



School Teachers'
Review Body

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TWENTY-NINTH REPORT – 2019

Executive Summary

Chair: Dr Patricia Rice

THE SCHOOL TEACHERS' REVIEW BODY

Our role

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. The current legal foundation for the function and work of the STRB is Part Eight of the Education Act 2002. In its previous reports, the STRB made recommendations about teachers in England and Wales. The responsibility for pay and conditions of teachers in Wales was devolved in September 2018, so the STRB now makes recommendations on teachers in England only. The secretariat for the STRB is provided by the Office of Manpower Economics (OME).

The members of the STRB are:

Dr Patricia Rice (Chair)

Sir Robert Burgess

Ken Clark

Harriet Kemp

John Lakin

Mike Redhouse

Dr Andrew Waller

Jeanne Watson

Executive Summary

In November 2018, the Secretary of State asked us to make recommendations on: *an assessment of what adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to promote recruitment and retention, within the bounds of affordability across the school system as a whole.* He asked us, when considering our recommendations, to have regard to: ensuring affordability across the school system as a whole; the national state of teacher and school leader supply; the wider state of the labour market in England; forecast changes in the pupil population and the level of demand for teachers; and the Government's commitment to increasing autonomy for schools on pay. The remit letter stated that the School Teachers' Review Body (STRB) should set out in its report what consideration it had given to targeting and affordability.

The unions representing teachers and school leaders told us there should be a substantial uplift in teachers' pay in September 2019 as part of a longer-term process to restore the value of teachers' salaries. Four of these organisations submitted a joint statement proposing a pay increase of 5% for all teachers and school leaders. Most of these unions and the organisations representing local authorities and school governors stated that the Government should fully fund any pay uplift. The Department did not make any specific proposals on the level of pay uplift for teachers but stated that a 2% increase in per teacher pay was affordable nationally. The Secretary of State told us that we should not assume that any additional funding would be provided to schools by the Government for teachers' pay from September 2019.

Our analysis and considerations

An effective education system that delivers excellent pupil outcomes depends on having high-quality teachers and school leaders. The national pay framework must therefore support initial teacher recruitment, motivate and retain experienced teachers, and provide a career pathway with incentives to progress into leadership roles. Our role is to position the national pay framework within the graduate and wider labour market to achieve these objectives.

Recruitment and retention

This year the evidence shows that the teacher supply situation has continued to deteriorate, particularly for secondary schools. This has affected teachers at all stages of their careers:

- The Government's target for recruitment to postgraduate Initial Teacher Training (ITT) was missed in 2018/19 for the seventh successive year. There has also been a marked decline in the number of overseas teachers being awarded Qualified Teacher Status (QTS).
- Retention rates for teachers in the early years of their careers have continued to worsen, a trend that we have noted for several years now.
- There is also evidence that retention rates are starting to deteriorate for experienced teachers, and there has been a marked increase in the number of teachers aged over 50 leaving the profession.
- Retention rates for head teachers have fallen in recent years and our consultees report that it is increasingly difficult to attract good quality applicants to fill leadership posts at all levels. We have heard similar concerns from some of those we spoke to during our school visit programme.

Taken together, these trends paint a worrying picture. This is all the more concerning as increasing pupil numbers mean that there will be a need for more teachers in coming years, particularly in the secondary phase and for English Baccalaureate (EBacc) subjects.

We welcome the Department's publication of its *Teacher Recruitment and Retention Strategy*. The proposals it sets out, if implemented, should help address these problems in teacher supply. However, complementary action on pay is vital.

Teacher earnings

The Government accepted our recommendation for a 3.5 per cent uplift to the Main Pay Range (MPR) from September 2018. We welcome this decision, which improved the competitiveness of teacher starting pay. However, our evidence shows that teachers' salaries continue to lag behind those available in other graduate professions:

- Median starting salaries for other graduate careers remain higher than those for teachers in most areas of England, and the earnings of experienced teachers are lower than those available in other *professional occupations*.
- Over the last decade, the position of the national teachers' pay framework in the earnings distributions for both *professional occupations* and the wider economy has deteriorated. In other words, more people in more occupations are becoming better paid than teachers.

We conclude that this steady decline in the competitiveness of the teachers' pay framework is a significant contributor to teacher supply difficulties. Until it is reversed, these difficulties will continue.

Consideration of affordability

The Secretary of State's remit letter asked us to ensure that our recommendations are affordable across the school system as a whole. In its submission, the Department reported that its assessment indicated that there could be an increase in per teacher pay of 2 per cent, nationally and overall, before schools faced real-terms cost pressures. We carefully considered this assessment and the other evidence available on school funding and finances. We have made no assumptions about additional funding being provided to schools by the Government from September 2019.

We appreciate the Department's evidence. However, it is very difficult to make a meaningful assessment of affordability at a system-wide level:

- There is considerable variation in schools' financial situations, which limits the weight that can be placed on national averages.
- Cost pressures are not necessarily synonymous with affordability, as school leaders and governing bodies have autonomy over school budgets and will set their priorities and allocate funds accordingly.
- School leaders and governing bodies also have autonomy with respect to the pay arrangements within their individual schools. Their decisions will affect the overall system-wide impact.

Any assessment of affordability also needs to take into account the costs imposed on the system of not recruiting and retaining enough teachers. Failing to prioritise teacher supply through an investment in pay may lead to financial savings in the short term, but these are likely to be outweighed by additional costs and reduced productivity across the education system in the longer term.

Consideration of targeting

The remit letter also asked us to outline what consideration had been given to targeting. We noted the following points:

- With ITT targets repeatedly missed and the demand for teachers forecast to rise, the pay framework still needs to support recruitment to the profession.
- A focus on pay for early career teachers, at the expense of those on the upper or leadership pay ranges, risks being ineffective even in its own terms. Those considering joining the profession, and particularly career changers, look ahead at their possible future earnings, as well as at starting pay.
- We also have significant concerns about declining retention rates for experienced teachers, who have a key role in supporting pupil outcomes and mentoring new recruits. Reducing the leaving rates of these teachers is an essential part of any strategy to achieve well-staffed schools, not least by reducing the pressures to recruit new entrants.
- The evidence about the recruitment and retention of school leaders suggests their position is deteriorating. We heard on our school visits and from our consultees concerns about narrowing pay differentials reducing the incentives for career progression.

Overall, while in previous years we have recommended some targeting of early career teachers, we do not think that this is the right approach for this round. On visits, we were struck by how negatively many school leaders and senior staff viewed the Government's targeted approach to uplifts last year. If the most experienced teachers believe they are being repeatedly disadvantaged in order to direct resources towards the newest recruits, this will not create a good environment for the retention of teachers at any stage of their careers.

Our conclusions and recommendations

For September 2019, we recommend that all pay and allowance ranges for teachers and school leaders are uplifted by 2.75%.

Our key considerations in making this recommendation are:

- The state of teacher recruitment and retention has continued to get worse, while rising pupil numbers will increase the challenges in the coming years.
- A decade of relative decline has taken the teachers' national pay framework too low in relation to the graduate labour market and the wider economy.
- The costs of this are already being carried by schools all over the country, who are finding it harder to recruit and retain teachers and risk becoming less effective.
- Without action this year to improve the competitiveness of the teachers' pay framework, there will be further deterioration in the state of teacher supply.
- The median value of pay settlements across the economy was 2.5 per cent, and the upper quartile in the distribution of pay settlements was 3 per cent in the year to March 2019.
- There is a context of heightened economic uncertainty and the need to consider affordability.

Under the current pay system, it will be for school leaders and governing bodies to determine how to implement, in their individual schools, the changes to the School Teachers' Pay and Conditions Document (STPCD) arising from our recommendations.

Looking ahead

Our recommendations will be a step towards improving the position of the teachers' pay framework in the wider labour market. More will be necessary over the period of the next Spending Review. We appreciate that much will depend on developments in the wider economy. However, investment is essential to underpin teacher supply across England.

In his remit letter, the Secretary of State indicated that he planned to set the STRB a further remit to consider reforms to the pay structure for classroom teachers to ensure that the pay framework provides a clear career pathway, meets current challenges and provides an attractive offer for teachers at all career stages. The evidence we have considered this year highlighted a number of structural issues with the current pay framework and reinforces our views that such a consideration of the classroom teachers' pay structure is required if we are to get maximum value from the money spent on teachers' pay. We look forward to further discussion of this with the Department. We also see evidence of some issues with the pay framework for school leaders which, in the longer term, may need to be reviewed.

