

Decision maker:	Chief Executive
Decision date:	Thursday 25th October 2018
Title of report:	Teachers pay award 2018/19
Report by:	Director for Children and Families

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To approve proposed arrangements for an increased pay award for teachers. The proposals aim to ensure that all teachers are treated equally and receive a cost of living increase. The national pay award only applies to the minima and maxima of each pay range and not the pay reference points in-between; therefore if the national award was applied, the majority of teachers would not receive a cost of living increase.

Recommendation(s)

That the teachers' pay award for 2018-19 be approved as below:

- (a) A 3.5% increase for teachers on all scale points (except minima and maxima points as part of national agreement) within the unqualified and main pay ranges with effect from 1st September 2018;**
- (b) A 2% increase for teachers on all scale points (except minima and maxima points as part of the national agreement) within the upper pay range with effect from 1st September 2018;**
- (c) A 1.5% increase for teachers on all scale points (except minima and maxima points of each school size group as part of the national agreement) within the leadership range with effect from 1st September 2018;**

Alternative options

1. 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 teacher's current pay grade.

Key considerations

2. National agreement is 3.5% increase on minima and maxima points of the unqualified and main pay range; 2% increase on minima and maxima points of the upper pay range; 1.5% increase on minima and maxima points of each school size group; and 2% increase on all allowances – TLRs (teaching and learning responsibilities) and SEN (special educational needs) allowances.
3. The working party (comprising of headteachers, union representatives and local council officers) considered that it was unfair not to give all teachers a cost of living increase. 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.
4. 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.
5. The working party took into consideration the School Teachers Review Body's 28th report. The report stated that in recent years maintaining teacher supply has become more difficult and that the government's overall target for recruitment to postgraduate initial teacher training was missed in 2017/18 for a sixth successive year. The report also stated that evidence this year indicated that teaching has continued to lag behind other graduate professions, both in terms of starting salaries and pay progression prospects. The report's recommendation to the Secretary of State for Education was for a 3.5% increase across all pay points (in all pay ranges) and allowances. For the first time the pay recommendation by the School Teachers Review Body was not approved by the Secretary of State. In his written response to the report's recommendations, the Secretary of State agreed with the proposed uplift to the main pay range by stating that this "will both raise starting salaries significantly and increase the competitiveness of the early career pay framework". However, in his statement he also stated that "in reaching a final position for 2018/19 public sector pay awards, we have balanced a need to recognise the value and dedication of our hard-working public servants whilst ensuring that public services remain affordable in the long term, to contribute to our objective of reducing public sector debt. We have also sought to ensure that pay awards are fair and consistent across public sector workforces, reflect existing pay and benefit packages, in addition to recruitment and retention levels. It is vital that we consider all pay awards in light of wider pressures on public spending. Public sector pay needs to be fair both for public sector workers and the taxpayer".
6. The School Teachers' Review Body 28th report (published 24th July 2018) states that in recent years maintaining teacher supply has become more difficult and that the government's overall target for recruitment to post graduate initial teaching training was missed in 2017/18 for a sixth successive year.

7. 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 the six headteachers that responded; the majority of the headteachers that responded wanted to pay the percentage increase on all pay points in the respective pay grades, ie 3.5% for main pay range and 1.5% for leadership pay range. A couple of headteachers made the point that the differentials between the pay bands was 'unfair' but accepted that there was a need to attract and retain teachers in their first few years of teaching and hence the differences. Headteachers did not comment on the 2% uplift to allowances (TLRs and SENs) probably due to the fact that this uplift is part of the national pay award.
8. The working party considered it essential to keep considerations around teachers' performance-related pay and 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.
9. Schools have budgeted for a 2% increase across all pay points and ranges. The DfE has announced additional partial funding for the national pay award based on pupil numbers and for Herefordshire this amounts to £283,605. Financial modelling has been undertaken based on this information and the average percentage increase for local authority schools is 1.61%. The DfE has also announced that additional pay grant will also be available for 2019/20.
10. Current information from other councils in the West Midlands indicates that no organisation is implementing the minimum national pay award. Five councils (including Worcestershire) have confirmed that they are implementing the same pay award as proposed in this paper. Two other councils that responded indicated that they are still looking at the financial impact and have not started pay consultations.
11. In the last four years, teachers in Herefordshire and other local areas have received a 1% increase across the vast majority of pay points (2% on the first pay point – M1) and allowances (teaching and learning responsibilities and special educational needs allowances), as defined in the Statutory School Teachers Pay and Conditions Document. This was in line with the public sector cap on pay awards, set at 1% which has now been lifted.
12. Number of teachers per pay grade is:

Pay Grade	Number of teachers
Leadership	144
UPR (Upper Pay Range) 1	82
UPR2	74
UPR3	149
M6	71
M5	29

Pay Grade	Number of teachers
M4	36
M3	39
M2	30
M1	44
Unqualified	3

13. The General Secretary for the NASUWT (teachers' union) has written to all Directors of Education/Children's Services seeking confirmation that the proposed pay award as detailed in this report will be implemented.

Community impact

14. The implementation of the minimum 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.
15. A neighbouring council (Worcestershire) and potentially Gloucestershire have implemented the pay proposal as set out in this report the working party raised concern for the recruitment and retention of teachers in schools on county borders. This could impact on the quality of teaching and learning in Herefordshire.
16. As academy, trust and VA schools (54 schools) have the flexibility to implement differing pay awards from local council schools (45 schools), this may potentially cause recruitment and retention issues for council maintained schools.
17. The minimum national pay award only offers a cost of living increase to staff who are on the minima and maxima pay points. In this instance the majority of teachers will not receive any cost of living increase. This will lead to inequalities amongst staff and potential tensions.

Equality duty

18. 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.

19. A workforce equality impact assessment has been completed and there is a potential age impact for individuals whose salary points are on the main pay range. Typically individuals in the interim pay points (M2-M5) will be in their early/mid twenties as these are the first pay points for newly qualified/inexperienced teachers. However, late entrants into teaching would also be paid on these pay points and could be much older. It should also be noted that there are interim pay points in two other pay ranges (upper pay range and leadership) which are not part of the national pay award. Individuals on these pay points will be experienced teachers and therefore older. .
20. It is recognised (nationally) that pay is an issue in both the recruitment and retention of teachers particularly for early career teachers than later career teachers. This supports the view that there is a potential equality impact related to age.

Resource implications

21. Schools were advised to budget for a 2% increase across all pay points and allowances. There are 44 teachers (out of 701) on the minima pay point (reference pay point M1) who in line with the national pay award would receive 3.5% increase. The DfE has given an additional pay grant to schools to cover some of the cost of the pay award. Based on financial modelling the average percentage increase for council maintained schools is 1.61%.
22. 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

23. In accordance with the national teachers' pay and conditions the national agreement on the pay increase, teachers on the main pay scale will receive a 3.5% pay increase while those on the upper ranges will get 2% and leaders will receive 1.5%. As part of the national terms and conditions for teachers these will automatically apply.
24. The decision for the chief executive for which employment panel is consulted, is whether to apply the increase to all grades and not just those specified in the national agreement. The national agreement is reached between staff and employer side representatives. 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 include recruitment and retention problems if there is evidence to support this. Historical pay arrangements can be tainted with discrimination so should not be relied upon for a reason.

Risk management

25. 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.
26. 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.

Consultees

27. We have consulted with the teacher trade unions and they were supportive of the pay proposals as detailed above.
28. In addition, we have consulted with headteachers from academies, maintained and voluntary aided schools who again were supportive of the recommendations (see appendix 3).
29. The Employment panel was consulted on Thursday 18th October 2018, supported the proposals and consequently approved the recommendations.

Appendices

Appendix 1 – Workforce Equality Impact Assessment

Appendix 2 – School Teachers Review Body's 28th report

Appendix 3 – Consultation comments by headteachers

Background papers

None