113	6,140
South East	£28,000	£27,825	55	1,071
South West	£28,000	£26,000	55	661
East of England	£27,500	£26,000	29	151
West Midlands	£27,000	£25,000	51	964
East Midlands	£27,000	£26,000	35	304
Yorkshire and Humberside	£27,000	£24,000	41	441
North West	£27,000	£26,000	55	825
North East	£27,000	£26,000	31	259
Scotland	£27,000	£25,000	59	986
Wales	£27,000	£24,750	26	144
Northern Ireland	£26,000	£21,000	16	204

¹⁶ The England pay scale for teachers excludes London and the Fringe.

¹⁷ OME analysis of unpublished ISE data. The organisational median is the median by organisation count. The graduate median is the median by individual count.

- 3.18 In previous reports we have used data from the Destinations of Leavers from Higher Education (DLHE) survey. However, in 2018 this was replaced by the Graduate Outcomes survey. This survey is conducted at 15 months post-graduation and the results of the first survey, relating to graduates of the academic year 2017/18, were published in the second half of 2020. This section presents our analysis of these newly developed statistics¹⁸.
- 3.19 We make comparisons between teachers, defined as primary and secondary teachers using Standard Occupation Classification 2010 codes, and other professional occupations. In this survey, teachers include both individuals who completed an undergraduate degree 15 months prior, as well as those who have completed their postgraduate teacher training 15 months prior. There may also be a number of unqualified or trainee teachers who are in training via the school direct route in the dataset.
- 3.20 Within the Graduate Outcomes data, salaries are rounded to the nearest £1,000, for example, £20,000 would represent earnings between £19,500 and £20,499. All salary information reflects earnings at 15 months post-graduation, which was between December 2019 and September 2020 depending upon graduation date. In some instances, it may be the case that a graduate has received a pay rise in this time, so these figures do not necessarily represent starting salaries. The sample we have used includes all graduates who completed a full-time degree and who are now in full-time employment in England with valid salary information.
- 3.21 Across England, median earnings for teachers were three bands lower than for other professional occupations, at £24,000 compared to £27,000. Table 3 presents earnings for teachers as compared with other professional occupations for each region in England. It shows that:
- In every region other than London, the median pay of graduates in teaching is below that of graduates in other professional occupations.
 - The difference is smallest in the North East, North West, and Yorkshire and The Humber, where the median teacher pay is one salary band below that of other professional occupations. This reflects the relatively lower wages in these regions, with median teacher pay remaining constant in all regions other than London.
 - In London, median teacher pay is equal to that of other professional occupations. This is despite the pay of other professional occupations being higher in London compared to the Rest of England and reflects the higher pay for teachers in London.

¹⁸ Newly developed statistics are subject to evaluation and until this evaluation is complete, they are classed as Experimental, rather than National Statistics.

Table 3: Median graduate pay for teachers and other professional occupations 15 months after graduation, by region. 2017/18 graduating cohort.

Region	Teachers	Other Professional Occupations
East Midlands	£23,500 – £24,499	£25,500 – £26,499
East of England	£23,500 – £24,499	£26,500 – £27,499
London	£29,500 – £30,499	£29,500 – £30,499
North East	£23,500 – £24,499	£24,500 – £25,499
North West	£23,500 – £24,499	£24,500 – £25,499
South East	£23,500 – £24,499	£27,500 – £28,499
South West	£23,500 – £24,499	£25,500 – £26,499
West Midlands	£23,500 – £24,499	£25,500 – £26,499
Yorkshire and The Humber	£23,500 – £24,499	£24,500 – £25,499
England	£23,500 – £24,499	£26,500 – £27,499

3.22 We also considered the distribution of earnings by looking at the 25th and 75th percentiles. We found teachers’ pay to be less varied than that of other professional occupations. This was especially true in London, where in other professional occupations there was a considerable gap between the highest and lowest paid graduates.

Teachers’ pay compared to earnings in other professional occupations

3.23 We have examined the relative position of the teachers’ pay framework by tracking the position of the minima and maxima of the three STPCD pay ranges in the wider distribution of earnings, in terms of annual gross pay¹⁹. We compare against the earnings of those working in professional occupations. The data cover the period to 2019/20, so do not take into account the September 2020 uplift to the pay ranges.

3.24 The ASHE data used in this analysis are annual pay data for the financial year 2019/20. Unlike the weekly pay estimates, these figures are largely unaffected by the COVID-19 pandemic. However, ASHE estimates for 2020 are subject to more uncertainty than usual²⁰.

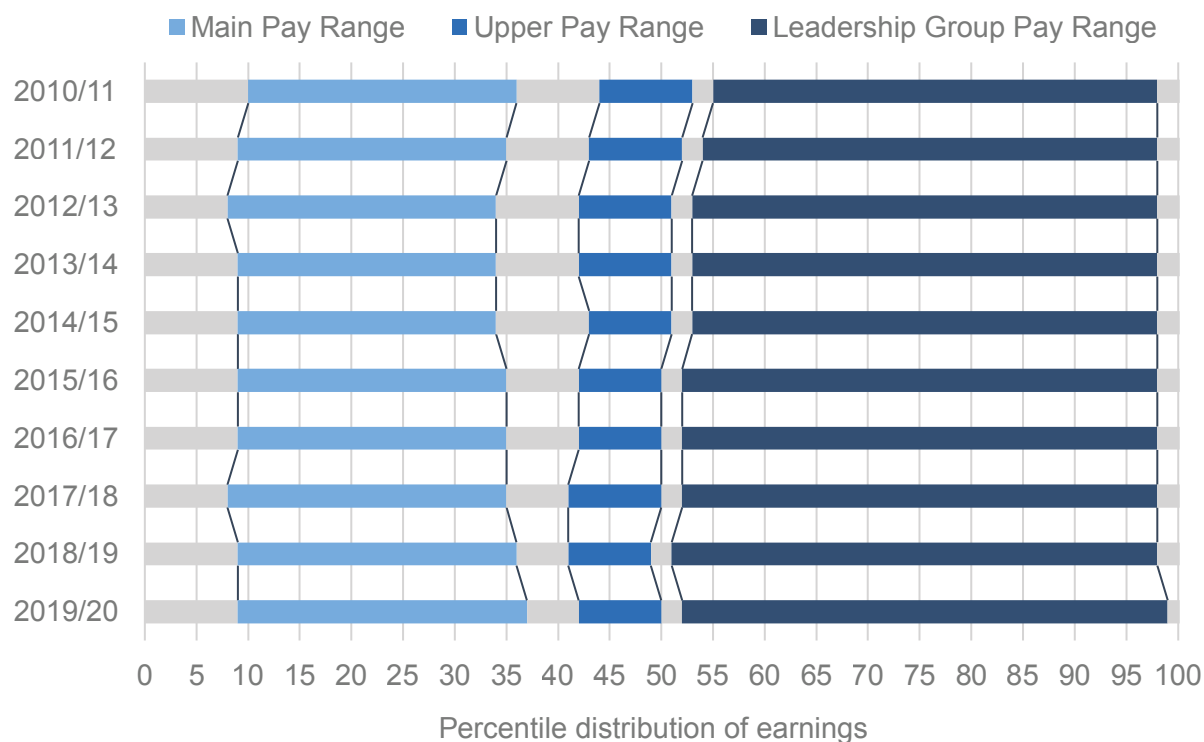
¹⁹ Department for Education (2020) *School teachers’ pay and conditions document 2020 and guidance on school teachers’ pay and conditions* – <https://www.gov.uk/government/publications/school-teachers-pay-and-conditions>

²⁰ ONS (2020) *Employee earnings in the UK: 2020* – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2020>

3.25 Figure 3 shows how the Main Pay Range (MPR), Upper Pay Range (UPR) and Leadership Group Pay Range compare to the distribution of earnings for those in professional occupations, as defined by the Standard Occupational Classification 2010. The figure shows:

- Overall, compared to 2018/19, the position of teachers' pay has improved slightly with all band minima and maxima increasing their position by one percentile, with the exception of the MPR minimum, which remained stable.
- The relative position of the MPR has largely maintained its position compared to 2010/11, although the minimum has decreased by one point and the maximum has increased by one point.
- Between 2010/11 and 2019/20, the relative position of the UPR pay range has deteriorated slightly. However, it has been broadly stable from 2015/16.
- The Leadership Group Pay Range maximum remained stable between 2010/11 and 2018/19 but increased by one point in 2019/20. However, the minimum has decreased by three points compared to 2010/11.
- Since 2014/15 the gap between the top of the MPR and the bottom of the UPR has decreased by 2 points.

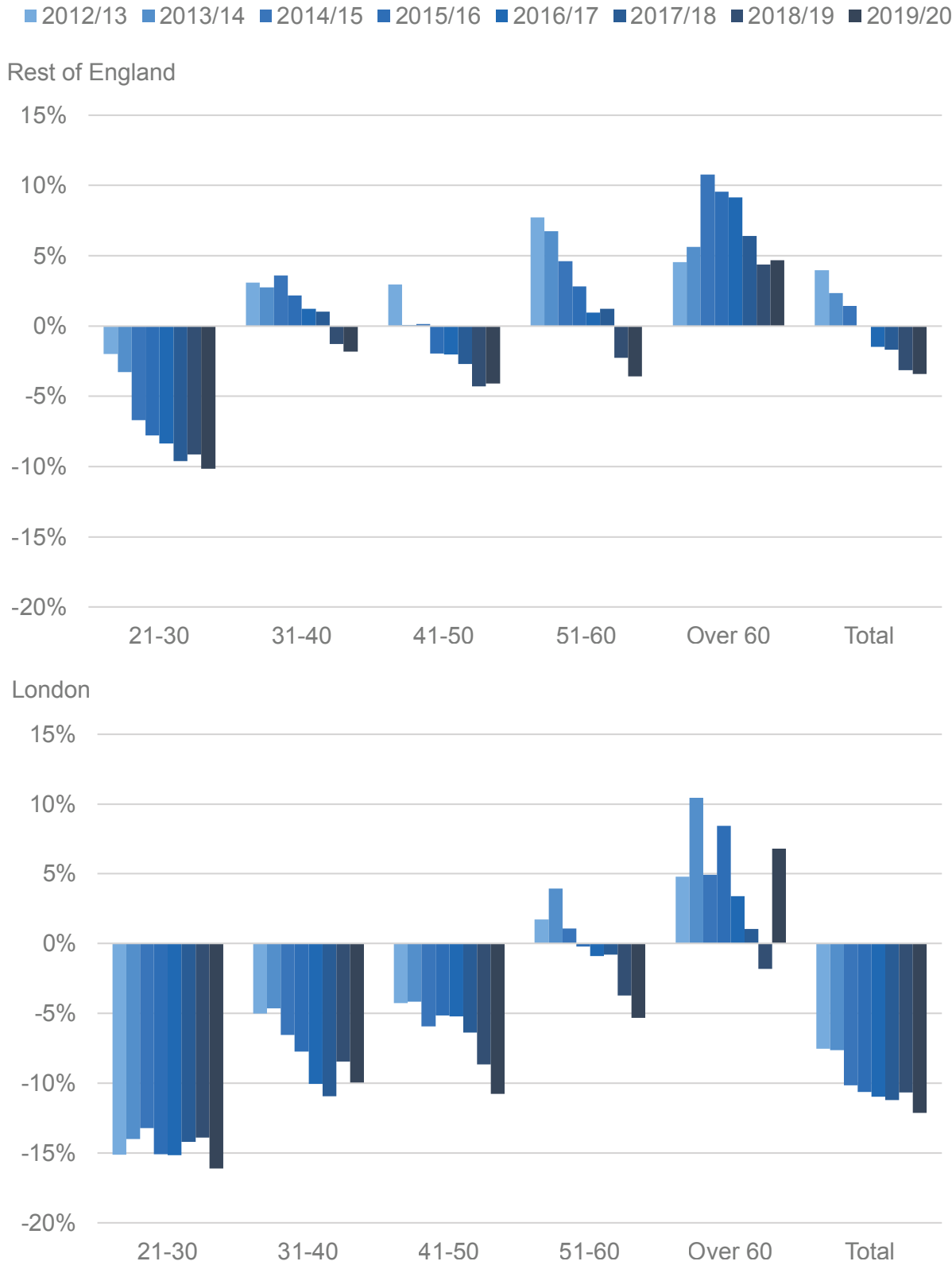
Figure 3: Position of the MPR, UPR, and Leadership Group Pay Range in the percentile distribution of wider economy annual gross pay, professional occupations only. England, 2010/11 to 2019/20²¹.



²¹ OME analysis of unpublished ONS Annual Survey of Hours and Earnings (ASHE) data.

- 3.26 In previous reports, we have compared salaries across different age bands using weekly ASHE estimates and SWC data. However, as previously stated, these estimates are subject to considerable uncertainty this year due to the COVID-19 pandemic. Therefore, we present a similar analysis which uses annual pay estimates instead; these estimates are not directly comparable to last year's analysis. To make the SWC data more directly comparable to ASHE we have weighted the data to reflect the financial year.
- 3.27 We have analysed the estimated earnings of teachers and those working in other professional occupations (excluding teachers) by broad age bands. This covers all teachers, including leaders. To maintain reasonable sample sizes, this analysis is conducted for London and the Rest of England. Figure 4 presents the pay comparisons in the form of the percentage differentials between estimated teachers' median earnings and those of the comparator group (where a negative value indicates that teachers' earnings fall below those of the comparator). The figure shows:
- In 2019/20, teachers' median earnings were below those of the comparator group in each age band, both in London and the Rest of England.
 - Across all age categories, the relative earnings of teachers have deteriorated over the period from 2012/13, particularly for the Rest of England.
 - Teachers in the youngest age group compare least favourably against other professional occupations, particularly in London, whilst those in the oldest age group compare most favourably.
 - The gaps between teachers' earnings and those of the comparator group are greatest in London.

Figure 4: Percentage difference between median full-time teachers' earnings and those in other professional occupations, by age band. The Rest of England and London, 2012/13 to 2019/20²².

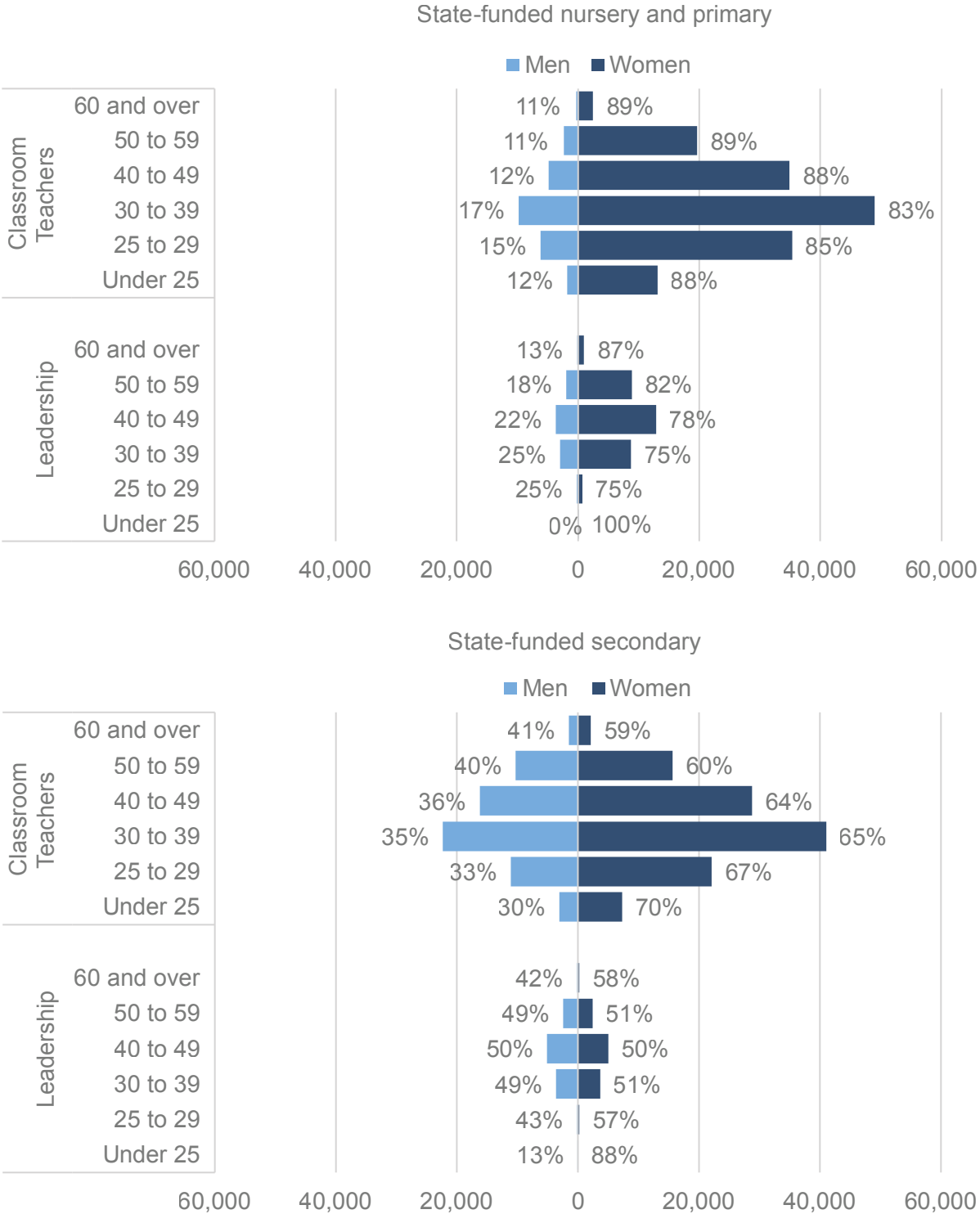


²² OME analysis of unpublished ASHE and SWC data.

Teacher numbers and characteristics

- 3.28 This section presents statistics on teacher numbers and their characteristics, such as age and gender. Ethnicity data is also presented for teachers and pupils.
- 3.29 There were 453,813 full-time equivalent (FTE) teachers working in state-funded schools in England in November 2019, an overall increase of 0.1% from 2018. Between November 2018 and 2019:
- FTE nursery and primary teachers decreased by 0.4% (-978 staff).
 - FTE secondary teachers increased by 0.5% (+944 staff).
 - FTE special school teachers increased by 2.8% (+658 staff).
 - FTE centrally employed teachers decreased by 5.1% (-197 staff).
- 3.30 Figure 5 shows the number of teachers by grade, age, and gender across state-funded nursery and primary and secondary schools. Key points from the figure and underlying data are:
- 30 to 39 year-olds make up the largest proportions of the total workforce.
 - A higher proportion of teachers are female in both primary (85%) and secondary schools (63%).
 - Whilst men make up 15% of the primary workforce, they account for 26% of heads, 20% of deputy heads and 17% of assistant heads. In secondary schools, men account for 37% of teachers overall, but 61% of heads, 52% of deputy heads and 45% of assistant heads.
 - 74% of teachers are female and this rises to 81% for teachers under 25.

Figure 5: Numbers of FTE regular qualified and unqualified teachers, split by age and gender, across state-funded nursery and primary schools and state-funded secondary schools. England, November 2019^{23,24}.



²³ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

²⁴ The leadership category includes assistant heads, deputy heads, and heads.

- 3.31 Tables 4a to 4c show ethnicity data for teachers and pupils of all ages. Ethnicity data were available for 92% of teachers and 99% of pupils. The tables show that in November 2019:
- 85% of all teachers were White British; this compares to 81% of the population in the 2011 census and 66% of school pupils²⁵. The proportion of White British teachers rises to 93% for heads.
 - A larger proportion of teachers in nursery and primary schools are White British compared to secondary schools.
 - The pupil population is much more diverse than the teacher population, across school types.
- 3.32 From 2018 to 2019, the total proportion of teachers from a minority ethnic background (all groups excluding White British) in state-funded schools has increased very slightly, from 14.1% to 14.3%. This proportion is up from 11.2% in 2011

²⁵ Office for National Statistics (2018) *Population of England and Wales* – <https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/population-of-england-and-wales/latest>

Table 4a: Ethnicity of regular teachers by grade and pupils in state-funded schools (headcount). England, 2019/20^{26,27}.

	Heads (%)	Deputy heads (%)	Assistant heads (%)	Classroom and others (%)	Total (%)	Pupils (%)
White British	92.7	91.5	88.5	84.9	85.7	66.3
White Other	3.6	3.7	4.5	5.6	5.3	7.5
Asian	1.6	2.1	3.6	5.0	4.7	12.0
Black	1.0	1.3	1.8	2.4	2.3	5.8
Mixed	0.8	1.0	1.2	1.5	1.4	6.3
Other	0.2	0.4	0.4	0.6	0.6	2.1

Table 4b: Ethnicity of regular teachers by grade and pupils in state-funded nursery and primary schools (headcount). England, 2019/20²⁸.

	Heads (%)	Deputy heads (%)	Assistant heads (%)	Classroom and others (%)	Total (%)	Pupils (%)
White British	93.3	92.4	88.9	88.0	88.6	65.6
White Other	3.3	3.4	3.9	4.3	4.1	8.2
Asian	1.5	1.9	3.8	4.3	3.9	12.0
Black	0.9	1.1	1.7	1.7	1.6	5.5
Mixed	0.8	0.9	1.3	1.4	1.3	6.6
Other	0.2	0.3	0.4	0.4	0.4	2.1

Table 4c: Ethnicity of regular teachers by grade and pupils in state-funded secondary schools (headcount). England, 2019/20²⁹.

	Heads (%)	Deputy heads (%)	Assistant heads (%)	Classroom and others (%)	Total (%)	Pupils (%)
White British	90.7	89.5	88.2	81.4	82.2	67.2
White Other	4.6	4.3	4.6	6.8	6.5	6.7
Asian	2.2	2.8	3.8	6.1	5.8	12.2
Black	1.2	1.7	1.9	3.2	3.1	6.1
Mixed	0.9	1.1	1.1	1.6	1.5	5.8
Other	0.3	0.6	0.4	0.9	0.8	2.0

²⁶ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

²⁷ OME analysis of Department for Education (2020) *Schools, pupils and their characteristics: Academic year 2019/20* – <https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics>

²⁸ Ibid.

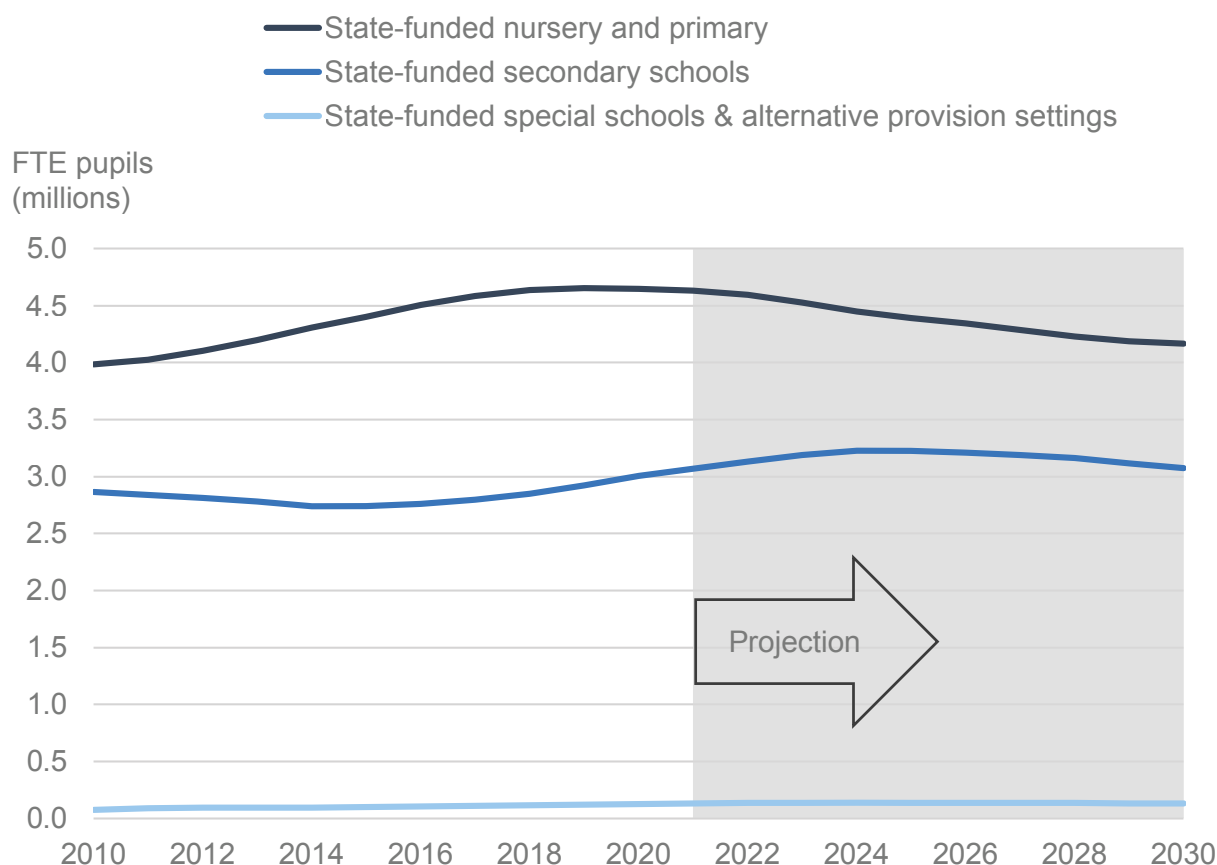
²⁹ Ibid.

Pupil numbers

3.33 Pupil numbers do not translate directly into the required number of teachers; however, they do provide some measure of demand. Figure 6 shows pupil numbers for 2010 to 2020, as well as a projection to 2030. The data show:

- The nursery and primary school population reached a peak in 2019 of just over 4.65 million pupils. It has fallen to just under 4.65 million pupils in 2020 and is expected to decline further over the coming decade, due to a lower number of births since 2013.
- The secondary school population (up to and including pupils aged 15) increased to just over 3 million in 2020, compared with approximately 2.9 million in 2019. It is expected to peak in 2024 at just over 3.2 million, before gradually dropping until 2030.

Figure 6: FTE pupil numbers up to and including age 15, in state-funded schools. England, 2010-2030 (projection from 2021)³⁰.

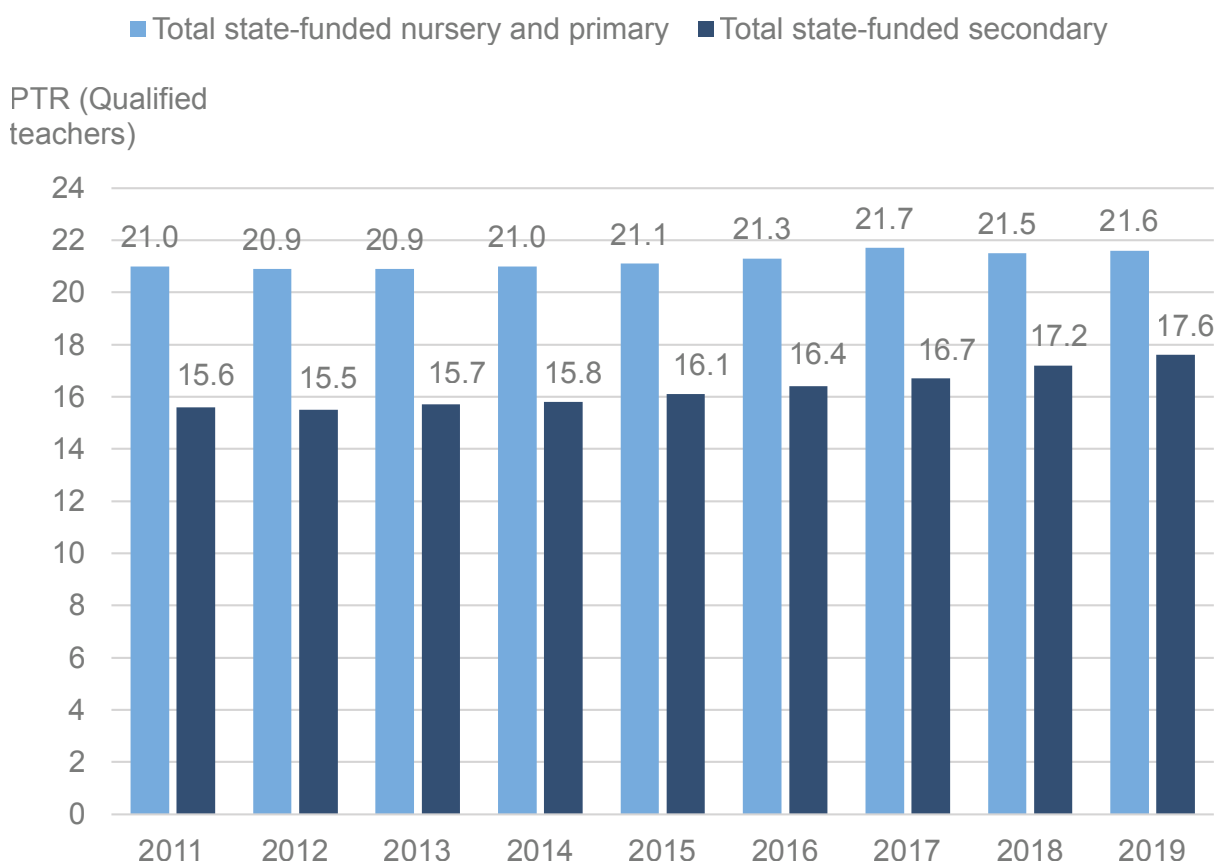


³⁰ OME analysis of Department for Education (2020) *National pupil projections: July 2020* – <https://www.gov.uk/government/statistics/national-pupil-projections-july-2020>

Pupil teacher ratios

3.34 Pupil teacher ratios (PTRs) give the number of FTE pupils per FTE teacher^{31,32}. Figure 7 shows PTRs for primary and secondary schools from 2011 to 2019. There has been a general upwards trend with ratios for secondary schools increasing over the period between 2012 and 2019. In primary schools, the PTR has increased more gradually since 2014 and has been stable since 2017.

Figure 7: Pupil teacher ratios (PTRs) for qualified teachers in state-funded schools. England, 2011 to 2019³³.



³¹ For statistical purposes, only pupils who did not attend both morning and afternoon sessions are regarded as part-time (part-time are always 0.5 FTE).

³² The secondary PTRs include pupils in 16-18 schools where they are classed as a school. For example, sixth form colleges under Further Education funding are not included as they are not part of the school workforce census.

³³ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

- 3.35 Pupil adult ratios (PARs) give the number of FTE pupils per FTE adult employed in schools (including teachers and support staff, and excluding administrative, clerical, and auxiliary staff). Data on PARs show:
- The PAR for all state-funded nursery and primary schools remained stable from 2017 onwards at 11.2. This is slightly lower than the rate in 2011 (11.7).
 - The PAR for all state-funded secondary schools rose from 11.6 in 2018 to 11.9 in 2019. This is higher than the 2011 rate (10.6) and has increased each year from 2015.

Teacher flows: entrants and leavers

- 3.36 The following section focuses on entrants to, and leavers from, the teacher workforce and our assessment of the state of recruitment and retention in the teacher labour market.
- 3.37 There were 43,406 FTE qualified entrants to teaching in state-funded schools in 2019. The overall entrants' rate was 10.0%, slightly lower than in 2018 when the rate was 10.4%³⁴. Of the qualified new entrants there were:
- 23,064 newly qualified teachers (NQTs), 53% of all entrants.
 - 15,754 teachers returning to teaching after a break, 36% of all entrants.
 - 2,611 deferred NQTs, 6% of all entrants.
 - 1,977 teachers new to the state-funded sector, 5% of all entrants.
- 3.38 There were 39,675 FTE qualified teachers who left teaching in state-funded schools in 2019. The overall leaving rate was 9.2% in 2019, lower than in 2018 when the rate was 9.6%³⁵. Since 2011/12 the overall leaving rate has fluctuated between 9.1% and 10.1%. Of the teachers who left in 2019 there were:
- 33,565 teachers out of service, 85% of all leavers³⁶.
 - 5,979 teachers who retired, 15% of all leavers.
 - 131 teachers who died whilst in service, less than 1% of all leavers.
- 3.39 The proportion of leavers who retired has fallen each year from 2011 (34%) to 2019 (15%). This is consistent with a reduction in the proportion of teachers who were aged 50 or over from 24% in 2011 to 18% in 2019. As the number of older teachers in the workforce has fallen, there are fewer retirements as most retirements are age-related.

³⁴ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

³⁵ Ibid.

³⁶ This category applies to teachers who are taking a break from teaching and who may come back as returners in a later year, and those leaving the profession.

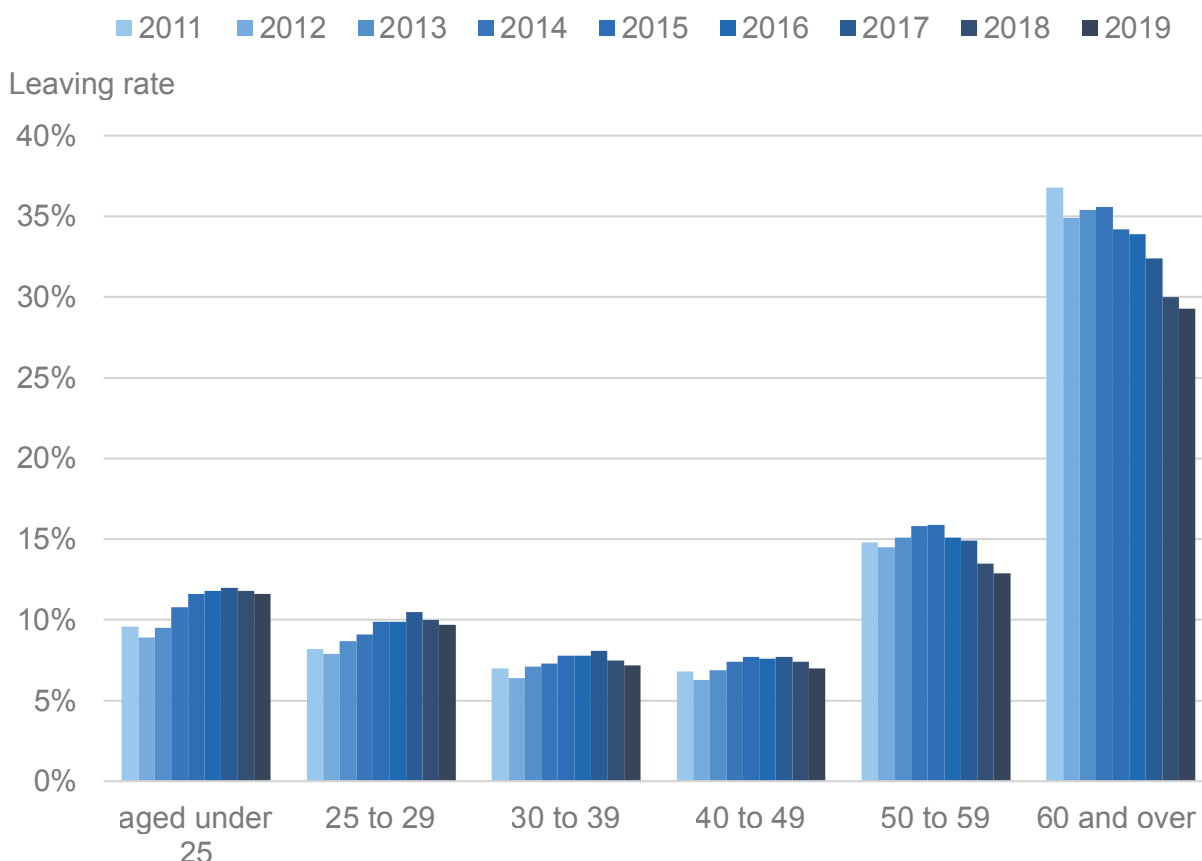
3.40 Within the overall leaving rate, there is variation by school type. The leaving rate for primary schools has been consistently lower than for secondary schools since 2011. Both rates peaked in 2015 at 9.8% and 10.6% for primary and secondary respectively. Between 2018 and 2019, the primary and secondary school leaving rates decreased from 9.1% to 8.9% and 9.7% to 9.1% respectively.

3.41 Overall, despite around 3,700 more joiners than leavers in 2019, the number of FTE teachers increased by 400 compared to 2018. This is due to a number of teachers decreasing their working hours in 2019.

Leaving rates by age

3.42 Figure 8 presents leaving rates by age on leaving, from 2011 to 2019. During this period, the leaving rates have decreased for those aged between 50 to 59, and 60 and over. Over the same period, leaving rates in age groups under 40 increased until around 2017 before showing slight decreases in the last two years.

Figure 8: Leaving rates of qualified teacher leavers by age on leaving, across all state-funded schools. England, 2011 to 2019³⁷.

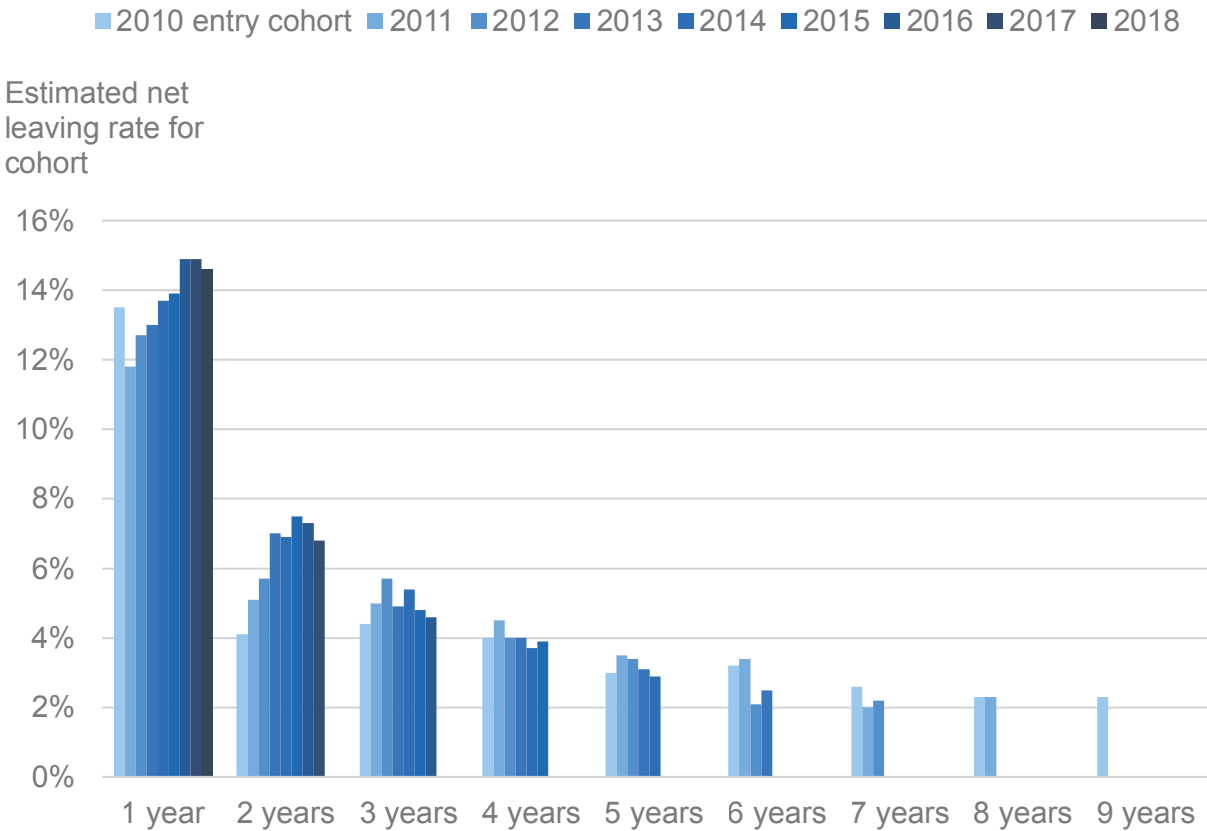


³⁷ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

Leaving rates by length of service

3.43 Figure 9 shows, for each cohort of new entrants, the percentage of that cohort leaving after each year of service. For example, for the 2010 entry cohort, it shows the percentage of teachers in the cohort who left after one year of service, two years of service, etc. In some cases, a teacher from a given cohort may leave and subsequently return to service; in such cases, they cease being treated as a leaver from the year they are recorded as having returned. In this sense, we are measuring ‘net leaving rates’. The net leaving rates for any given cohort decline quickly in the first few years of service and then flatten out.

Figure 9: Estimated net leaving rates at each year of service (full-time and part-time qualified teachers). England, 2010 to 2018^{38,39}.



³⁸ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>. The leaving rates are adapted from published retention rates which take account of returners to the profession.

³⁹ All figures for the years prior to 2019 may not match to previously published data. This is due to revisions made by the Department.

- 3.44 Drawing on the underlying data in Figure 9 we note that retention rates have been decreasing in recent years. For example:
- 85% of teachers who joined in 2018 were retained after one year, the corresponding figure for the 2010 cohort was 86%.
 - 73% of teachers who joined in 2016 were retained after three years, the corresponding figure for the 2010 cohort was 78%.
 - 67% of teachers who joined in 2014 were retained after five years, the corresponding figure for the 2010 cohort was 71%.
- 3.45 However, there are indications that leaving rates may be flattening or improving for the most recent cohorts. For example:
- For teachers who qualified in 2018, 85.4% are still in service one year after qualification. This is slightly higher than for the 2017 NQT cohort where the one-year retention rate was 85.1%.
 - Whilst leaving rates in years one and two have increased steadily since 2010, rates for year three onwards have remained more stable.
- 3.46 Evidence from the Department identifies those teachers who remain in service continuously every year since their NQT year. For example, for the 2014 NQT cohort, 67% are in service five years following qualification but only 57% remained in service continuously over this period. This demonstrates the impact that returners have on the overall retention rate.
- 3.47 Retention rates for primary teachers are higher than for secondary teachers. Among the 2017 NQT cohort, 80% of primary teachers are in service two years following qualification compared to 76% of secondary teachers. Among secondary teachers, retention rates for Science, Technology, Engineering and Mathematics (STEM) teachers are lower than for secondary non-STEM teachers.

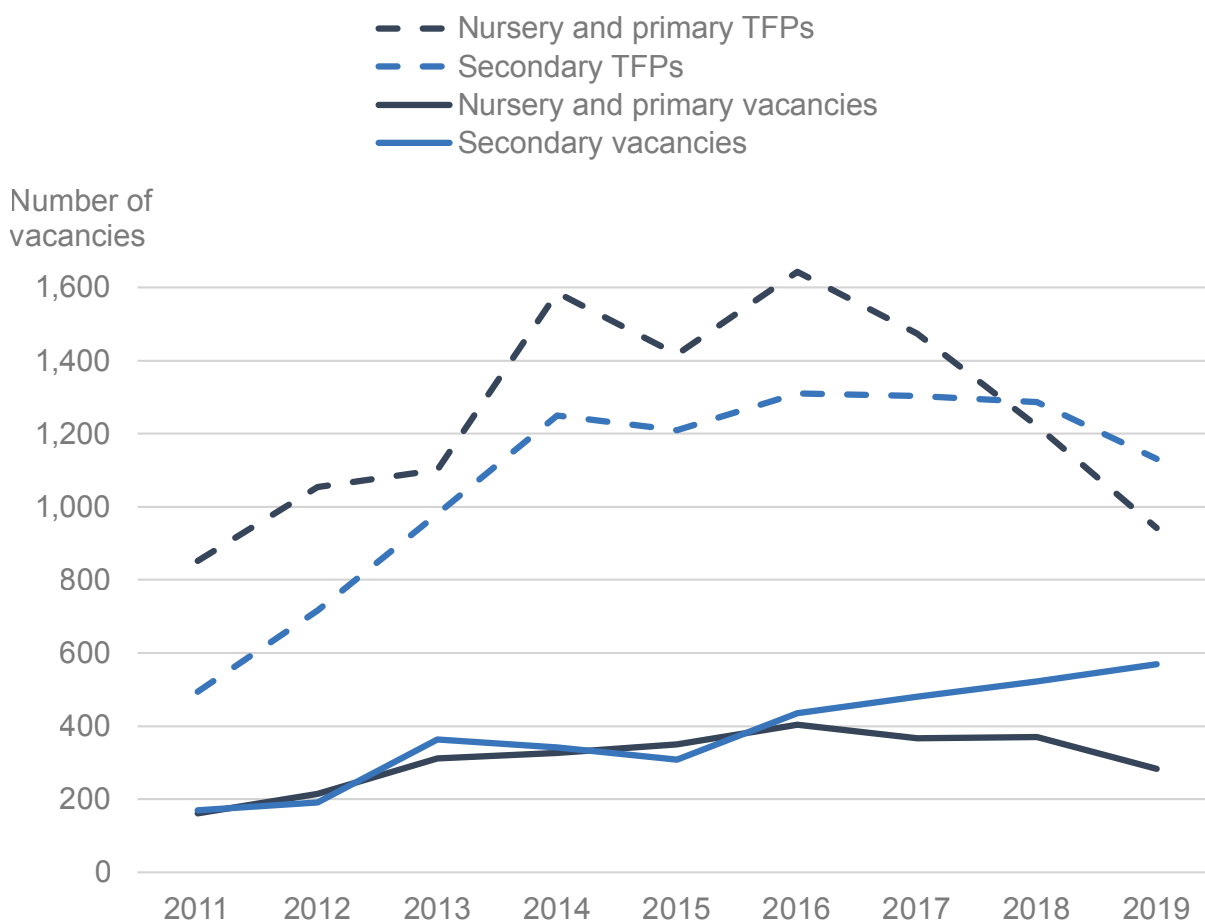
Teacher vacancies

- 3.48 In 2019, the full-time teacher vacancy rate across all state-funded schools was 0.3%, the same as the previous year. The vacancy rate has increased gradually from 0.1% in 2011. By grade the vacancy rate in 2019 was:
- 0.3% for classroom teachers (the same as the previous two years).
 - 0.1% for head teachers (which has remained between 0.1% and 0.2% since 2010).
 - 0.2% for head/deputy/assistant head teachers (which has remained at 0.2% since 2010, other than in 2013 where it rose to 0.3%)⁴⁰.

⁴⁰ The vacancy rate is the number of vacancies as a percentage of full-time qualified teachers in post plus the number of permanent vacancies. Teachers in post include teachers on leave of absence or secondment.

- 3.49 In absolute terms, the number of full-time vacancies across state-funded schools fell by 2% compared to the previous year to 968. Within the headline total, secondary schools saw a continued increase in recorded vacancies, while nursery and primary schools saw a decrease (see Figure 10).
- 3.50 Temporarily filled posts (TFPs) are those where a vacancy exists, which is being filled by a teacher on a contract of at least one term but less than a year. The rate for TFPs across all state-funded schools was 0.6% in 2019, the lowest level seen since 2013. This equates to 2,335 TFPs. After peaking in 2016, the number of TFPs has fallen, particularly at nursery and primary level (see Figure 10).

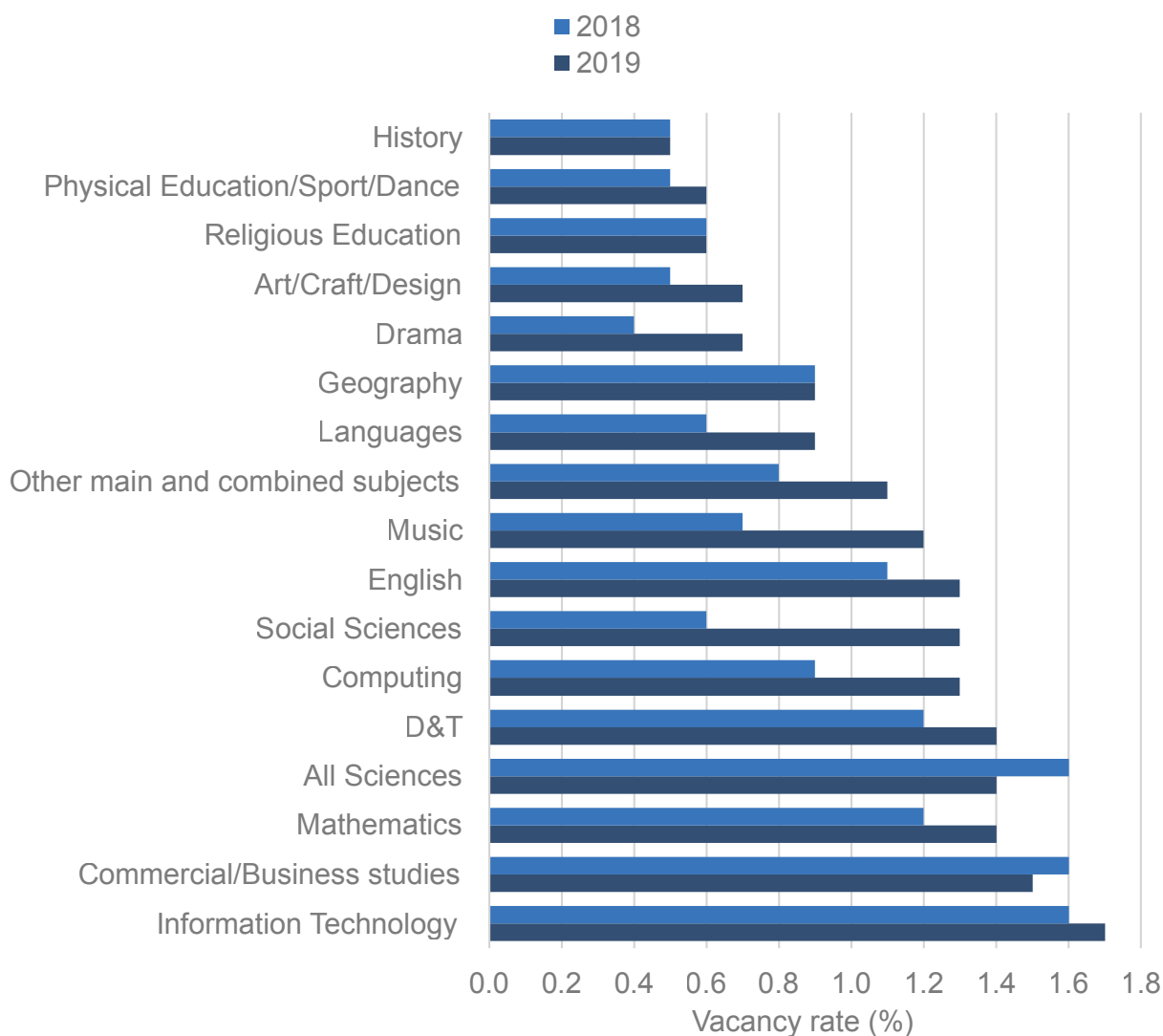
Figure 10: Full-time teacher vacancies and temporarily filled posts (TFPs) in state-funded schools. England, November 2011 to 2019⁴¹.



⁴¹ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

3.51 Figure 11 shows full-time vacancy rates (including TFPs) of secondary school subjects for the last two years. All Sciences, IT, and Mathematics have some of the highest vacancy rates. In 2019, the vacancy rate for most subjects increased from 2018. However, the vacancy rates for All Sciences and Commercial/Business Studies have fallen slightly from 2018 to 2019.

Figure 11: Vacancy rate (including TFPs) in state-funded secondary schools, by main teaching subject. England, November 2018 and 2019^{42,43}.



⁴² Sorted ascending by vacancy rate in 2019.

⁴³ OME analysis of Department for Education (2020) *School workforce in England: November 2019* – <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2019>

Initial teacher training in 2020/21

- 3.52 This section presents information on undergraduate and postgraduate entrants to initial teacher training (ITT) and includes data relating to entrants' characteristics and delivery against recruitment targets.
- 3.53 The Teacher Supply Model (TSM) provides an annual estimate of the number of postgraduate ITT places needed to provide enough NQTs for the state-funded teaching sector. This results in ITT recruitment targets for both the primary phase and for secondary subjects^{44,45}. Published in October 2019, the 2020/21 TSM estimated how many postgraduate ITT entrants were needed for ITT courses starting in autumn 2020. These entrants are then expected to become qualified teachers entering the teaching profession in 2021/22.
- 3.54 In total there were 41,472 new entrants to ITT in 2020/21, compared to 33,799 in 2019/20, a 23% increase⁴⁶. Of this overall total:
- There were 35,467 new entrants to postgraduate ITT in 2020/21, an increase of 23% from 2019/20.
 - There were 6,005 new entrants to undergraduate ITT in 2020/21, an increase of 23% from 2019/20.
- 3.55 It is likely that the increase in recruitment is due to the effect of the COVID-19 pandemic on the labour market, with the number of applications to ITT increasing significantly in 2020 compared to previous years. During previous recessions, applications to teaching have tended to increase as teaching is seen as a secure employment option⁴⁷. According to NFER's 2021 report, teachers are seen as having relatively high job security, which contributed to the rise in applications to ITT. However, NFER said this increase in teacher supply is likely to be short-lived, with other factors like pay returning to prominence in the medium term as the wider labour market recovers⁴⁸.

⁴⁴ In addition to postgraduate trainees, the model also accounts for entry via other routes, such as undergraduate ITT, returning to the state-funded sector, or previously qualified teachers new to the state-funded sector.

⁴⁵ Department for Education (2019) *TSM and initial teacher training allocations 2020 to 2021* – <https://www.gov.uk/government/statistics/tsm-and-initial-teacher-training-allocations-2020-to-2021>

⁴⁶ OME analysis of Department for Education (2020) *Initial teacher training: trainee number census 2020 to 2021* – <https://explore-education-statistics.service.gov.uk/find-statistics/initial-teacher-training-census/2020-21>
Figures for 2020/21 are provisional and are subject to change.

⁴⁷ Worth, J and McLean, D. (2020) *The Impact of COVID-19 on Initial Teacher Training. Implications for Teacher Supply in England* – <https://www.nfer.ac.uk/the-impact-of-covid-19-on-initial-teacher-training/>

⁴⁸ Worth, J. and Faulkner-Ellis, H. (2021) *Teacher Labour Market in England: Annual Report 2021* – <https://www.nfer.ac.uk/teacher-labour-market-in-england-2021/>

- 3.56 As of 15th March 2021, there were 27,170 applicants in England for ITT in 2021/22, compared with 22,190 at the same point last year⁴⁹. This may suggest that there will be an increase in ITT entrants for 2021/22. However, given the uncertainty in the labour market, it remains to be seen whether the overall number of applicants for ITT will be higher than the previous year (47,260 total) and how many of these applicants enrol in ITT in autumn 2021.

Entrants' characteristics

- 3.57 The broad characteristics of ITT entrants are shown in Table 5a and 5b. Postgraduate entrants tend to be older, and more diverse than undergraduate entrants, although fewer postgraduate entrants had a declared disability.
- 3.58 Young entrants form the largest component of each cohort of NQTs, with 91% of undergraduates and 51% of postgraduates aged under 25.
- 3.59 The characteristics of ITT entrants have remained broadly similar to previous years, although there have been small increases in the proportion of entrants who are women or from a minority ethnic group.

⁴⁹ Universities and Colleges Admissions Service (UCAS) *Teacher Training Statistical releases* – <https://www.ucas.com/data-and-analysis/ucas-teacher-training-statistical-releases>

Table 5a: Characteristics of new postgraduate ITT entrants. England, academic year 2020/21 (provisional data)^{50,51}.

	2016/17 (%)	2017/18 (%)	2018/19 (%)	2019/20 (%)	2020/21 (%)
Primary Male	20	20	19	17	17
Primary Female	80	80	81	83	83
Secondary Male	40	40	39	38	39
Secondary Female	60	60	61	62	61
Minority ethnic group	15	16	18	19	19
Non-minority ethnic group	85	84	82	81	81
Declared disability	9	10	11	13	12
No disability declared	91	90	89	87	88
Under 25	53	51	50	50	51

Table 5b: Characteristics of new undergraduate ITT entrants. England, academic year 2020/21 (provisional data)⁵².

	2016/17 (%)	2017/18 (%)	2018/19 (%)	2019/20 (%)	2020/21 (%)
Primary Male	15	14	13	13	11
Primary Female	85	86	87	87	89
Secondary Male	38	42	45	30	35
Secondary Female	62	59	55	70	65
Minority ethnic group	10	10	11	12	15
Non-minority ethnic group	90	90	89	88	85
Declared disability	9	12	15	16	14
No disability declared	91	88	85	84	86
Under 25	91	91	89	90	91

⁵⁰ Minority ethnic group includes the following ethnicities: Black or black British – Caribbean, Black or black British – African, Other black background, Asian or Asian British – Indian, Asian or Asian British – Pakistani, Asian or Asian British – Bangladeshi, Chinese, Other Asian background, Mixed, Arab, Other ethnic background. It excludes White minorities.

⁵¹ OME analysis of Department for Education (2020) *Initial teacher training: trainee number census 2020 to 2021* – <https://explore-education-statistics.service.gov.uk/find-statistics/initial-teacher-training-census/2020-21> Figures for 2020/21 are provisional and are subject to change.

⁵² Ibid.

ITT performance against targets

3.60 115% of the overall postgraduate ITT target was met in 2020/21, an increase of 28 percentage points from 87% in 2019/20. This was driven by both an increase in the number of postgraduate new entrants (6,550) and a decrease in the TSM target (-2,138). By phase, 106% of the secondary target was achieved. This is the first time since 2012/13 that the overall secondary TSM target has been exceeded. However, targets for several key subjects were missed. This is covered in more detail in Figure 12. Overall, 130% of the TSM primary target was met. Table 6 sets out the number of ITT recruits and target figures for the primary and secondary phases over recent years.

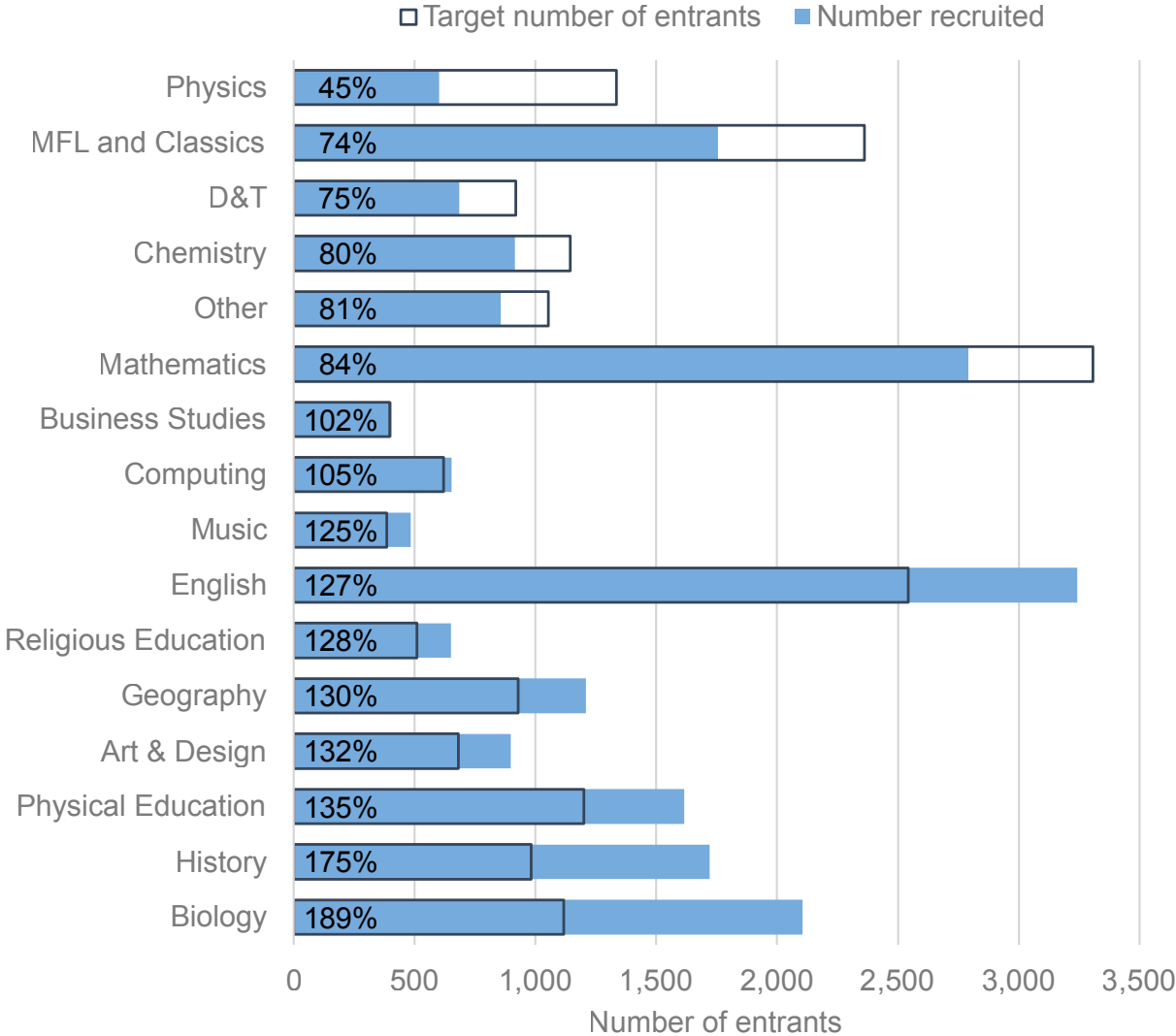
Table 6: Postgraduate ITT new entrants and targets, 2015/16 to 2020/21⁵³.

Target	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Primary	12,578	11,288	12,500	12,888	12,216	14,878
Primary target	11,245	11,489	12,121	12,552	13,003	11,467
<i>Percentage of primary target</i>	112%	98%	103%	103%	94%	130%
Secondary	15,183	15,461	14,646	16,327	16,701	20,589
Secondary target	18,541	17,688	18,726	19,674	20,087	19,485
<i>Percentage of secondary target</i>	82%	87%	78%	83%	83%	106%
Total	27,761	26,749	27,146	29,215	28,917	35,467
Total target	29,787	29,176	30,847	32,226	33,090	30,952
<i>Percentage of target at census date</i>	93%	92%	88%	91%	87%	115%

3.61 Figure 12 focuses on the 2020/21 year and shows the absolute numbers of postgraduate trainees and target numbers, as well as the percentage of the target met by subject. The chart highlights the relative importance of key subjects in numeric terms. For example, the Sciences, Mathematics, and English collectively account for almost half of the secondary ITT target. It also shows how subjects with a similar percentage performance against their target can differ in terms of the absolute magnitude of the shortfall. For example, Design and Technology (D&T) and Modern Foreign Languages (MFL) both missed their target numbers by similar percentages (25% and 28%). This equated to a 234 shortfall for D&T and a 647 shortfall for MFL.

⁵³ OME analysis of Department for Education (2020) *Initial teacher training: trainee number census 2020 to 2021* – <https://explore-education-statistics.service.gov.uk/find-statistics/initial-teacher-training-census/2020-21>
Figures for 2020/21 are provisional and are subject to change.

Figure 12: Subject’s target number of postgraduate entrants versus the number recruited, in 2020/21. Subjects are sorted in order of the percentage of their target met⁵⁴.

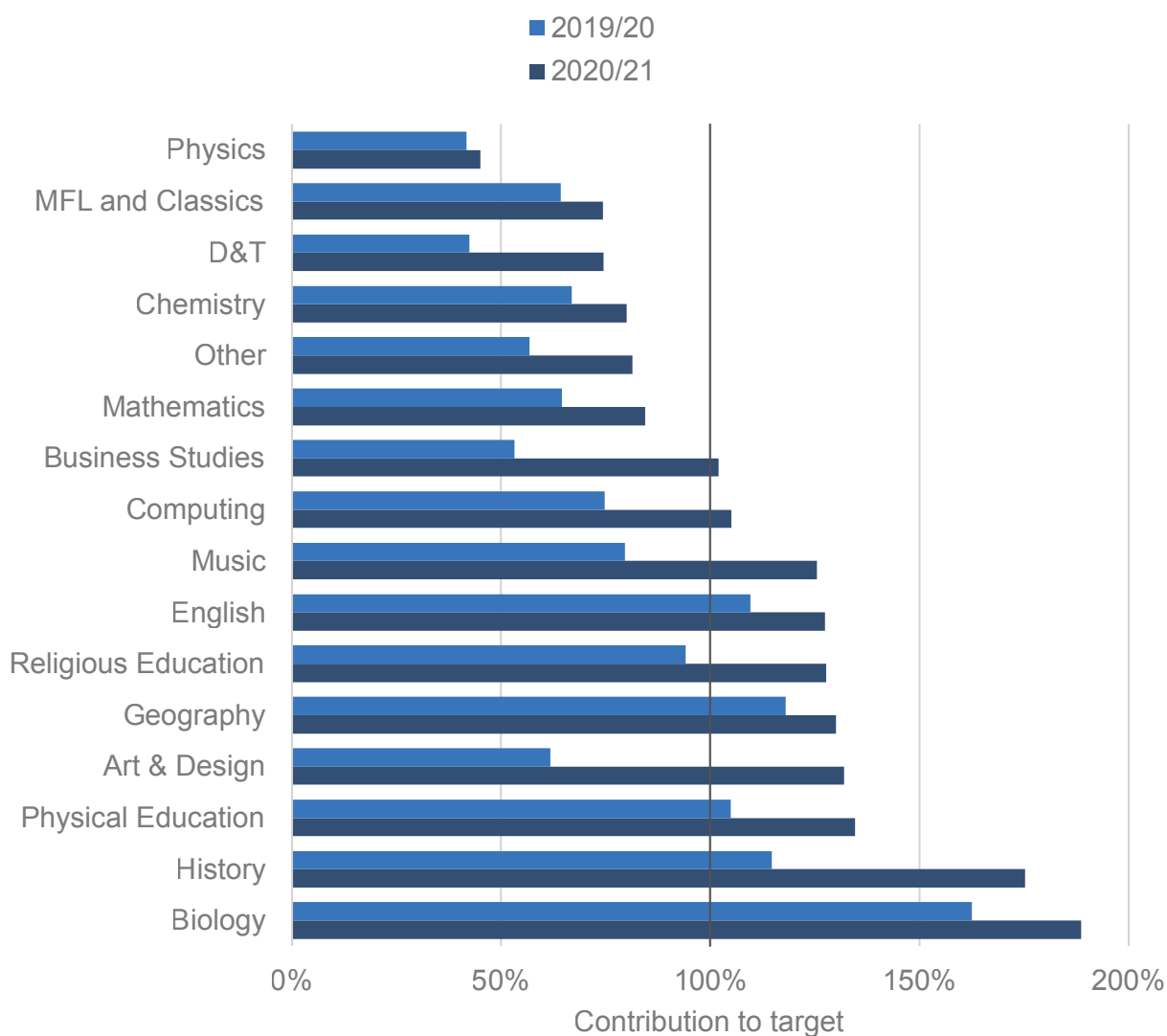


- 3.62 There were large differences in the percentage of the TSM target met by subject in 2020/21. Whilst the overall target for recruitment was met, there were still shortfalls in several subjects (Chemistry, D&T, Mathematics, MFL and Physics).
- 3.63 All subjects saw an increase in the proportion of their target met this year compared to last year and, with the exception of Geography, an increase in the absolute number of recruits. However, Figure 13 shows that some subjects showed much larger increases in the percentage of the target met than others. For example, Business Studies increased the percentage of the target met by 49 percentage points and has now surpassed the target for the year.

⁵⁴ OME analysis of Department for Education (2020) *Initial teacher training: trainee number census 2020 to 2021* – <https://explore-education-statistics.service.gov.uk/find-statistics/initial-teacher-training-census/2020-21>. Figures for 2020/21 are provisional and are subject to change.

3.64 However, other subjects remained short of their targets this year despite the overall increase in recruitment. In the case of Physics, the TSM target increased by 71 entrants compared to the previous year, meaning that although the number recruited increased by 74 against the previous year, this had little impact on the percentage of the target met. The existing recruitment problems in certain subjects (Chemistry, D&T, Mathematics, MFL and Physics) have largely persisted.

Figure 13: Postgraduate ITT contribution to targets by subject, 2019/20 and 2020/21. Subjects are sorted in order of contribution to targets in 2020/21⁵⁵.



⁵⁵ OME analysis of Department for Education (2020) *Initial teacher training: trainee number census 2020 to 2021* – <https://explore-education-statistics.service.gov.uk/find-statistics/initial-teacher-training-census/2020-21>. Figures for 2020/21 are provisional and are subject to change.

Overseas teachers awarded qualified teacher status

- 3.65 In addition to trainee teachers, there are existing teachers from overseas who can be awarded qualified teacher status (QTS) without ITT, given their previous experience. This is possible for two groups of overseas trained teachers (OTTs):
- Those fully qualified in the European Economic Area (EEA) or Switzerland of which there were 2,458 awarded QTS in the year to March 2020. This represented a substantial 21% decrease from 2018/19⁵⁶.
 - Since 2012, those fully qualified in Australia, Canada, New Zealand, and the United States of which there were 1,410 awarded QTS in the year to March 2020. This represented an 8% decrease from 2018/19.
- 3.66 Overall, there were 3,868 OTTs awarded QTS in 2019/20, which represented a 17% decrease on 2018/19. This follows a smaller decrease of 7% the previous year. The reduction in number of OTTs and the points-based immigration system, which is described below, may lead to further pressures on teacher supply.
- 3.67 Some overseas teachers may be able to teach without QTS and therefore will not be included within this data. They can do this on an unlimited basis in an academy or free school. Teachers from overseas can also teach unqualified in maintained schools for up to four years whilst they achieve QTS by a recognised route.
- 3.68 The UK introduced a points-based immigration system on 1st January 2021. All overseas nationals arriving in the UK from 1st January 2021, including those from the European Economic Area (EEA) and Switzerland, come under the points-based immigration system. The main visa route for non-UK teachers in England is the skilled worker visa. Non-UK teachers will be able to apply for a skilled worker visa if they meet certain conditions. These include, but are not limited to, having a job offer from a school that is a licenced Home Office employer sponsor and their salary meeting the requirements for a skilled worker visa. There are special salary threshold arrangements for some education and health professions, so teachers must earn a salary of at least £20,480 or the relevant minimum rate on the national teachers' pay ranges, whichever is higher. If the role is part time, pro-rata rates will apply as long as the salary is at least £20,480 a year⁵⁷.
- 3.69 Some overseas teachers may be eligible for an alternative visa route, which does not have a salary threshold, such as the Graduate visa or the Youth Mobility Scheme visa.

⁵⁶ Teaching Regulation Agency (2020) *Annual report and accounts, 2019 to 2020* – <https://www.gov.uk/government/publications/teaching-regulation-agency-annual-report-and-accounts-2019-to-2020>

⁵⁷ More information on these criteria is available online: Department for Education (2021) *Teach in England if you qualified outside the UK* – <https://www.gov.uk/government/publications/teach-in-england-if-you-qualified-outside-the-uk/teach-in-england-if-you-qualified-outside-the-uk>

- 3.70 Citizens of the EEA or Switzerland who were living in the UK by 31st December 2020 can apply to the EU Settlement Scheme. This will allow them to continue living, working and studying in the UK after 30th June 2021 without having to apply through the points-based immigration system.

Teacher labour market summary

- 3.71 Our analysis has covered a range of data relating to the earnings, recruitment and retention of the teacher workforce. The information has highlighted ongoing challenges for the teacher labour market. We set out our main findings below:

- The economy contracted considerably as a result of the COVID-19 pandemic; however, GDP is predicted to recover to pre-pandemic levels by the middle of 2022. Overall, there remains a high degree of uncertainty surrounding the longer-term impact that the pandemic will have on the economy.
- The COVID-19 pandemic caused a decline in graduate opportunities, with graduate recruitment down in 2019/20 compared to previous years. Recruitment targets for 2020/21 suggest some recovery but there remains considerable uncertainty.
- The gap between teacher and wider graduate starting pay has narrowed between 2016 and 2020 (including the most recent teacher pay award). However, there is considerable regional variation.
- The relative position of the teachers' pay framework in the distribution of earnings for those in professional occupations has remained fairly stable since 2010/11; with some improvement between 2018/19 and 2019/20.
- The median earnings of teachers compared to median earnings in other professional occupations deteriorated between 2012/13 and 2019/20. The gaps are widest for younger teachers and for those in London.
- The nursery and primary school population reached a peak in 2019 and is expected to decline over the coming decade. Conversely, pupil numbers are forecast to increase in the secondary sector and peak in 2024 before declining.
- The teacher workforce headcount increased by 3,700 between 2018 and 2019 but FTE teachers increased by only 400, as a result of growing numbers of teachers decreasing their hours of work.
- The overall leaving rate for teachers was 9.2% in 2019, slightly lower than in 2018, when the rate was 9.6%.
- Leaving rates for teachers in their first three years of service are particularly high; increasing significantly since 2010. However, the most recent data shows slight declines in leaving rates for this group.

- The full-time teacher vacancy rate was 0.3% in 2019, unchanged from 2018. In absolute terms, in 2019, the number of vacancies increased for secondary schools but decreased for nursery and primary schools. The number of temporarily filled posts have declined since 2016 for both the primary and secondary sectors.
- The headline ITT recruitment target for both primary and secondary teachers was achieved in 2020/21; 130% of the primary target was met and 106% of the secondary target was met. Despite the overall targets being achieved, several subjects still have perennial shortages against their targets.
- The number of qualified teachers from overseas awarded qualified teacher status declined sharply from 2018/19 to 2019/20. The UK introduced a points-based immigration system on 1st January 2021 which may impact on the supply of overseas teachers.

School funding and finances

3.72 As in previous years, we provide a brief overview of the school funding landscape. The funding situation is somewhat more complex this year as the Government has introduced a number of additional funding streams aimed at assisting schools in managing the impact of the COVID-19 pandemic.

National funding context

3.73 The core schools' budget for 2021-22 will be £49.8bn, a £2.2bn increase from the £47.6bn budget for 2020-21. The main announcement in relation to schools funding in the 2020 Spending Review was to reaffirm the Government's commitment at the 2019 Spending Round to increase school funding by £7.1bn by 2022-23 compared to 2019-20 levels⁵⁸. We note that the Government has not altered the funding settlement for schools to reflect the public sector pay freeze in 2021-22. This may mean that schools will face less financial pressure than expected in 2021-22, although additional costs due to the COVID-19 pandemic will also have some impact on school finances. Table 7 sets out the changes in overall schools funding levels between 2019-20 and 2022-23.

⁵⁸ HM Treasury (2020) *Spending Review 2020* – <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020>

Table 7: Schools' funding in England from 2019-20 to 2022-23⁵⁹.

	2019-20	2020-21	2021-22	2022-23
Core 5 to 16 schools budget (£bn)	44.4	47.6	49.8	52.2
<i>of which pensions funding (£bn)</i>	<i>0.9</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>
Core 5 to 16 schools budget, excluding pensions compensation funding (£bn)	43.5	46.1	48.3	50.6
<i>of which Spending Round 2019 cash uplift compared to 2019-20 funding levels (£bn)</i>	<i>–</i>	<i>2.6</i>	<i>4.8</i>	<i>7.1</i>

- 3.74 Other measures in the 2020 Spending Review relating to school finances include additional funding on capital expenditure and confirmation of £22m of funding to continue improving the quality of teaching, including funding for mentor time as part of the Early Career Framework.
- 3.75 Analysis from the IFS considered the overall impact on real-terms per-pupil funding of the 2019 Spending Round settlement for schools covering the financial years 2020-21 to 2022-23. IFS calculated that, after taking account of expected general inflation and changes in pupil numbers, this would mean a 9% real-terms increase in per-pupil spending in 2022–23 compared to 2019-20⁶⁰.
- 3.76 However, the IFS report also noted that school spending per pupil in England fell by 9% in real terms between 2009-10 and 2019-20, albeit after a significant increase in spending per pupil of over 60% during the 2000s. The increase in funding announced in the 2019 Spending Round would therefore restore real-terms per-pupil funding levels in 2022-23 to approximately the same level as 2009-10.
- 3.77 The Education Policy Institute (EPI) considered in more detail the changes to the Schools Block of the National Funding Formula (NFF) in 2021-22. It calculated that total Schools Block funding will be £38.8bn in 2021-22. This represents a cash increase of £1.4bn to allocations for 2020-21 or a 3.1% increase on a per-pupil basis; in real terms this will equate to an increase of just over 1%.

⁵⁹ HM Treasury (2020) *Spending Review 2020* – <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020>

⁶⁰ IFS (2020) *2020 Annual report on education spending in England: schools* - <https://ifs.org.uk/publications/15025>

Additional funding streams relating to the COVID-19 pandemic

- 3.78 Schools have continued to receive their core funding throughout the pandemic, with this year marking the first year of a three-year increase to core funding.
- 3.79 The Department has provided a range of funding streams and support to schools since March 2020 to help with the challenges of responding to the pandemic. Much of this support has been made available regardless of the financial position of schools, including £1 billion in catch-up funding, a further £700 million recovery package, free school meal support, remote education support and support with COVID-19 testing. In addition, the Department have also made available an exceptional costs fund and workforce fund, both of which are subject to the financial position of schools or trusts^{61,62}.

School-level funding and finances

- 3.80 A new National Funding Formula (NFF) was introduced from 2018-19 aimed at making school funding fairer and more transparent, by addressing historical variations in the amount of funding received by schools with similar characteristics across England. The NFF is used to calculate a notional funding allocation for each school based on the number of pupils and several other criteria. The total of these NFF school allocations in each area determines the amount of schools' block funding received by the local authority. Local authorities then set their own funding formula to distribute their schools' block allocation to individual schools. There are some mandatory factors that all local authorities must include in the local formulae, for example, basic per pupil entitlement and deprivation. However, local authorities currently retain flexibility over the weight they place on these factors with other factors being optional. There are also NFF allocations for high needs and central schools' services.

⁶¹ The Covid Exceptional Costs fund was established to reimburse schools for three specific categories of spend: increase premises related costs associated with keeping schools open over the Easter and summer half term holidays; support for free school meals for eligible children who were not in school, where schools were not using the national voucher scheme; and additional cleaning costs required due to confirmed or suspected COVID-19 cases, over and above the cost of existing cleaning arrangements. The Department has paid schools £138 million for all claims within the published scope of the fund across both application windows. Schools were not eligible to claim from the fund if they expected to add to their existing historic surpluses in the relevant funding year. Schools have been eligible for reimbursement where the additional costs would: result in a school having to use historic surpluses; would increase the size of a historic deficit; or prevent the planned repayment of a historic deficit.

⁶² The workforce fund is to support schools and colleges with high staff absences and also facing significant financial pressures to remain open. It funded the costs of teacher absences over a threshold from 1 November 2020 until the end of the autumn 2020 term. Payments from the fund were due to be made in early 2021-22. Schools and trusts were able to claim from the workforce fund if their reserves at the end of the funding year were down to a level of no more than 4% of their annual income.

- 3.81 For 2021-22, the average increase in NFF will be just over 3%. The Department published the following minimum per pupil funding levels for different phases: Primary £4,180, Key Stage 3 £5,215, Key Stage 4 £5,715⁶³.
- 3.82 The minimum school-level increase in NFF funding is set at 2%. While around 39% of schools will receive this minimum level, this varies by school type. The proportion of schools receiving the minimum NFF increase grows with higher levels of deprivation. In primary schools, where less than 10% of pupils are in receipt of free school meals (FSM) 28% were likely to be facing the minimum funding increase, compared to 54% in schools with over 20% FSM pupils. This was similar in secondary schools with 15% of schools with less than 10% FSM pupils receiving the minimum increase compared to 51% in schools with over 20% FSM pupils⁶⁴.

Concluding comments on school funding and finance

- 3.83 While the committed levels of headline funding trailed in the Chancellor's Spending Review remained unchanged in the context of the Government's decision to freeze public sector pay, the continued impact of the pandemic has meant that schools have been incurring a range of unforeseen additional costs. Some of these costs are being addressed directly by additional funding streams introduced over recent months by the Department but the experience of schools has inevitably been varied and the overall funding situation is somewhat uncertain. Future funding settlements, together with the Government's decisions on public sector pay, will heavily influence the financial health of schools as we move forward.

⁶³ OME analysis of Department for Education (2020) *National funding formula tables for schools and high needs: 2021 to 2022* – <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2021-to-2022>

⁶⁴ NEOST evidence to the STRB 2021. Effervesce (2021) *Teachers Pay Affordability Research*.

CHAPTER 4

Our assessment of the teacher labour market

4.1 In his remit letter this year, the Secretary of State told us he was not seeking a recommendation for pay uplifts in 2021/22 for the majority of teachers. The remit letter did ask us to have regard to the evidence of the national state of teacher and school leader supply and of the wider state of the labour market. In that context, this chapter sets out our assessment of the teacher labour market in England. In doing so, we draw on the evidence we received from the Department and consultees as well as our own analysis in Chapter 3. We set out a summary of this evidence on recruitment, retention and teacher earnings below before presenting our conclusions on the teacher labour market this year.

Teacher recruitment

4.2 In our report last year, we expressed our concern that the overall targets for postgraduate initial teacher training (ITT) had been missed for the eighth successive year, with 89% of the target number of trainees recruited. We also noted the deterioration against targets for several secondary subjects over a number of years.

4.3 In Chapter 3, we considered the latest evidence on teacher recruitment. The headline findings for 2021/21 were:

- There was a 23% increase in new entrants to postgraduate ITT and this was the first year the postgraduate ITT target had been met since 2013/14. However, key secondary subjects (Chemistry, Design and Technology, Mathematics, Modern Foreign Languages, Physics) still fell short of their particular targets. (Chapter 3: Paragraphs 3.52 – 3.64)
- There had been a decrease of 17% in overseas trained teachers awarded QTS in the year to March 2020. This followed a smaller decrease of 7% the previous year. (Chapter 3: Paragraph 3.65)
- Overall, despite around 3,700 more joiners than leavers in 2019, the number of FTE teachers only increased by 400 compared to 2018. This is due to a growing number of teachers reducing their working hours in 2019. (Chapter 3: Paragraph 3.41)

4.4 High Fliers research reported that the number of graduates recruited by employers in 2019/20 was 12.3% lower than in 2018/19 and that recruitment targets for 2020/21 suggested an increase of 2.5%. However, most sectors were still expected to have fewer vacancies than in 2018/19 and there remained considerable uncertainty for graduate employers due to the COVID-19 pandemic.

- 4.5 In the broader context of the wider graduate market, NFER research suggested that teachers' relatively high job security contributed to the increased number of applicants to ITT this year⁶⁵. However, noting the experience of the last recession, the research also cautioned that the increase in supply risked being short-lived as the wider graduate labour market recovered.
- 4.6 In its evidence, the Department acknowledged that the experience of the 2008 recession suggested the increased number of ITT recruits in 2020 could be a short-term gain. It noted significant shortfalls remained in key subjects and said supply remained challenging, particularly in secondary schools where pupil numbers were projected to grow. The Secretary of State, in oral evidence, said he was confident that the wider economic context would ease recruitment challenges.
- 4.7 We have set out consultees' detailed evidence on recruitment in Chapter 2. The majority of our consultees were of the view that the improvement in ITT recruitment would be temporary and highlighted the continuing failure to meet targets in a range of secondary subjects. A number of our consultees also expressed concerns about recruitment to leadership roles. In addition, some referred to the likely need for additional support for NQTs whose initial teacher training has been disrupted.
- 4.8 In our discussions of recruitment with teachers in 2020, most did not cite pay as their primary motivation for joining the profession⁶⁶. In the context of the pandemic, however, several noted that teaching was a relatively stable and secure profession. Those early career teachers who had received a training bursary said this had positively influenced their decision to become teachers and several voiced concerns that the reduction in bursaries for some subjects could result in teaching missing out on high quality trainees.

Teacher retention

- 4.9 In our 30th report, we noted that leaving rates continued to be particularly high for teachers in their first three years in the profession but that there were also indications of a growing challenge in retaining experienced classroom teachers and those in leadership roles.
- 4.10 In Chapter 3, we considered the latest evidence on teacher retention. Key points were:
- The 2019 school workforce census recorded 39,675 leavers from state-funded schools in 2019. Of these, 33,565 were resignations. (Chapter 3: Paragraph 3.38)

⁶⁵ Worth, J. and Faulkner-Ellis, H. (2021) *Teacher Labour Market in England: Annual Report 2021* – <https://www.nfer.ac.uk/teacher-labour-market-in-england-2021/>

⁶⁶ Note that our visits programme was curtailed in 2020 so the resulting evidence is based on a smaller series of discussions than in previous reports. More details of the visits programme can be found in Appendix C.

- The overall leaving rate was 9.2% in 2019, a slight decrease from the previous year (9.6%). Since 2011/12, the rate had fluctuated between 9.1% and 10.1%. (Chapter 3: Paragraph 3.38)
 - While there was some improvement in the very latest year of data, retention of early career teachers had generally deteriorated over recent years, with those in their first three years of service having particularly high leaving rates. (Chapter 3: Paragraphs 3.43 – 3.45)
 - The overall number of recorded teacher vacancies had increased from 359 in 2011 to 968 in 2019 (a vacancy rate increase from 0.1% in 2011 to 0.3% in 2019). The number of temporarily filled posts had fallen since 2016. The level of vacancies varied considerably across teaching subjects. (Chapter 3: Paragraphs 3.48 – 3.51)
- 4.11 The Department’s evidence noted the retention challenge, especially amongst early career teachers and it acknowledged that it would need to do more to ensure this year’s boost to supply was retained as the labour market recovered. In this context, it referred to its work on the Early Career Framework (ECF) and other initiatives. The Department also noted research highlighting the positive impact of pay on retention, in particular for early career teachers.
- 4.12 Our other consultees highlighted in their evidence the long-term deterioration in retention rates for teachers and school leaders at all career stages. Many referred to the negative effects of the COVID-19 pandemic on teacher wellbeing and suggested that early retirements among experienced teachers and school leaders could increase sharply once conditions return to normal.
- 4.13 In our discussions with school leaders in 2020, several told us that retention was a greater challenge than recruitment, especially in urban and deprived areas and that more needed to be done to retain those working in such areas. Those teachers who told us they were considering leaving the profession said that, while pay was an important consideration, behaviour and workload were equally important factors. Several teachers told us that workload was exacerbated by cuts to social services, lack of classroom support, and managing safeguarding concerns. We also heard that workload had increased during the pandemic.
- 4.14 In our discussions we heard how some schools had promoted flexible working opportunities, including job shares, to improve retention. Staff were generally positive about this, although some saw barriers to flexible working, as a consequence of both school structures and culture.

- 4.15 Some of these themes were supported by research published in 2020 which found that while pay and rewards are important retention factors, they are not the only factors that shape teachers' retention choices, with wider workplace characteristics (including workload, school culture and teaching environment) also valued highly by teachers⁶⁷.

Teacher earnings

- 4.16 Our recent reports have underlined our concerns about the competitiveness of the pay framework for teachers in comparison to earnings in the wider graduate labour market and the negative impact this has had on teacher supply.
- 4.17 We have again in Chapter 3 assessed the available evidence about the competitiveness of teachers' pay, using a range of measures. We noted that:
- The 2020 pay award means that **teachers' minimum starting pay** has increased by nearly 12% over the past three years, closing the gap with the estimated median starting pay offered in other graduate professions. However, a significant negative gap remains in several regions. (Chapter 3: Paragraphs 3.15 – 3.22)
 - With respect to the **teacher pay framework**, the MPR had largely maintained its position relative to the distribution of earnings for those in professional occupations, between 2010/11 and 2019/20. Over the same period, the position of the UPR had deteriorated slightly. (Chapter 3: Paragraphs 3.32 – 3.25)
 - When examining earnings by age group, we found the **median earnings of teachers** compared to those in other professional occupations had deteriorated from 2011/12 to 2019/20, with the gaps widest for younger teachers and for those in London. (Chapter 3: Paragraphs 3.26 – 3.27)
- 4.18 In its evidence, the Department reiterated the case for increasing starting salaries to support recruitment and retention. It suggested that starting pay had become significantly more competitive, which could also attract those considering switching into teaching from other professions. The Department also noted that whilst pay restraint in 2021 meant progress towards the £30,000 starting salary would be slower, it remained committed to raising pay for new entrants to make teaching an attractive graduate option.
- 4.19 The unions representing teachers and school leaders stressed the decline in the real value of teachers' earnings since 2010 and said that teachers' pay lagged well behind that of other comparable professional occupations. They emphasised that the pay freeze for 2021/22 would further exacerbate these

⁶⁷ RAND (2020) *Understanding Teacher Retention. Using a discrete choice experiment to measure teacher retention in England* – <https://www.gov.uk/government/publications/understanding-teacher-retention-a-discrete-choice-experiment>

issues. A number of our consultees expressed disappointment at the potential delay to the achievement of a £30,000 starting salary and voiced concerns about the negative effects of this on recruitment and early-career retention.

Our conclusions

- 4.20 The increase in recruits to Initial Teacher Training (ITT) in 2020 is a welcome development which will help to address some pressures on teacher supply. We note, though, important caveats.
- 4.21 First, the overall numbers include significant over-recruitment of both primary trainees and trainees for some secondary subjects. As our Chapter 3 analysis shows, key subjects – Chemistry, Design and Technology, Mathematics, Modern Foreign Languages and Physics – continue to recruit below the required number of trainees.
- 4.22 Second, the experience of the 2008 recession indicates that improved recruitment numbers may be relatively short-lived as the wider graduate labour market recovers. The profession’s ability to recruit new teachers is inextricably linked to the wider graduate labour market. As such, the extent to which the improvement in ITT recruitment in 2020 is sustained into the future will be influenced by the speed of recovery in the wider market, which remains uncertain.
- 4.23 Third, demand for teachers is set to increase further in secondary schools over the next three years, accentuating pressures in those schools. We also noted in Chapter 3 that growing numbers of teachers are reducing their working hours so larger numbers need to be recruited if increases in pupil teacher ratios are to be avoided.
- 4.24 While we have seen no data to show leadership recruitment has markedly changed since last year, some consultees suggested a deterioration. This is an area where the evidence base is thin and where more robust data would therefore be of great value.
- 4.25 We welcome the modest improvement in the latest headline retention figures for teachers in their initial years of service. Leaving rates among newly qualified teachers have increased markedly in recent years and we hope that this departure from that trend can be sustained. Our analysis, however, continues to suggest high numbers of resignations across the profession, and particularly among those early in their careers. We have also observed differences across school phases and subjects, with secondary retention lower than primary and retention in STEM subjects lower than in other curriculum areas. We note consultees’ fears of a post-COVID-19 pandemic exodus from the profession, in particular of experienced teachers and school leaders, with consequential concerns about the leadership pipeline.

- 4.26 Workload and wellbeing continue to be key retention issues, both made worse this year by the pandemic. In its evidence to us, the Department set out a range of initiatives aimed at supporting teachers and their development. These included the Early Career Framework, National Professional Qualifications, Teaching School Hubs, a Staff Wellbeing Charter and measures to support mental health and flexible working.
- 4.27 A number of our consultees were concerned about the limited impact of the Department's retention initiatives, including a perceived lack of progress on flexible working. We appreciate that school structures mean that accommodating more flexible approaches is not straightforward but believe progress on this issue is important, particularly as other professions have been able to implement new working practices that are likely to be sustained. This risks placing teaching at a disadvantage in attracting new recruits.
- 4.28 We are encouraged that recent years' pay awards have contributed to a closing of the gap between teachers' starting pay and that of other graduate occupations, although our analysis suggests a significant negative gap persists in some regions. Our wider assessment of earnings across the profession continues to indicate that teachers' median earnings fall below those of comparators in other professional occupations.
- 4.29 While headline earnings growth in the wider economy decreased sharply in 2020, the latest economic data are showing signs of recovery. Growth in average employee pay continued to strengthen in the three months to February 2021; annual growth in total pay was estimated to be around 2.5% taking account of compositional changes in the labour market⁶⁸. We also note that recent pay settlements in the wider economy are stabilising at a median value of around 1.5%⁶⁹. Looking forward, the Bank of England suggests earnings growth in 2022 of 2.5%⁷⁰.
- 4.30 Last year, the Review Body supported a move to a pay structure for classroom teachers with higher starting pay and a somewhat flatter pay progression profile in order to support recruitment and reduce the very high leaving rates among early career teachers. At the same time our recommendations recognised the importance of ensuring that earnings for more experienced teachers and school leaders are also able to compete effectively with those offered in other graduate professions. We welcomed the Government's acceptance of our recommendations in full.

⁶⁸ ONS (2021) *Labour market overview, UK: April 2021* – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2021>

⁶⁹ OME analysis of unpublished XpertHR settlements data.

⁷⁰ Bank of England (2021) *Monetary Policy Report – February 2021* – <https://www.bankofengland.co.uk/monetary-policy-report/2021/february-2021>

- 4.31 In support of these recommendations, we observed *'The impact of COVID-19 on the graduate labour market may be expected to ease the pressures on teacher supply in the short term through improved recruitment and retention. But the demand for graduates and the wider labour market would be expected to recover fully in the medium term, at which time teacher supply problems are likely to re-emerge unless action is taken. There is an opportunity to secure a significant improvement in the competitiveness of the teacher pay framework over the next two to three years.'* The absence of a pay uplift in 2021/22 for teachers presents a risk to this opportunity.
- 4.32 The latest economic data suggest earnings and pay settlements in the wider economy are showing signs of recovery. If this is indicative of an upturn in the wider graduate labour market at a time when teachers' pay is frozen, then the recent progress in strengthening the competitiveness of teachers' pay will be rapidly reversed with significant risks to teacher recruitment and retention. We believe this risk would be heightened if pay restraint for teachers continued beyond this year.
- 4.33 We recognise the exceptional pressures placed on the economy and on public sector finances by the COVID-19 pandemic. However, we are firmly of the view that a pay pause for teachers of more than one year risks a severe negative impact on the competitive position of the teaching profession, jeopardising efforts to attract and retain the high-quality graduates necessary to deliver improved pupil outcomes. The Review Body urges that we be allowed to fully exercise our role in making recommendations on pay uplifts for all teachers and school leaders for 2022/23, based on the evidence, including conditions in the wider economy.

CHAPTER 5

Pay recommendations for 2021: Teachers earning under £24,000

- 5.1 The Secretary of State wrote in December 2020 to ask us to make recommendations on uplifts for those teachers earning full time equivalent (FTE) basic earnings of less than £24,000. He stated that the Government proposed to continue pay uplifts for these teachers at a value of £250 or the National Living Wage increase, whichever is higher. The letter referred to the Chancellor of the Exchequer's announcement at the Spending Review that pay rises in the public sector 'will be restrained and targeted in 2021/22'. In this context, the Secretary of State said he was not seeking a recommendation for pay uplifts in 2021/22 for the majority of teachers.
- 5.2 When determining our recommendations on these matters, we were asked to take account of the following considerations raised in the remit letter (see Appendix A):
- Evidence of the national state of teacher and school leader supply, including rates of recruitment and retention, taking account the effects of COVID-19 on recruitment and retention.
 - Evidence of the wider state of the labour market in England.
 - Forecast changes in the pupil population and consequent changes in the level of demand for teachers.
 - Adjustments for London which is delivered via differentiated pay ranges.
 - The Government's commitment to the autonomy of all head teachers and governing bodies to develop pay arrangements that are suited to the individual circumstances of their schools and to determine teachers' pay within the statutory minima and maxima.
- 5.3 The remit letter also provided more detailed guidance on the definition of eligible employees, and the need to take into account potential structural issues in determining the size of the award. These included minimising distortion of the existing pay ranges, consideration of leapfrogging and accommodation of the National Living Wage.
- 5.4 The Department's and other consultees' views on this matter are set out in Chapter 2.

Eligible teachers⁷¹

- 5.5 The minimum of the Main Pay Range for qualified teachers in 2020/21 is £25,714. Therefore, the award for those under £24,000 will typically apply only to unqualified teachers. The minimum for the unqualified teacher pay range in 2020/21 is £18,169.
- 5.6 There are six unofficial pay points on the unqualified teacher pay range, as published by the teacher unions and local authorities. These spine points are shown below in Table 8.

Table 8: Unofficial pay points on the unqualified teacher pay range.

	Rest of England	Fringe	Outer London	Inner London
1	£18,169	£19,363	£21,582	£22,849
2	£20,282	£21,473	£23,696	£24,962
3	£22,394	£23,587	£25,809	£27,075
4	£24,507	£25,699	£27,926	£29,187
5	£26,622	£27,812	£30,037	£31,298
6	£28,735	£29,924	£32,151	£33,410

- 5.7 The Department estimated there were 21,800 FTE unqualified teachers in the state-funded sector in November 2019, of which approximately 6,400 are earning under £24,000 (or the London-weighted equivalent) in FTE base salary in the current academic year.
- 5.8 It is estimated that the majority of unqualified teachers are paid on one of the pay points above. London has a higher proportion of unqualified teachers on the range minimum than other areas. Primary schools also have a higher share of unqualified teachers on the minimum than secondary schools. Special schools employ a higher proportion of teachers on the unqualified teacher pay range than other school types.

Our considerations

The determination of eligibility for an award

- 5.9 Most consultees suggested that the existing union/local authority recommended pay scales could be used to determine eligibility with pay points 1-3 (which are less than £24,000 on the Rest of England scale) being eligible for an uplift. The Department proposed a £250 award to all those teachers whose full-time equivalent earnings were less than £24,000 in the 'Rest of England' with eligibility elsewhere determined by calculating an implied 'London weighting' component of pay. The Department presented two possible approaches for determining eligibility in the London pay areas: one based on the percentage differential between the London areas and the Rest of England at the pay range minima, the other at the maxima.

⁷¹ Data relating to unqualified teachers are taken from The Department's evidence to STRB.

- 5.10 We considered the options proposed by the Department and a third option, based on the fact that the absolute level of pay point differentials between the Rest of England and other regions is more or less constant. Points in the Fringe are between £1,189 and £1,194 greater than the Rest of England values, points in Outer London are between £3,413 and £3,419 greater; and Inner London values are between £4,675 and £4,681 greater. Our view is that these differentials may be regarded as providing an absolute level of compensation for higher living costs in these areas and, as such, provide the basis for the adjustment of the £24,000 threshold to determine eligibility in the London areas.
- 5.11 Taking the maximum differential in each case and adding to the Rest of England threshold value of £24,000 implies that unqualified teachers in London Fringe areas with full time equivalent basic earnings of less than £25,194 would be eligible for the award; for teachers in Outer London the threshold is £27,419 and for teachers in Inner London it is £28,681.

The size of the award and the question of its consolidation

- 5.12 The Department was clear in its evidence that the award should be £250 with some flexibility if required for the structural reasons outlined earlier. All consultees except ASCL supported a flat £250 award to eligible teachers. ASCL initially proposed a 1% award although suggested in oral evidence that this could be slightly higher. In oral evidence, the NASUWT and Voice suggested they could support 1% where this was higher than £250. The Department and all consultees supported a consolidated award.
- 5.13 Our analysis showed that, in comparison with a flat £250 award, a 1% award would result in smaller absolute increases to several of the eligible pay points. Given the award is intended to support living standards of lowest paid public sector workers, we consider that all eligible teachers should receive a consolidated £250.

Part-time teachers

- 5.14 The remit letter is clear that the award should be made to teachers whose full-time equivalent basic earnings are below £24,000 (and, by implication, the corresponding eligibility values for the London pay areas). This means that any part-time teacher whose full-time equivalent basic earnings meets the eligibility criteria, should receive the pay award. Our view is that, in these cases, the £250 payment should be pro-rated according to their working hours.

Teachers located between existing pay points

- 5.15 With most consultees supporting the use of pay points, several suggested to us that the small number of teachers currently between existing pay points should be moved up to the next point. The Department and NEOST suggested schools should retain some flexibility on this issue.
- 5.16 We considered the implications of the proposal to move such teachers on to the next recognised pay point. At an extreme, this could result in an award of some £2,000 where a teacher was currently located just above an existing point. We saw risks in adopting an approach that could result in such a wide range of awards and also noted that this affected only a small number of teachers. We decided that the treatment of such teachers should be left to the discretion of schools while emphasising that the pay award should be applied to all teachers earning less than £24,000 (or the corresponding threshold value for the London pay areas), whether on a published pay point or not.

Leapfrogging

- 5.17 Given there are some teachers located between pay points, a pay award applicable to teachers with earnings below a prescribed threshold will almost inevitably result in some 'leapfrogging', particularly where teachers are located just above and below the relevant earnings threshold. In this context, we note that the remit letter suggested some flexibility in implementation to accommodate this issue. While a detailed formula could be applied to ensure that no teacher just above a threshold is overtaken by someone on lower pay, we believe this concerns a very small number of individuals and that such an approach would introduce a disproportionate level of complexity into the implementation of the award.
- 5.18 As with the question of teachers located between pay points, we are minded to leave the issue of potential leapfrogging to the discretion of schools who, in implementing the pay award, should ensure that those between pay points and at risk of leapfrogging are not significantly disadvantaged in relation to other teachers.

Pay progression

- 5.19 Finally, we note that the Government's public sector policy is clear that one of its objectives is to protect the lowest paid public sector workers. In this context, we wish to be clear that the £250 award this year should be independent of any progression considerations made by schools.

Compliance with the National Living Wage (NLW)

- 5.20 The remit letter asked us to consider the National Living Wage, stating that (for teachers whose FTE earnings are less than £24,000) the Government's intention is to continue pay uplifts at a value of £250 or the NLW increase, whichever is higher. The NLW increased to £8.91 per hour in April 2021.

- 5.21 We are conscious that ensuring compliance with the NLW is not a straightforward issue. While the obligation to comply falls on employers, and they should therefore ensure that implementation of the pay award meets NLW obligations, we expect that the Department will also want to satisfy itself that employers are compliant.
- 5.22 Looking ahead, we note that that the Government has set a target for the NLW to reach two-thirds of median earnings by 2024, currently projected to equate to £10.33 an hour (a 16% increase on the 2021 value). Comparing this target with the current minimum value of the unqualified teacher pay range (£18,169), suggests the Department and employers will need to be increasingly mindful of the NLW when setting salaries for teachers.

Affordability

- 5.23 The Department, in its evidence, said the pay award for teachers earning less than £24,000 would be affordable within school budgets, with core funding increasing by £2.2 billion in the 2021-22 financial year, compared to 2020-21. It estimated that, with each eligible unqualified teacher receiving £250, the total cost of the award to base pay will be approximately just over £2 million, including employer National Insurance and Teacher Pension Scheme contributions.
- 5.24 NEOST, in its evidence, estimated the cost of the recommendation as a percentage of overall school income. Based on this, it said that pupil referral units faced the largest proportional cost on average. Its analysis also showed the impact of the proposal increased as the level of area deprivation increased.
- 5.25 On the basis of the evidence submitted by the Department and other consultees, we conclude that the proposed £250 award to teachers earning below £24,000 is affordable for individual schools and the wider schools system.

The introduction of advisory points

- 5.26 All consultees said they would welcome the introduction of advisory pay points for unqualified teachers, as introduced for the main and upper pay ranges for teachers last year. Several consultees indicated they would support going further by making pay points mandatory.
- 5.27 We are conscious that the existing union/local authority pay scales for unqualified teachers are widely used by schools. This was also noted by the Secretary of State in oral evidence who recognised there was some logic to the reintroduction of points on an advisory basis. The reintroduction of advisory points would also be consistent with their reintroduction for the main and upper pay ranges as recommended in our 30th report.

5.28 As we noted in our 30th report, teacher supply issues tend to be strongly influenced by local factors and we believe it is important that school leaders and governing bodies retain flexibility to set pay policies in response to the context of their local labour market. Consistent with our approach to the scales for qualified teachers, we therefore concluded that pay points for unqualified teachers should be introduced on an advisory basis. This will also have the benefit of providing a more consistent approach across the education system as a whole, as advisory pay points would have the same status for local authority maintained schools and academies.

Our recommendations for 2021/22

5.29 Following our consideration of the evidence and the conclusions that we have drawn from this, we set out below our recommendations for 2021/22. We recommend:

- **A consolidated award of £250 to all teachers whose full-time equivalent basic earnings are less than:**
 - **£24,000 in the Rest of England**
 - **£25,194 in the Fringe**
 - **£27,419 in Outer London**
 - **£28,681 in Inner London.**
- **Any part-time teacher whose full-time equivalent basic earnings meet the eligibility criteria receive the award on a pro-rata basis according to their working hours.**
- **The award be paid to all eligible teachers, whether located on a published pay point or not.**
- **This award be independent of any progression considerations.**
- **The treatment of teachers between existing published pay points, including the management of possible leapfrogging, be at the discretion of employers who should ensure no teachers located just above the pay thresholds for eligibility are significantly disadvantaged relative to other teachers.**
- **That employers ensure that implementation of the pay award complies with the National Living Wage policy.**

We also recommend that the levels of advisory points on the unqualified teacher pay range for 2021/22 are those set out in Table 9 below.

Table 9: Recommended advisory points on the unqualified teachers' pay range.

	Rest of England	Fringe	Outer London	Inner London
1	£18,419	£19,613	£21,832	£23,099
2	£20,532	£21,723	£23,946	£25,212
3	£22,644	£23,837	£26,059	£27,325
4	£24,507	£25,699	£27,926	£29,187
5	£26,622	£27,812	£30,037	£31,298
6	£28,735	£29,924	£32,151	£33,410

CHAPTER 6

Our wider observations

Introduction

6.1 This chapter sets out the STRB's observations on a range of matters related to our remit. While our focus for formal recommendations is teachers' pay, we comment more widely on matters affecting morale, recruitment and retention. These issues interact with pay because remuneration needs to be aligned with, and support, the broader workforce strategy. In this chapter we comment on two such areas of concern:

- The equalities impact of the pay system.
- Teacher wellbeing.

6.2 We also comment on two matters that it may be necessary to address in future remits:

- The classroom teacher pay structure.
- The leadership pay structure.

Equalities impacts of the pay system

6.3 Our previous reports have noted the concerns expressed by a number of our consultees about the equalities impacts of the pay system. In their representations on the current remit, several of our consultees have again raised concerns, supported by survey evidence, about the pay system resulting in discriminatory outcomes for groups of teachers with certain protected characteristics. It is a serious matter for us that these issues continue to be raised and their enduring nature increasingly risks undermining the credibility of the pay process more widely.

6.4 The Secretary of State, in oral evidence, referred to previous evaluation evidence from NFER relating to reforms to the teacher pay framework. While we recognise that this research did not find evidence of discrimination, we did note that it stated that more in-depth research would be needed to conclusively determine if this was the case⁷².

6.5 The issue of the gender pay gap (GPG) was the subject of separate research from the Cardiff Business School which found substantial variation in the magnitude of the gap across different public sector workforces⁷³. At 10.3% of mean male earnings, the GPG in teaching was located at the median of all pay review body remit groups.

⁷² NFER (2017) *Evaluation of Teachers' Pay Reform* – <https://www.nfer.ac.uk/evaluation-of-teachers-pay-reform/>

⁷³ Melanie Jones and Ezgi Kaya (2019) *Understanding the Gender Pay Gap within the UK Public Sector* – <https://www.gov.uk/government/publications/understanding-the-gender-pay-gap-within-the-uk-public-sector>

- 6.6 The research found that virtually none of the pay gap in teaching could be attributed to male teachers having higher average levels of those characteristics typically associated with higher pay such as age, tenure (defined as the length of time spent at the employing organisation), and occupation (including status as a primary or secondary school teacher)⁷⁴.
- 6.7 Some of our consultees this year drew on their own research to highlight differences in pay outcomes for teachers with protected characteristics. For example, the NASUWT referred to its own commissioned research by Warwick University and its own analysis of published DfE teacher pay data, both of which, it suggested, confirmed unequal pay outcomes. The NEU also pointed to published DfE pay data to highlight the gender pay gap and its own pay surveys which, it said, showed inferior pay outcomes for teachers with protected characteristics. NAHT highlighted the lack of adequate data to properly explore these issues.
- 6.8 Since 2017, employers with a headcount of 250 or more staff have been required to comply with regulations on gender pay gap reporting. The current arrangements exclude most schools and we are conscious of the potential administrative burden involved in reporting this information and its limited usefulness in the context of small employers. Nonetheless, we do see some benefits in the principle of reporting these figures and encourage the Department to consider how more comprehensive information for the schools sector could be made available.
- 6.9 We stated in our last three reports that further research should be conducted by the Department on the equality implications of the teachers' pay system. We understand that the Department plans to undertake a new longitudinal panel study, representative of the teaching population in England, that will follow teacher career journeys. The study aims to increase the understanding of factors underlying teachers' key career decisions, with a focus on recruitment and retention (such as moving schools, seeking promotion, leaving the profession and, in some cases, returning). It will also permit cross-cutting analysis across a range of areas, including assessing how the experience and career progression of teachers differs by characteristic group.
- 6.10 We welcome these plans but are conscious the study will take considerable time to deliver the required evidence. In our view, complementary work can be undertaken on a shorter timeframe using the School Workforce Census (SWC). While we understand that the pay data collected as part of the SWC can vary in quality, the data could be used to examine issues such as the receipt of allowances and career progression/promotion by teachers' characteristics. We encourage the Department to explore this and will ask our secretariat to liaise with officials on the detail of such an exercise.

⁷⁴ The authors' reliance on 4-digit SOC codes to control for occupation means that their model was unable to reliably differentiate between head teachers and classroom teachers. Consequently, it may be that a difference in the proportion of men and women who are head teachers contributes to the 'unexplained' GPG in the STRB's remit group.

Teacher wellbeing

- 6.11 Teacher wellbeing and workload, alongside pay, are key factors in influencing teachers' propensity to remain in the profession. As such they are important influences on the teacher labour market. This is supported by research published in 2020 which found that while pay and rewards are important retention factors, they are not the only factors that shape teachers' retention choices⁷⁵. The study found that wider workplace characteristics (including workload, school culture and teaching environment) were as highly valued by teachers.
- 6.12 This year we have therefore examined evidence relating to teacher wellbeing and workload. We have drawn on our discussions with teachers and on two recent research reports by NFER⁷⁶ and Education Support⁷⁷.
- 6.13 On our visit programme this year, wellbeing and workload issues were frequently raised in our discussions of teacher retention. Those teachers who were considering leaving the profession told us that, while pay was an important consideration, behaviour and workload were more important factors. There was a general perception that teachers work significantly longer hours than their peers in other professions. Teachers told us that they frequently worked into the evenings, weekends and holidays, with this message heard across all career stages and phases. Several also told us that workload was exacerbated by cuts to social services, lack of classroom support and increased time managing safeguarding concerns.
- 6.14 A number of teachers told us that they had experienced an increase in workload due to the COVID-19 pandemic. This was due to additional work in 'catch-up' activities for pupils, increased communication with parents, and keeping up to date with Government guidance and school policy. Some also highlighted the considerable value they placed on additional classroom support such as teaching assistants, especially in mitigating the impact of the pandemic.
- 6.15 During our discussions, we heard how some schools had promoted flexible working opportunities and job shares to improve retention. Among the teachers and school leaders we spoke to there was a positive interest in flexible working and in increasing opportunities for this to happen. There were mixed approaches to the adoption of flexible working and job shares, even within the same school, and several teachers reported barriers and perceived unfairness. One head teacher told us that their approach was

⁷⁵ RAND (2020) *Understanding Teacher Retention. Using a discrete choice experiment to measure teacher retention in England* – <https://www.gov.uk/government/publications/understanding-teacher-retention-a-discrete-choice-experiment>

⁷⁶ NFER (2021) *Teacher labour market in England* – <https://www.nfer.ac.uk/teacher-labour-market-in-england-2021/>. NFER notes that as the sample sizes for teachers in the surveys used are relatively small, the findings should be treated with some caution.

⁷⁷ Education Support (2020) *Teacher Wellbeing Index 2020* – <https://www.educationsupport.org.uk/resources/research-reports/teacher-wellbeing-index-2020>

very much dependent on individual circumstances and noted that some flexible practices could both incur additional expense and increase school leaders' workload.

- 6.16 NFER research focused on the impact of the COVID-19 pandemic on teachers⁷⁸. Key findings were:
- Overall, teachers and similar professionals experienced lower levels of wellbeing, and higher anxiety as a result of the COVID-19 lockdown.
 - In July 2020, 8% of the primary and 10% of the secondary teacher workforce was unavailable to work either at home or in school. Data from the School Workforce Census indicate that the rate of staff absence in a typical year is around 2% across the whole year.
- 6.17 Education Support publishes an annual report on the mental health and wellbeing of educational professionals. The 2020 report was based on an online survey conducted in June and July 2020 which received responses from some 3,000 education professionals including teaching assistants as well as qualified teachers and school leaders⁷⁹. Key findings were:
- Stress levels remained high. Nearly two-thirds (62%) of respondents described themselves as stressed. Senior leaders experienced the highest levels of stress (77%). The survey reported an increase in symptoms of poor wellbeing.
 - One major factor influencing wellbeing and retention was long working hours. Both teachers and senior leaders worked longer hours than they were contracted to do.
 - 52% of all education professionals had considered leaving the profession due to pressures on their health and wellbeing. This figure was higher for senior leaders at 59%. Volume of workload was identified as the main reason for considering leaving the profession, cited by 68% of respondents. A sense of not feeling valued and seeking a better work-life balance were reported by 63% as reasons to leave the profession. Two further issues cited by over half the respondents were dealing with unnecessary paperwork/data gathering and working in a target-driven culture.
- 6.18 In summary, it is clear that the COVID-19 pandemic has impacted significantly in a variety of ways on teachers' wellbeing, bringing a number of issues to the fore. The pandemic has brought about changes to some aspects of practice in schools, including the enhanced use of technology, which should be preserved where they have proved to be productive and to ease pressure on teachers. However, as we have heard across recent

⁷⁸ NFER (2021) *Teacher labour market in England* – <https://www.nfer.ac.uk/teacher-labour-market-in-england-2021/>. NFER notes that as the sample sizes for teachers in the surveys used are relatively small, the findings should be treated with some caution.

⁷⁹ Education Support (2020) *Teacher Wellbeing Index 2020* – <https://www.educationsupport.org.uk/resources/research-reports/teacher-wellbeing-index-2020>

years, workload continues to be a key influence on retention. We heard this again on our visits and it remains a recurring theme in research and in our consultees' evidence.

- 6.19 In the context of the teacher labour market, we believe that, alongside pay, it is important to invest in other areas that have a positive bearing on wellbeing, not least because this will in turn impact positively on recruitment and retention. We welcome developments such as the Early Career Framework which, if implemented for all schools and fully resourced, will provide better support to new teachers. The broader wellbeing agenda formed part of the evidence we received from a number of our consultees, whose proposals included improved access to flexible working and extended PPA time. The Secretary of State, in oral evidence, was cognisant of these issues and suggested that some school funding should be directed towards addressing better support for teachers. We welcome the Secretary of State's comments and encourage the Department to continue to work with the sector to make meaningful progress in these areas.

The classroom teacher pay structure

- 6.20 Our 2020 remit sought views on progression to the Upper Pay Range (UPR) and the continued case for separate main and upper pay ranges. In response, we commented in our 30th report that further reforms, building on our 2020 recommendations, would be needed in future to ensure the pay framework for classroom teachers recognised high performance and increases in teaching excellence and capability, while also rewarding teachers for taking on management and leadership responsibilities.
- 6.21 We were clear we saw merit in having a separate UPR, with a threshold, to reward expertise and experience and to support teacher development. However, a further, more detailed, review of the wider system, encompassing the Leading Practitioner Pay Range and Teaching and Learning Responsibility (TLR) allowances was needed to ensure that it met these objectives in a coherent way. We concluded by stating that STRB would welcome the opportunity to consider these issues as part of a future remit.
- 6.22 We understand that the COVID-19 pandemic has impacted on both the Department's priorities and wider Government pay policy. **However, the issues we highlighted with the classroom teachers' framework remain and we, therefore, continue to seek an opportunity to undertake a review as soon as is practicable to do so.**

The Leadership Pay structure

- 6.23 Our 30th report also included our commentary on leadership pay, where we stated that there was a case for a review of a number of elements in the existing provisions which were last examined in 2014. Our objectives for

a review would be to ensure that the framework is effective in recruiting, retaining and motivating the required quantity and quality of school leaders who are essential to the education system.

- 6.24 We observed that the need for a review had been supported by the evidence we received from our consultees. This has been reinforced this year. For example, NGA expressed concern about governing boards' interpretation of the existing flexibilities in the STPCD, and ASCL and NAHT claimed that existing pay differentials between teachers and school leaders were too small and pay levels too low given school leaders' accountability and workload. NAHT was also critical of the pupil-weighted methodology to determine pay levels and suggested broader leadership roles, including business managers, should be covered by the leadership framework too.
- 6.25 Several consultees raised concerns in their evidence, both last year and this, about pay levels for school leaders and CEOs in the academy sector, with some suggesting such posts should be brought within the scope of the STPCD. While it is for the Government to determine the coverage of the pay and conditions document, the Review Body would consider these matters and provide its advice should the Government wish to seek recommendations on these issues.
- 6.26 We continue to believe that a review of leadership pay is required and that it should include an examination of:
- The factors determining pay for school leaders.
 - Pay differentials between the teacher and leadership pay ranges.
 - The question of which leadership roles are covered by the existing pay structure.

We again invite the Department to consider setting a remit for the STRB to review the school leadership pay elements of the STPCD.

APPENDIX A

Remit letter from the Secretary of State



Rt Hon Gavin Williamson CBE MP

Secretary of State

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT

tel: 0370 000 2288 www.education.gov.uk/help/contactus

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

15 December 2020

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

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

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

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

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

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

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

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

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

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

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

Considerations to which the STRB should have regard

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

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

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

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

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

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



Rt Hon Gavin Williamson CBE MP
Secretary of State for Education

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

Definition of employees earning less than £24,000:

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

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

Size of increase

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

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

APPENDIX B

Conduct of the review

- B1 In order to formulate our recommendations on the remit matters, we consulted with our statutory consultees and considered a wide range of evidence. A summary of the representations that we received from consultees have been included in Chapter 2. Evidence from our visit programme is included in Appendix C and is referenced in Chapter 4. We set out below details of the statutory consultation we undertook and the visits and meetings which informed our understanding of the issues relevant to this remit.

Consultation

- B2 We gave the following organisations the opportunity to make written representations and provide evidence:

Government

Department for Education (DfE)

Organisations representing teachers

Association of School and College Leaders (ASCL)

British Association of Teachers of the Deaf (BATOD)

National Association of Head Teachers (NAHT)

The NASUWT

The National Education Union (NEU)

Voice

Association of local authorities

National Employers' Organisation for School Teachers (NEOST)

Organisations representing governors

National Governance Association (NGA)

- B3 We also notified the following organisations of the remit:

Association of Directors of Children's Services (ADCS)

Board of Education, General Synod of the Church of England

Catholic Education Services for England and Wales

Confederation of School Trusts (CST)

Free Churches Education Committee

Information for School and College Governors (ISCG)

Methodist Independent Schools Trust

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

SSAT (The Schools Network) Ltd

Teach First

- B4 Our secretariat wrote to consultees on 15th December 2020 to invite them to submit written representations on the remit matters by 3rd February 2021. The Department subsequently informed us that it would be unable to meet this deadline, so it was extended, initially to 10th February and subsequently to 17th February for all consultees.
- B5 The following consultees made written submissions: ASCL⁸⁰, BATOD⁸¹, the Department⁸², NAHT⁸³, the NASUWT⁸⁴, NEOST⁸⁵, the NEU⁸⁶, NGA⁸⁷, and Voice⁸⁸. In addition, four of the teacher and school leader unions (ASCL, NAHT, the NEU and Voice) submitted a joint statement⁸⁹.
- B6 Our secretariat shared all the consultees' written submissions and invited consultees to submit supplementary representations commenting on others' submissions by 3rd March. Supplementary submissions were received from five consultees: ASCL⁹⁰, NAHT⁹¹, the NASUWT⁹², the NEU⁹³, and Voice⁹⁴.
- B7 The following consultees were invited to make oral representations: the Department, ASCL, NAHT, the NASUWT, NEOST, the NEU, NGA and Voice. All made these representations in the week commencing 22nd March 2021.

Visits and Meetings

- B8 In total, we held 15 meetings of the Review Body between 11th September 2020 and 14th May 2021. In addition to these meetings, we also heard oral representations from eight organisations over three days in March 2021.
- B9 We also heard from teachers, school leaders and other people involved in the education sector during our 2020 'virtual' visit programme. In all, we held nine discussion groups between September and November 2020. We spoke to a range of staff, including primary and secondary teachers, school leaders, Teach First trainees and local authority officials. We would like to thank all participants for their time and valuable input into the discussions.

⁸⁰ <https://www.ascl.org.uk/Our-view/Consultation-responses/STRB-31st-remit>

⁸¹ <https://www.batod.org.uk/batods-2021-submission-to-the-strb/>

⁸² <https://www.gov.uk/government/publications/evidence-to-the-strb-2021-pay-award-for-school-staff>

⁸³ <https://www.naht.org.uk/our-priorities/recruitment-and-retention/>

⁸⁴ <https://www.nasuwt.org.uk/uploads/assets/uploaded/1d19cbb1-7588-4459-9706ddcfa222d694.pdf>

⁸⁵ <https://local.gov.uk/our-support/workforce-and-hr-support/education-and-young-people/school-teachers-pay-2021v>

⁸⁶ <https://neu.org.uk/pay/pay-increase>

⁸⁷ <https://www.nga.org.uk/getmedia/85d190b9-64e7-4fa4-9e65-c860817243c8/EVIDENCE-SUBMITTED-BY-NGA-to-STRB-FEBRUARY-2021.pdf>

⁸⁸ <https://www.voicetheunion.org.uk/publications-resources/written-submissions-strb-2021>

⁸⁹ <https://www.ascl.org.uk/News/Our-news-and-press-releases/Education-unions-unite-to-reject-Government-pay-fr>

⁹⁰ <https://www.ascl.org.uk/Our-view/Consultation-responses/Supplementary-evidence-to-the-STRB-31st-remit>

⁹¹ <https://www.naht.org.uk/our-priorities/recruitment-and-retention/>

⁹² <https://www.nasuwt.org.uk/advice/pay-pensions/pay-award/england.html>

⁹³ <https://neu.org.uk/campaigns/pay-campaign>

⁹⁴ <https://www.voicetheunion.org.uk/publications-resources/written-submissions-strb-2021>

- B10 In December 2020, the chair and some members of the STRB attended a meeting between pay review body members and HMT officials.
- B11 As part of our evidence gathering process, we received the following presentations that provided us with information about the wider context to our consideration of teachers' pay and conditions.
- In October 2020, we received a presentation from two officials from the Department for Education about the context to the forthcoming pay round.
 - In October 2020, we also received a presentation from RAND Europe on the emerging findings from their *Understanding Teacher Retention* research⁹⁵.
 - In January 2021, we received a presentation from Incomes Data Research on pay in the context of the COVID-19 pandemic, as part of an ongoing project for the Office of Manpower Economics.
- B12 We would like to thank all those who presented to us over this period.

⁹⁵ <https://www.gov.uk/government/publications/understanding-teacher-retention-a-discrete-choice-experiment>

APPENDIX C

Findings from the STRB's 2020 visit programme

- C1 The advent of COVID-19 meant the Review Body was only able to undertake a reduced programme of visits in 2020 and circumstances necessitated a revised approach to those visits. The discussions we held took place between September and November 2020 and all nine visits were 'virtual'. The recruitment of teachers participating in the discussions this year was largely based on existing relationships and contacts.
- C2 Nonetheless, we were able to speak to teachers across school phases and in both the local authority maintained and academy sectors. Some of the discussion groups included teachers from a range of schools while others drew discussants from a single school. Two of the sessions were with Teach First trainees working in a range of geographic locations. We also met with officials from one local authority. While we strove for balance across career stages, it is important to note that the discussions this year were more heavily weighted towards early career teachers.
- C3 All the virtual visits occurred after the publication of our 30th report and the Government's response to the report. This allowed us to explore views on the changes made to the classroom teachers' pay range in 2020 as well on wider issues relating to recruitment, retention and the teacher pay framework.

Recruitment

- C4 As we had heard in previous years, recruitment challenges varied considerably by area and phase. For example, officials from one particular Midlands local authority told us there were relatively few recruitment problems but that this could be attributed to the area being well served by ITT provision. Leaders in London, however, told us that there were significant challenges recruiting to schools in deprived areas and a persistent problem relating to certain secondary subjects.
- C5 We also sought views on the factors that influenced teachers' decisions to join the profession. As in previous visits, the majority of teachers we spoke to did not cite pay as their primary motivation. Most had wanted to work with children and make a difference to their lives. This year, exceptionally, there was a marked acknowledgement that teaching was also regarded as a stable or secure profession.
- C6 Levels of understanding of the pay and progression system tended to vary depending on the stage of their careers individuals had joined the profession. Those who had joined as new graduates or early in their careers tended to have limited knowledge; this was not an area covered as part of their training and understanding was largely shaped by colleagues or

family and friends. In contrast, career changers we spoke to told us they had undertaken extensive research on pay and career prospects to inform their decision-making.

- C7 Those teachers that had been in receipt of a bursary for their training told us that it had positively influenced their decision to join the profession. A number of leaders voiced concerns that the reduction in bursaries for some subjects could result in the profession missing out on high quality candidates.
- C8 Most teachers said they thought COVID-19 would likely have a positive impact on teacher recruitment and that the main challenge for the sector would be in retaining those new entrants.

Retention

- C9 Several leaders suggested retention had become a greater challenge than recruitment. As with recruitment, we heard that retention issues were greater in urban and deprived areas; and several discussants felt strongly that more needed to be done to retain those working in challenging schools, including the suggestion of additional financial incentives for those working in such schools. Some participants commented that budgets were often insufficient for leaders to exercise such flexibility.
- C10 Leaders in schools without retention issues noted that this could result in an unhealthy lack of churn and noted increased costs incurred as higher proportions of staff were located at the top of their pay scales.
- C11 We also discussed the extent to which pay influences retention decisions. Those teachers who said they were considering leaving the profession told us that, while pay was an important consideration, behaviour and workload were more important factors. There was a general perception that those in education work significantly longer hours than their peers in other professions. Teachers told us that they frequently worked into the evenings, weekends and holidays and this message was heard across all career stages and phases.
- C12 Several teachers told us that workload was exacerbated by cuts to social services, lack of classroom support and logging and dealing with safeguarding concerns. A number of teachers told us that they had experienced an increase in workload due to COVID-19. This was due to additional work in 'catch-up' activities for pupils, increased communication with parents, and keeping up to date with Government guidance and school policy. The majority of teachers told us that salary increases would not be enough to mitigate the workload issue.

- C13 Several teachers highlighted the importance of additional classroom support such as teaching assistants, especially in mitigating the impact of COVID-19. When Review Body members asked whether teachers would place greater value on more support or more pay, all teachers answered they would choose more support.
- C14 During our discussions, we heard that some schools had promoted flexible working opportunities to improve retention. Among the teachers and leaders we spoke to there was a positive interest in flexible working and in expanding opportunities for this to happen. However, several teachers reported barriers and perceived unfairness when seeking such opportunities. We heard that the ability to offer such opportunities was very much dependent on individual school circumstances and noted that some flexible practices could both incur additional expense and increase leaders' workload.

The teacher pay framework

- C15 Views on the competitiveness of teachers' pay tended to be linked to the participants' particular local cost of living. Outside London, teachers generally perceived the starting salary to be low but progression opportunities to be better than for their peers in other professions. Conversely, those working in London were less critical of starting pay but suggested pay progression was less competitive than in other professions.
- C16 A small number of teachers spoke about the pension offer. Early career teachers did not have strong opinions but recognised the value in being in the scheme although a small minority had opted out to maximise take-home pay. Experienced teachers placed greater value on the pension offer and saw it as an important part of the overall package. Several teachers told us they thought other professions offered a wider range of benefits, including bonuses and relocation allowances.
- C17 The Teach First trainees we spoke to were generally very positive about the programme and the fact that it was a salaried scheme had been a key consideration in their decision to join the profession. However, some did note the relatively low level of pay on the (unqualified teacher) pay range used to pay Teach First trainees.
- C18 There were mixed views about the extent to which the current pay framework is effective in rewarding experience. Some teachers were unclear about the threshold process and the expectations of a UPR teacher. Some existing UPR teachers told us they did not feel the framework was effective in rewarding or incentivising teachers who wanted to stay in the classroom and those on UPR3 reported feeling they had 'reached a ceiling' with nowhere to progress. When we discussed this with head teachers, some noted it could be difficult to motivate teachers in this position.

- C19 The majority of teachers we spoke to supported Teaching and Learning Responsibility payments (TLRs) as a mechanism to reward additional responsibility and some early career teachers saw TLRs as a motivation or something to aspire to. A small number of existing TLR holders told us they did not view the payment levels as sufficient for the additional workload and called for a review of TLR payment levels. We also heard about the risks of teachers taking on TLR roles too early in their careers in order to increase their earnings.
- C20 We heard mixed views from classroom teachers about progression into leadership. A proportion of teachers expressed a desire to stay in the classroom and did not believe this could be balanced with senior leadership commitments. Others told us that they were deterred by the additional responsibility and accountability.
- C21 Some leaders praised the flexibility of the pay system in addressing local context and teachers we spoke to supported differentiation for those working in challenging schools. Our sense was that schools in London were using pay flexibilities more widely than schools elsewhere, for example one London head teacher told us he used TLRs and the leadership range to retain particularly effective teachers and teachers of shortage subjects.
- C22 Other teachers and leaders voiced concerns about the pay system being used inconsistently, thereby resulting in equalities issues. When we spoke to officials from one local authority about the monitoring of equality issues, we were told that the LA's model pay policy made clear that governing bodies were responsible for monitoring the equalities impact of pay decisions and that they should receive the required information from head teachers at the end of each year. Officials reported very few challenges on pay decisions from teachers in their area and saw this as a reflection of the model pay policies which provided limited scope for local discretion. All the teachers we spoke to were strongly opposed to differentiating pay by subject.
- C23 Teachers we spoke to largely accepted performance assessment as part of the pay progression process. We heard of different approaches being used across schools but these broadly applied similar principles.

Changes to the classroom teachers' pay framework

- C24 We asked participants for their views on the Government's proposals for changes to the teacher pay structure. At the time of our discussions, this involved increasing starting pay to £30,000 by 2022/23 and introducing a relatively flatter pay progression structure.
- C25 Teachers and leaders were generally supportive of increasing starting pay to £30,000, believing that it would improve recruitment and enable teachers to be more financially stable. Several felt that the higher starting salary could mitigate the issue of people feeling the need to progress to more senior roles for higher pay at too early a stage in their careers.

- C26 Several participants expressed concerns about the proposals to flatten the pay structure with most believing that retaining larger differentials was important in rewarding experience and in incentivising the taking on of additional responsibility. Some were concerned that a flatter structure could undermine the degree to which experienced teachers felt valued, thereby having a demoralising effect which could negatively impact retention.

APPENDIX D

Current pay levels

Classroom teachers' pay ranges – annual salary

Main Pay Range	Minimum (£)	Maximum (£)
England excluding the London area	25,714	36,961
Inner London area	32,157	42,624
Outer London area	29,915	41,136
Fringe area	26,948	38,174

Upper Pay Range	Minimum (£)	Maximum (£)
England excluding the London area	38,690	41,604
Inner London area	46,971	50,935
Outer London area	42,559	45,766
Fringe area	39,864	42,780

Leading Practitioner Pay Range	Minimum (£)	Maximum (£)
England excluding the London area	42,402	64,461
Inner London area	50,415	72,480
Outer London area	45,766	67,828
Fringe area	43,570	65,631

Classroom teachers' advisory points

	England excluding the London area (£)	Fringe area (£)	Outer London area (£)	Inner London area (£)
M1	25,714	26,948	29,915	32,157
M2	27,600	28,828	31,604	33,658
M3	29,664	30,883	33,383	35,226
M4	31,778	32,999	35,264	36,866
M5	34,100	35,307	38,052	39,492
M6	36,961	38,174	41,136	42,624
U1	38,690	39,864	42,559	46,971
U2	40,124	41,295	44,133	49,279
U3	41,604	42,780	45,766	50,935

Classroom teachers' allowance ranges – annual value

	Minimum (£)	Maximum (£)
Teaching and Learning Responsibility (TLR) payment 3 (Fixed term)	571	2,833
Teaching and Learning Responsibility (TLR) payment 2	2,873	7,017
Teaching and Learning Responsibility (TLR) payment 1	8,291	14,030
Special Educational Needs Allowance (SEN)	2,270	4,479

Leadership group pay range – annual salary

	England excluding the London area (£)	Fringe area (£)	Outer London area (£)	Inner London area (£)
Minimum ⁹⁶	42,195	43,356	45,542	50,167
Maximum	117,197	118,356	120,513	125,098

Broad bands for headteachers – annual salary

	England excluding the London area (£)	Fringe area (£)	Outer London area (£)	Inner London area (£)
1	47,735 – 63,508	48,901 – 64,663	51,082 – 66,827	55,715 – 71,411
2	50,151 – 68,347	51,314 – 69,509	53,499 – 71,666	58,132 – 76,249
3	54,091 – 73,559	55,254 – 74,718	57,436 – 76,874	62,066 – 81,461
4	58,135 – 79,167	59,302 – 80,320	61,479 – 82,480	66,114 – 87,062
5	64,143 – 87,313	65,310 – 88,472	67,496 – 90,632	72,125 – 95,216
6	69,031 – 96,310	70,204 – 97,468	72,383 – 99,624	77,011 – 104,211
7	74,295 – 106,176	75,466 – 107,328	77,643 – 109,489	82,277 – 114,074
8	81,942 – 117,197	83,105 – 118,356	85,290 – 120,513	89,919 – 125,098

⁹⁶ Minimum for Deputy and Assistant Head Teachers only.

APPENDIX E

Pay range and advisory pay points for unqualified teachers

The STRB recommends the following advisory pay point structure for the unqualified teacher pay range from September 2021.

	England excluding the London area (£)	Fringe area (£)	Outer London area (£)	Inner London area (£)
1	18,419	19,613	21,832	23,099
2	20,532	21,723	23,946	25,212
3	22,644	23,837	26,059	27,325
4	24,507	25,699	27,926	29,187
5	26,622	27,812	30,037	31,298
6	28,735	29,924	32,151	33,410

