



**National Employers' Organisation for School Teachers
Evidence to the School Teachers' Review Body**

January 2020

Introduction

1. The National Employers' Organisation for School Teachers (NEOST) welcomes the opportunity to submit views in response to the School Teachers' Review Body's (STRB) call for evidence in relation to its 30th remit report.
2. NEOST is the employer representative body. The role includes acting as the single statutory employer representative body when submitting evidence to the STRB.
3. It draws its members from the Local Government Association (LGA), the National Society (Church of England and Church in Wales) for the promotion of Education, the Welsh Local Government Association, the Catholic Education Service and the Confederation of School Trusts.

Executive Summary

4. NEOST's headline responses to the call for evidence are as follows, that:
 - schools continue to experience difficulties with recruitment and retention of teachers across a range of disciplines, levels, types of schools and locations;
 - there are continued financial pressures and reduced financial sustainability across the school system as a whole;
 - the 2020 award must be fully funded by central government with new money;
 - without full funding, some schools will have to make savings elsewhere which is likely to have a negative impact on teachers' workloads, leading to a likely increase in retention difficulties;

- NEOST continues to support a consistent across the ranges 'cost of living' uplift to be a consideration in any award;
- pay is not the main reason given by teachers for leaving in the first two to five years. School leaders are less certain what, if any, significant positive impact the proposed £30k starting salary for teachers will have on the retention of good classroom teachers. They are also concerned about the knock on impact on their local pay structures, retention of experienced teachers and budgets;
- the vast majority of stakeholders' responses indicated that the current progression rates are appropriate (e.g. that it should take on average five years to get from the bottom to the top of the Main Pay Range (MPR)) and would be concerned if a flatter structure means this happens sooner;
- the majority of our stakeholders welcome what they describe as the 're-introduction' of national pay points as they support fair and transparent pay options including the flexibilities provided within the current STPCD 2019 that enable targeted pay decisions at a school level;
- NEOST found little support for a flatter structure due to likely increased costs as a result of any assimilation process and concerns around the potential restriction to differentiate rewards at a school level based on different levels of performance;
- any new arrangements require adequate time for employers and schools to consult, plan, cost and implement. Our consultees are clear that the main barrier to applying the full scope of current pay flexibilities that already exist is the lack of adequate and sustainable funding for schools; and
- NEOST is keen to support the DfE Recruitment and Retention strategy and looks forward to continuing to work with DfE on its further design and implementation for the benefit of schools.

Our consultation with stakeholders

5. The strategic lead for education of children and young people is provided by 151 English local authorities. To inform this evidence, the NEOST secretariat consulted all education authorities, the National Society (Church of England and Church in Wales) for the promotion of Education, the Catholic Education Service and the Confederation of School Trusts. The full set of questions is attached as Appendix A to this report.
6. Authorities provided views based on a combination of their own knowledge and experience and feedback provided to them by schools. We had a 22 per cent

response rate which was reasonable given the relatively tight timescale over the summer holiday period. In addition, we have received feedback to inform this submission from Academy Trusts, ten regional HR networks which cover those providing support to both maintained and academy schools, and a national sounding board of local authority school HR practitioners from every region.

7. Given the range of situations and circumstances, there is rarely unanimity on any single issue, however, this submission seeks to reflect a broad consensus of views where one exists. Also where we have quoted specific examples this is not to suggest that the example given is widespread, but to give a flavour of the issues reflected back to us by local authorities.
8. Where authorities had reported difficulties for their schools in recruiting and retaining teachers as well as managing the budget within current constraints, they were asked for any available data to reflect this. However, as local authorities are generally not involved in day-to-day recruitment for schools the response to this question was limited. The vast majority of authorities were however able to provide anecdotal evidence gained directly from head teachers, (individually or through forums) and HR practitioners who have supported schools on individual issues. A number of authorities did provide data including forecasts on the current and future budget pressures that exist within schools.
9. Through the LGA's wider role and network of relationships with Multi Academy Trusts we have received additional feedback on the core issues relevant to teachers' pay for 2020. The feedback received very much reflects what local authorities and maintained schools are telling us as detailed below. In particular budgeting for a two per cent equal uplift across all the pay ranges that is fully funded and the view that a six point main pay range works best for the recruitment, retention and progression of classroom teachers.
10. NEOST notes the STRB recommendation to the government in its 29th report that, 'Our (STRB) report and government's response be announced significantly before the end of the summer term to support the effective and timely implementation of the annual pay awards'. The report and the government's response were announced on 22 July 2019. This year's remit signals wider reforms than in the last few years and so we want to repeat the importance of our request for reassurance that this year the STRB report is published with the government's response and the draft STPCD 2020 as soon as possible but ideally no later than May 2020.

Recruitment and retention of school teachers

11. NEOST welcomed the 2019 STRB recommendation for a consistent 2.75 per cent increase across all the ranges (although disappointed that only 0.75 per cent was funded) as part of what the STRB described as a 'longer term process of

restoring the value of teachers' salaries...following a steady decline in competitiveness'.

12. As in previous years, the overwhelming majority of respondents reported that schools in their area continue to experience difficulties with recruitment and retention.
13. Authorities were asked to give their views on the reasons for any recruitment and retention difficulties. As has been the case in previous years, pay was an important factor but not the only or most important factor. Answers instead fell into a range of categories that can broadly be described as: school budgetary difficulties; workload/accountability/wellbeing; specific area challenges; cost of living/housing; and an overall decline in the perceived status of teaching as a profession. Workload continued to be the number one issue cited in regard to teachers choosing to leave the profession.
14. These commonly accepted reasons for teachers leaving are supported by the NFER Teacher Omnibus Survey published in June 2019¹ based on the responses from 1,570 practising teachers within 1,356 schools in England. The survey results reported that:
 - the **two most important factors** in attracting teachers to the profession were **working with young people** and **making a difference**. These tended to be followed by career progression, holidays and **lastly, pay**;
 - overall, **26 per cent of respondents said they were considering leaving the profession within the next 12 months**; 61 per cent were not and 13 per cent did not know. Responses were broadly similar between school leaders and classroom teachers and also between the primary and secondary sectors;
 - of the 26 per cent of respondents that indicated they were considering leaving, 56 per cent sighted 'work related factors' with a further 20 per cent indicating 'stress / anxiety'. Only 8 per cent indicated pay as a reason.
15. Teachers' pay is an important factor but as the evidence suggests it is not the most important factor for graduates joining the profession or for teachers considering leaving teaching. The government's policy intention to increase the starting pay of teachers to £30k by 2022 (a 23 per cent increase) may attract more graduates into the profession but as pay is not the main reason given by teachers for leaving in the first two to five years; school leaders and local authorities have told us that they are less certain what, if any, positive impact it will have on the retention of good classroom teachers and are concerned about the knock on impact on their pay structures, budgets, morale, employee relations and, most importantly, retention rates of experienced teachers.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/838862/NFER_Teacher_Voice_survey_2019_Summary.pdf

16. The Education Policy Institute (EPI) has highlighted rising pupil numbers². The population bulge which began in the early years of this century is continuing to move through the school system. While the number of pupils in primary schools is now expected to be relatively stable for the next few years, pupil numbers in secondary schools are projected to grow at between two and three per cent a year.
17. The report from the EPI describes the fact that schools continue ‘to struggle with teacher recruitment and retention, particularly in secondary schools where pupil numbers are expected to grow but the number of teachers is in decline. Data from the School Workforce Census³ shows dropout rates of young graduate teachers are rising and each year’s graduates are more likely to leave the profession than those of the previous year – 85 per cent of 2017 graduates were still in the profession after one year, compared with 88 per cent of 2011 graduates’. **It should be noted that these figures relate to those who joined teaching in the first place, it continues to be the case that the government now routinely misses its recruitment targets.**
18. The Institute of Fiscal Studies (IFS) report that whilst primary school teacher numbers have risen by 11 per cent since 2010, pupil numbers have grown by 17 per cent.⁴ This has led to a small rise in average class sizes from 26 to 27 pupils. In secondary schools, teacher numbers have fallen by 20,000 or by just under 10 per cent between 2010 and 2018. So although there has been no net change in pupil numbers, average class sizes have risen from 20 to 22 pupils.
19. This year’s responses again suggested continued difficulties in secondary schools for classroom teachers, both in terms of the number and quality of applicants. In terms of subject specialisms, the most frequently cited difficulties were filling vacancies for teachers of mathematics, science (especially physics), English and religious education. Also mentioned by several authorities in terms of difficulties in recruiting were information computing and technology and modern foreign languages.
20. A large authority in the South West reported a decline in recent years in the number of applications per average teacher vacancy, dropping from just below 30 to 10 for the last two advertised teacher vacancies.
21. A large northern local authority described how two secondary schools in remote coastal areas only received two applicants for a teacher of maths, as well as citing the need to advertise three times for a Head of Modern Foreign Languages before a suitable teacher could be appointed.

² <https://epi.org.uk/publications-and-research/spending-round-preview/>

³ <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2018>

⁴ <https://www.ifs.org.uk/publications/14369>

22. All responses from London and those from the South East and East of England in close proximity to London, reported difficulties citing the cost of housing as a significant barrier.
23. Authorities again reported growing difficulties in areas of high deprivation, including relatively remote coastal areas which experience difficulties in recruiting to all vacancies. Small rural schools were often seen to be most affected, especially those in areas of low deprivation but with single form entry, as they attract less funding and therefore are struggling to maintain existing staffing structures, where staff tend to be at the top end of the pay range (Upper Pay Range) and turnover is low.
24. A large local authority in East Midlands commented that not all schools in their area report recruitment problems. Their view was that to some extent it is determined by the area / location / circumstances of the school. They went on to explain that the key problem in attracting quality applicants to work in challenging schools in areas of significant deprivation, was the need to attract not only good quality teachers but teachers with high levels of personal and professional resilience. Some of the schools experiencing difficulties have stated that they have no option but to recruit NQT's who, being less experienced are often not suitable at this stage of their career, or are not entirely ready for the challenges of the job. The consequence is that significant leadership time is required to provide support to these individuals.

School Leadership

25. There has been no easing off from an already high base of authorities reporting a growing difficulty for schools in recruiting quality applicants for senior leadership posts (head teacher positions in particular). This relates to both quantity and quality of candidates.
26. Several authorities referenced the reducing differentials between the pay of classroom teachers and leaders' pay over the last few years (currently £575 per year difference between maximum of UPR and the minimum of the leadership range) and how the size of future increases in classroom teacher salary levels are highly likely to increase the difficulty in recruiting good school leaders. In recent responses NEOST and the STRB 29th report have reflected back teachers' views that this was making it less attractive to apply for promotion.
27. In response to the difficulties in recruiting to single school head teacher vacancies, there appears to be a growing trend, where feasible, to restructure and create an 'Executive Head Teacher' role across two or more school. However, in some areas a shortage of effective leaders who are prepared to take on this challenge is putting a real strain on this as an effective model.

28. The vast majority of authorities and schools support school level targeting at current areas of recruitment and retention difficulty. A number of respondents highlighted the existing pay flexibilities within the STPCD to pay more when needed for recruitment and/or retention; explaining that the decision is best made at a school level. Other respondents said it would do little to increase the supply of good quality teachers in the current shortage areas as many of those specialisms are likely to attract higher salaries in other graduate professions if pay is the main career choice motivator.
29. NEOST recognise that along with ensuring fair and affordable pay for teachers, a holistic support programme will be most effective in helping schools and local authorities to recruit and retain 'great teachers'. NEOST therefore welcome the opportunity to continue working with the DfE, as the single statutory employer representative body, on the DfE recruitment and retention strategy. We have seen that that the strategy sets out the key policy developments, with requirements for additional funding where necessary, that aims to 'drive recruitment and boost retention of teachers'.

Affordability

30. NEOST is concerned that the vast majority of schools are currently facing significant budgetary pressures that do not appear to be addressed by the National Funding Formula, the DfE pay grant allocations up until March 2020 or the recent Spending Round funding announcements.
31. The biggest financial pressures on schools and local authorities include overall pay rises, Teachers' Pension Scheme contributions, cost inflation aside from pay, National Insurance contributions, and the apprenticeship levy.
32. The IFS 2019 annual report on education spending in England⁵ highlighted the total school spending per pupil in England has fallen by 8 per cent in real terms between 2009–10 and 2019–20. The bulk of these funding cuts were driven by a 57% reduction in spending per pupil on services provided by local authorities.
33. The government has allocated an extra £4.3 billion to the schools budget in England for 2022–23. The IFS report (referenced above) states that this represents 7.4 per cent expected real-terms growth in spending per pupil between 2019–20 and 2022–23 and is sufficient to almost completely reverse the cuts of 8 per cent seen since 2009–10. If delivered, this will leave school spending per pupil in England about the same level in 2022–23 as it was in 2009–10. **No real-terms growth in spending per pupil over 13 years represents a large reduction by historic standards.**
34. NEOST welcomes the funding announcement for schools as this represents a major shift in funding policy with significant increases in the amounts that schools

⁵ <https://www.ifs.org.uk/publications/14369>

will receive over the next three years. However, the announcement lacks detail on how money will be distributed.

35. Analysis carried out by the EPI ⁶ suggests that schools will **not** get an equal share of increases and schools with the least challenging intakes are likely to benefit most, meaning that some schools are unlikely to see a full restoration of funding. The teacher pay announcement puts fresh pressure on school budgets and these schools are likely to be disproportionately hit.
36. Several local authorities across the country confirmed that a large number of schools will only receive a per pupil increase of 1.84% (funding floor 2020).
37. A very large authority in the South East shared their initial analysis which indicated that the proposed increase to starting salaries and associated costs for others across the pay structure will absorb much of the additional funding announced when taking into account other pay and non-pay inflation meaning that they anticipate that despite these welcome additional funds, there will continue to be some schools for which funding remains a significant concern.
38. The analysis above undertaken by the South Eastern local authority is against a recent backdrop over the last two financial years (2017-18 and 2018-19), where 157 members of staff were made redundant across schools as a result of restructures. This includes 45 teachers who were displaced as a result of restructure exercises. Beyond this, there were also many staff who secured employment in other schools locally and schools have chosen not to replace these post holders due to financial constraints.
39. While the number of schools facing deficits remains relatively stable in that South Eastern local authority, at approximately 7.5% of maintained schools, more are taking proactive action in relation to future years of potential deficit, particularly given salary safeguarding costs that can arise. Given their concerns about adequacy of funding as outlined above, it is their view that there are still a number of schools facing the need to reduce staff.
40. The vast majority of local authorities who were able to answer the question confirmed that schools are intending to budget a specific percentage (e.g. two per cent for 2020). It was made absolutely clear this does not mean that schools can afford that percentage of uplift but that this is a pragmatic and realistic financial budgeting decision. It was clear that not all schools can afford to fund a pay uplift for teachers without making savings elsewhere in the budget.
41. The STRB should note that as of April 2019 there has been an additional pressure of meeting significant increases to the pay bill for support staff. The local government two year (2018/20) pay deal added an estimated eight per cent or over increase to the support staff pay bill in schools over that two year period. In July 2019, the local government NJC unions submitted a 2020/21 pay claim for £10 per hour for the minimum point and a 10 per cent increase on all other pay points.

⁶ <https://epi.org.uk/publications-and-research/spending-round-preview/>

42. We have sought to express the impact of pay awards, other costs and general inflationary pressures in terms of manageability rather than affordability, when with inadequate additional resources such costs are likely to be managed at the expense of other curriculum-based resources. Respondents provided examples of reducing the breadth of the curriculum and pastoral care, reductions in non-core activities like school trips and the challenges around ongoing school building repairs and maintenance. The responses from local authorities indicate that even 'manageability' is becoming increasingly difficult and making cuts from other areas of expenditure and redundancies (as described above) are starting to have a significant impact on the viability of some schools and ultimately the outcomes for children.

Centrally Employed Teachers

43. All budget holders responsible for those covered by the document should have a level playing field to enable them to implement the changes to the STPCD. Several local authorities told us that without full funding for Central Employed Teachers (CETs), further cuts will need to be made. If full funding is not provided, then many local authorities and Academy Trusts who also employ CETs have told us they will need to reduce, stop or pass the full costs onto schools for the special provision of services that include music services, schools improvement and SEND provision. If, as we anticipate, not all schools are able to absorb these increased costs, it puts the whole funding model that enables these services at risk for all schools in an area. Central government must therefore fully fund the cost of the 2018, 2019 and all ongoing pay awards to maintain the quality and range of educational services available to pupils.

44. The school workforce census records 5,002 (3,863 full time equivalent) CETs that need to be taken into account in the new funding formula.

45. NEOST is seeking confirmation from the government that the 2018, 2019 and 2020 pay increases for CETs will be fully funded from 2020 onwards.

46. The STRB may be aware that no similar provision for funding the pay award for 2018 or 2019 was made for Centrally Employed Teachers as they were omitted from the Teachers' Pay Grant methodology. NEOST asks that the STRB continue to support this fundamental principle and make a recommendation that ensures a level playing field for all teachers covered by the STPCD.

Guiding Principles of Teachers' Pay Progression

47. Several stakeholders highlighted the importance that teachers perceive the pay award to be fair and that it values their contribution to society. Essentially, responses from local authorities indicate that the vast majority of schools continue to support a 'cost of living' award that is separate from any performance related pay annual increase.

48. The STRB has been asked to provide advice on 'advisory pay points' in this year's remit. NEOST maintains its position that it would want to see a recommendation for a consistent cost of living pay increase to every salary and allowance, other than those set initially at school level.
49. NEOST supports the proposal for national advisory pay points (subject to adequate funding and appropriate time to cost, consult, plan and implement) as local authorities have consistently told us over many years that this is what schools have developed as a basis for appraisal and performance related pay decisions. Over time with the removal of the national pay spine in 2013, differentiated pay awards, local flexibility and budgetary pressures, some schools and local authorities have evolved their pay structures to meet their local needs e.g. 7 or 11 points on MPR and 5 points on Upper Pay Range (UPR). The introduction of national advisory points is highly likely to lead to pressure for schools to move to these advisory points and there may be assimilation costs associated with this that need to be funded. This will create some practical difficulties for some authorities / schools and therefore flexible arrangements may be needed to ease the transition over more than one year.
50. The vast majority of stakeholders' responses indicated that the current progression rates are appropriate (e.g. that it should take five years of good performance to get from the bottom to the top of MPR) and would be concerned if a flatter structure means this happens sooner. The changes in the Newly Qualified Teachers (NQTs) induction period being extended to two years (and NQTs still being entitled to pay progression after year one) was highlighted as an important factor. A flatter structure leading to fast progression is also likely to lead to higher average teacher costs adding to budget pressures.
51. Local authorities and schools are concerned about the potential to remove the UPR as there are higher expectations of these staff. If the two ranges combine there would need to be accompanying regulations to cover current expectations of higher level responsibilities associated with the UPR. The vast majority of stakeholders have indicated their preference would be to retain the UPR with more detailed advice on the ongoing performance standards required commensurate with this level of pay. The current anomaly of restricting teachers from relinquishing their UPR responsibilities and returning to the MPR needs to be addressed. At other pay ranges i.e. leadership, where responsibilities and requirements change through reorganisation pay protection rules apply and the same should apply to changes in UPR responsibilities.
52. Stakeholders also raised concerns about the likelihood that a flatter structure will limit schools ability to differentiate teachers' performance. All schools are required to have appraisal and capability procedures through which the performance of teachers, including underperformance are addressed. Differentiated performance related pay progression is already used as an effective means to reward and incentivise effective teachers through accelerated incremental progression as a result of excellent performance, or, by denying progression where a teacher is assessed as not providing good performance.

Here the sums of money involved are a more significant incentive, in so far as performance and retention are motivated by pay. The key barrier to widespread use of this “tool” is the lack of financial resources from within school budgets.

53. Several authorities commented on the financial challenge of achieving a single consistent pay uplift on all ranges when the government has announced its policy intention of a minimum £30k starting salary (more in the London pay areas) by 2022.
54. The cost of assimilating teachers onto a new pay spine as a result of any ‘bottom loading’ applied to the minimum MPR and as a result of the ‘advisory pay point’ will be significant as the teacher unions are highly likely to negotiate hard for a ‘no losers’ deal locally.
55. The vast majority of stakeholders think that this is also an ideal time to review the teacher salary pay protection regulation as most authorities and schools leader see that this is no longer consistent with arrangements for other school-based employees.
56. This year’s remit has signalled the possibility of radical reform of the STPCD 2020 and several local authorities have highlighted the need to keep any changes as straightforward as possible. Time must be allowed for changes to be understood to minimise potential for industrial relations issues and misunderstanding and to enable a smooth transition. Adequate time to consult key stakeholders, facilitate collaborative decision making, plan and implement with full funding provided is essential.

**Questions for local authorities
to inform NEOST evidence to STRB on 2020 teacher pay award**

Background

The Government has highlighted how it 'expects pay awards to be targeted as effectively as possible to best address recruitment and retention challenges'. The Secretary of State's view is that to achieve this a significant uplift in the starting salary of classroom teachers is required. The government has announced its intention to increase starting salaries to £30,000 nationally by September 2022. For London pay areas it has asked the STRB to set out recommendations on the appropriate higher starting salaries pay awards to be applied in a targeted manner to address recruitment and retention pressures.

The remit letter also states that the Government's evidence will present a case for schools to move towards a relatively flatter pay progression structure. It also directs the STRB to recommend additional advice to schools on the performance-related pay progression pathway for classroom teachers including advisory pay points on the main and upper pay ranges.

Questions

With the above in mind please provide any information (ideally data and/or your views) on the questions listed below:

Recruitment and retention

1. Are schools in your local authority area experiencing difficulties with recruitment of teachers?
2. Are schools in your local authority area experiencing difficulties with retention of teachers?
3. If yes to Q1 and/or Q2, what difficulties are they experiencing? *Please include as much detail as possible e.g. vacancy rates in relation to level of teacher, time and cost taken to recruit (including NQTs, experienced teachers and leadership group), subject areas, particular geographical issues (e.g. London Inner, Outer, Fringe or coastal), any differences between primary and secondary schools and the general quality of candidates.*
4. If the difficulties have become greater, to what extent is this the case e.g. reasons and over what time period? ***Robust evidence including numerical information would be particularly helpful here.***
5. Which types of schools are experiencing the greatest difficulties and why?

Pay award 2020 and beyond

6. If known, what % pay uplift do you think the majority of your schools are likely to budget for 2020?
7. Can your schools afford to implement a pay award from September 2020 without making savings elsewhere?
8. Should the 2020 pay award be applied to all ranges equally (a uniform percentage uplift) or differentiated (targeted) bearing in mind the likely 'significant uplift in the starting salary' as a start to reaching the £30k PA target by 2022 and the perceived fairness /likely impact on R&R of experienced teachers? Please give a reason for your answer.
9. We have provided the model below as one example of how the STPCD national framework could meet the government's intended policy of achieving a £30k starting salary for teachers by 2022. We have included advisory/notional pay points based on the LGA's discretionary pay points for 2019 (option B), noting that the restoration of advisory payments will be considered as part of the remit. It is for illustrative purposes and not intended to show either a preferred model or a preferred level for the headline increase in any given year

		Assumes headline increase of 2.5%	Assumes headline increase of 2.5%	Assumes headline increase of 2.5%
	2019	2020	2021*	2022
M1	24,373	deleted		
M2	26,298	26,955	27,629	
M3	28,413	29,123	29,851	30,598
M4	30,599	31,364	32,148	32,952
M5	33,010	33,835	34,681	35,548
M6a	35,619	36,509	37,422	38,358
M6b	35,971	36,870	37,792	38,737
UPR1	37,654	38,595	39,560	40,549
UPR2	39,050	40,026	41,027	42,053
UPR3	40,490	41,502	42,540	43,603

*The model below has a pause in 2021 i.e. no deletion of the lowest point. £30k is achieved in year 3. This would work equally with no deletion in 2020 instead.

- 9a Do you have any comments on whether £30,000 is a reasonable benchmark/target for a starting salary for schoolteachers by September 2022?
- 9b Do you have any view on whether an approach such as the one set out above is the best way to achieve the Government's aim of a starting salary of about £30,000?
- 9c What alternative approaches to achieving the same aim do you think could be considered?

Pay progression structure for classroom teachers:

10. What do you see as the likely implications of moving toward a relatively flatter pay structure?
11. Given that the likely approach to increasing starting salaries will result in a narrower Main Pay Range (MPR), what impact should this have on the typical length of time to reach the top of the range?
12. Should any move to a flatter structure in terms of the MPR range be linked to a review of how the Upper Pay Range (UPR) operates with much clearer criteria and responsibilities being set out for future progress on to the UPR?

September 2019