

Decision maker:	Chief Executive
Meeting date:	Monday 7th October 2019
Title of report:	Teachers pay award 2019/20
Report by:	Chris Baird Director Of Children of Families

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To seek approval by the head of paid service on the proposed arrangements for an above national pay award for teachers. The proposals aim to ensure that all teachers are treated equally and receive a cost of living increase. For the last four years, the national pay award has only applied to the statutory bottom(minima) and top (maxima) of all pay ranges and allowances and not the pay points in-between these points.

It is for local authorities to determine whether they accept the national proposal or develop an alternative proposal to address any concerns of inequity that the national agreement could create. Local authorities nationally have maintained the previous pay structure for teachers and therefore if the national pay award was applied, a significant number of teachers would not receive a cost of living increase because they are on the pay points in-between the top and bottom points. Providing such an award can positively affect recruitment and retention for council schools.

Allowances refer to TLRs (teaching and learning responsibilities) and SEN (special educational needs).

Recommendation(s)

On 7th October, the Employment panel indicated its support that the proposals below be applied:

- (a) **Subject to Parliamentary approval a 2.75% increase for school leaders and teachers on all scale points within all pay ranges with effect from 1st September 2019;**
- (b) **Subject to Parliamentary approval a 2.75% increase on all allowances with effect from 1st September 2019;**

Alternative options

1. There are no alternative options to the recommendation – it is a function of the panel to be a consultee on all terms and conditions, including policies, for staff.
2. Alternative options to the proposal under consultation are:
 - Implement the minimum national pay award only; this would result in the majority of teachers not receiving a cost of living increase. This is not recommended as it is unequitable as it is dependent on the teachers' current pay grade.
 - Also nationally, teacher trade union organisations are seeking a 2.75% pay increase for all teachers and leaders irrespective of grade.

Key considerations

3. The Employment panel took into account the fact that schools had been advised to budget for a 1% increase and that there would be an additional 0.75% coming from central government but there would still be a gap of 1% for schools to cover.
4. A national minimum annual pay award for teachers is recommended by the School Teachers' Review Body for approval by the Secretary of State for Education. The School Teachers' Review Body is an advisory non-departmental public body, sponsored by the Department for Education, and whose remit is to make recommendations on the pay, professional duties and working time of school teachers in England and Wales and report to the Secretary of State for Education and the Prime Minister.
5. The national agreement for 2019, subject to Parliamentary approval, will be a 2.75% increase on minima and maxima points of pay ranges (unqualified, main pay, upper pay and leadership pay ranges); and a 2.75% increase on minima and maxima points of TLRs and SEN allowance.
6. The effect of the national agreement is that only those teachers on certain points of the pay scale will receive a pay award and those who are not on those pay points receive nothing. It is therefore for local authorities to determine whether they accept the national proposal or develop an alternative proposal to address any concerns of inequity that the national agreement could create.
7. In Herefordshire this issue is addressed each by a working party (comprising headteachers, union representatives and local council officers). The working party is a sub-committee of the Children and Families union meeting, where unions are consulted on issues affecting teachers, such as policy review and pay awards. The functions of the sub-committee relate to the consideration of any issue that may impact on the work undertaken by any member of staff on school teachers' pay and conditions. The Children and Families union meetings are held on a termly basis with the Director for Children and Families or nominated representative as Chair.

8. The School Teachers Review Body has recommended the pay award outlined above which has been ratified by the Secretary of State for Education. However, before the pay award can be implemented, the School Teachers Pay and Conditions Document needs to be laid before Parliament. Consultation on the draft School Teachers Pay and Conditions Document closes on 13 September. The Department for Education will then produce the final document taking into account any changes as a result of the consultation. Last year this was done a week after the closing date of the consultation. The final document requires a Statutory Instrument to be produced to bring the document into law. This needs to be laid before Parliament for 21 days before it is a legal document. The Department for Education has confirmed that they are able to lay the Statutory Instrument during prorogation.

It is not expected that there will be any changes to the national pay award as the recommendation has been accepted by the Secretary of State for Education but if this was the case, any amendments would be put before Employment panel. Given the timescales, the pay award would be implemented in the November payroll and backdated to 1st September.

9. The working party felt that the minimum requirements of the national pay award was divisive as only a small number of teachers would receive a cost of living increase and this was only dependent upon their actual pay reference point.
10. The working party took into consideration the School Teachers Review Body's 29th report. The report stated that the national pay framework must support initial teacher recruitment, motivate and retain experienced teachers, and provide a career pathway with incentives to progress into leadership roles. Their role is to position the national pay framework within the graduate and wider labour market to achieve these objectives. The report also stated that the government's target for recruitment to postgraduate Initial Teacher Training was missed in 2018/19 for the seventh successive year. Retention rates for teachers in the early years of their careers have continued to worsen, a trend noted by the School Teachers Review Body for several years. The report also evidences that retention rates have started to deteriorate for experienced teachers and that there has been a marked increase in the number of teachers aged over 50 leaving the profession. Retention rates for headteachers have also fallen in recent years and it is increasingly difficult to attract good quality applicants to fill leadership posts at all levels.
11. All headteachers in Herefordshire were asked (by email) for their comments on the proposed national pay award and options for an enhanced pay award. The working party took into consideration the views put forward by eleven headteachers that responded; all respondents expressed the view that they felt it was only fair that the pay rise should go across all reference points. Some also expressed the view that at a time when recruitment and retention are real issues for Herefordshire schools, it would be unacceptable to give only some colleagues the pay award.
12. The working party considered it essential to keep considerations around teachers' performance-related pay (statutory requirement to review on an annual basis) and the cost of living increases separate. Support members of staff (National Joint Council terms and conditions) in schools receive a cost of living increase and automatic pay increments within their scale irrespective of performance; scales are generally based on time served and not linked to performance-related pay. If a teacher does not meet their performance targets, then they would not receive a performance-related pay increase. This is in accordance with their terms and conditions of employment.

13. Schools have budgeted for a 1% increase across all pay points and ranges. The Department for Education announced in September 2018 that partial funding to cover 2% of the national pay award would be available for the 2018/19 pay award and the 2019/20 pay award. The pay grant from the Department for Education is based on pupil numbers and for 2018/19 this equated to £283,605. Additional funding (0.75%) has been made available for 2019/20 and it is assumed that the same formula will be applied although specific details have not yet been released. Subject to confirmation from the Department for Education, it is expected that the 2019/20 pay grant for Herefordshire will be approximately £177k. This is in addition to the teachers' pay grant announced in 2018. Therefore the total cumulative grant is expected to be around £460,605k (£283,605 plus £177,000). In the longer term, we expect the teachers' pay grant to be absorbed into the Schools' national funding formula.
14. Current information from other councils in the West Midlands indicates that no authority is implementing the minimum national pay award. Four councils have advised that subject to confirmation by the Department for Education, they will be implementing the same pay award as proposed in this paper.
15. Number of teachers per pay grade is:

Pay Grade	Number of teachers
Leadership	140
UPR (Upper Pay Range) 1	111
UPR2	97
UPR3	169
Maxima (M6)	134
M5	31
M4	41
M3	46
M2	27
Minima (M1)	62
Unqualified	3

16. All of the teacher trade union organisations (ASCL, NEU, NAHT & Voice) have published joint advice on the teachers' pay award advising that as the School Teachers Pay and Conditions Document permits the adoption of fixed pay scale points (which is the approach that virtually all local authorities still maintain), that the 2.75% uplift should apply to all teachers and leaders.

Community impact

17. The implementation of the national pay award may potentially impact upon the recruitment and retention of teachers in Herefordshire. Failure to recruit and retain teachers in Herefordshire, when other councils are implementing a higher than national pay award, may impact on the council's corporate plan priority to keep children and young people safe and give them a great start in life.
18. As academy, trust and Voluntary Aided schools (54) have the flexibility to implement differing pay awards from local council schools (45 schools), this may potentially cause recruitment and retention issues for local council maintained schools.
19. The national pay award only offers a cost of living increase to staff (476) who are on the minima and maxima pay points. Teachers on interim salary reference points (385) will not receive any cost of living increase. This will lead to inequalities amongst staff and potential tensions.

Equality duty

20. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. A workforce equality impact assessment (appendix 1) has been completed and no negative impact has been identified.

Resource implications

22. Schools were advised to budget for a 1% increase across all pay points and allowances. The Department for Education has given an additional pay grant to schools to cover some (0.75%) of the pay award. This means that schools will need to find funds to cover a 1% unbudgeted increase.
23. The council receives funding for schools via the dedicated schools grant. The proposed pay award therefore has no impact on the council's retained budget.

Legal implications

24. The School Teachers Review body (which is an independent body asked by the Secretary of State for Education to look at pay and conditions) set out a recommendation for all pay and allowance ranges for teachers and school leader to receive the uplift of 2.75%. Currently the National agreement (which is still subject to Parliamentary approval) set out

a 2.75% increase on minima and maxima scale points meaning that only some and not all teachers will receive a pay increase.

25. The decision for the Chief Executive for which the Employment panel is consulted, is whether to apply the increase to all grades and not just those specified in the national agreement.
26. Applying the same increase does ensure that all teachers are treated the same but treating staff the same can still cause inequality and therefore the Council has to ensure that there is a material factor as to why the council would apply a percentage increase where the national agreement has decided not to. Justifiable reasons can include recruitment and retention issues, provided that there is evidence to support this.

Risk management

27. Approval is being sought on an above national pay award for teachers before Parliamentary approval on the minimum national pay award. It is not expected that there will be any changes to the national pay award as the School Teachers Review Body's recommendations have been accepted by the Secretary of State for Education, but if this was the case, any amendments would be put before Employment panel. Given the timescales, the earliest the pay award would be implemented is in the November payroll and backdated to 1st September.
28. It is unknown what action would be taken by teaching unions if the pay recommendations as outlined in this report are not implemented but one possible outcome would be to ballot members with regard to industrial action.
29. By not implementing this pay award there is a risk, particularly for schools on the borders of Herefordshire, with regard to recruitment and retention of teachers.
30. There are no risks to the council if the recommendations are agreed as schools receive funding through the dedicated schools grant which is entirely separate to the council's retained budget. There may be risks to schools in relation to the pay award being above what is budgeted for at a school level. Schools have the flexibility to determine how their budgets are used locally.

Consultees

31. We have consulted with the teacher trade unions and they were supportive of the pay proposals as detailed in this report.
32. In addition, we have consulted with headteachers from academies, maintained and voluntary aided schools who again were supportive of the recommendations (see appendix 3).
33. Employment Panel was consulted on 7 October 2019 and supported the proposals to apply a 2.75% increase across all pay points and allowances but expressed concern about the impact on school budgets of the unfunded increase. They requested that a letter be sent to the Department for Education urging that future pay increases be fully funded by central government.

Appendices

Appendix 1 – Workforce Equality Impact Assessment

Appendix 2 – Schools Teachers Review Body's 29th Report (Executive Summary)

Appendix 3 – Consultation comments by headteachers

Appendix 4 – September 2018 payscales

Background papers

None