



Minister for Education's Response to the Independent Welsh Pay Review Body (IWPRB) 4th Report

Response of the Association of School and College Leaders

Introduction

1. The Association of School and College Leaders (ASCL) represents over 21,500 education system leaders, heads, principals, deputies, vice-principals, assistant heads, business managers and other senior staff of state-funded and independent schools and colleges throughout the UK. ASCL members are responsible for the education of more than four million young people in more than 90 per cent of the secondary and tertiary phases, and in an increasing proportion of the primary phase. ASCL Cymru represents school leaders in more than 90 per cent of the secondary schools in Wales. This places the association in a strong position to consider this issue from the viewpoint of the leaders of schools and colleges of all types.
2. ASCL welcomes the opportunity to make a written response to the Government's proposals following the Independent Welsh Pay Review Body's (IWPRB) recommendations to the 4th Remit.

Executive Summary

3. ASCL is disappointed with the timing of the publication of the IWPRB recommendations and the ministerial response. The timing has significant impact on school leaders and others involved in budget setting.
4. ASCL believes that the proposed 5% pay increase in September 2022 is inadequate and will exacerbate already significant problems around recruitment and retention of school teachers and leaders.
5. ASCL further believes that the proposed 3.5% increase in September 2023 is inadequate and that the commitment to a review of this increase should economic forecasts change is too vague.
6. Our survey of ASCL members in Wales provides significant new evidence that the teaching profession in Wales faces a recruitment and retention crisis.
7. Finally, the lack of funding for this pay award is alarming and will cause considerable problems for school leaders.

Timing of the report

8. As we have stated previously, the time frame for the publication of the IWPRB's report and the subsequent consultation with stakeholders is problematic. The report and the Minister for Education and Welsh Language's response were published after most schools had closed after the summer term meaning that consultation with ASCL members was impossible

before the summer break.

9. The lateness of the report inevitably means that the proposed pay award for September 2022 will not be laid before the Senedd and on the statute book before the intended implementation date of 1 September 2022. Whilst it is acknowledged that the award will be backdated, there are no substantive reasons why future pay awards cannot be finalised in advance of the implementation date.
10. It also means that it was too late in the academic year for schools to be aware of the pay award in time for setting their budgets. The importance of this cannot be overstated, especially given that no additional funding (beyond that already allocated prior to the pay review body reporting) has been allocated to support schools in implementing the 2022 pay award. School budget setters were also anticipating a 4% increase as suggested by the Welsh Government's submission to the IWPRB meaning that they were unable to anticipate the higher proposed increase.
11. The proposal for a pay award in 2023 as well as one in 2022 provides some breathing space to allow for a more timely process in the future. ASCL believes that the Teachers' Pay and Conditions Partnership Forum (PPF) should agree a timetable that ensures the delivery of the IWPRB's report and the Minister's statement on it by no later than the end of May 2024.
12. ASCL will be making these same points to the STRB and the Secretary of State for Education in England.
13. These very important issues regarding timing must be addressed for future remits.
14. In addition, it is a point of frustration that the Welsh Local Government Association failed to submit written evidence in time as part of the IWPRB process.
15. With oral evidence to the IWPRB not being a matter for the public record, the trade unions, as the representative bodies of the workforce and consultees to the pay review process, have no idea the view of the WLGA on what they considered would be an appropriate pay award. Nor do we know their initial views on any other aspect of the issues covered by the remit of the IWPRB.
16. ASCL would welcome sight of the notes from WLGA's oral evidence or a summary of what they proposed.
17. We sincerely hope that this will be rectified for future consultations.

Funding of the Award

18. ASCL has grave concerns over the lack of additional funding for schools for this award.
19. We note that the Education Minister's statement is silent on the provision of any additional funding to provide for the pay award.
20. It is clear from ASCL Cymru Freedom of Information requests in 2021¹ that many local authorities chose not to provide a sufficient increase in school budgets to fund pay awards in 2021/2. It is essential that schools receive sufficient funding for this award from the 9.4%

¹ <https://www.ascl.org.uk/Membership/ASCL-UK/ASCL-Cymru/Cymru-News/Pay-award-settlement-summary-of-responses>

increase in core revenue funding for local government in Wales for 2022/3.

21. In their evidence to the IWPRB, the Welsh Government suggested an annual pay award of 2022/3 of 4%, which many schools will have adopted for their funding assumptions. A pay award of 5% puts these assumptions in jeopardy and that is before schools have to factor in a NJC pay award that will approach 10% for most school support staff and the manifold increases in energy costs.
22. It cannot be the case that these costs will be met from funding which was previously allocated to school funding. The pay award should be fully funded by the Welsh Government in addition to any increases in school funding which were already planned.

Matter for recommendation

What adjustments should be made to the salary and allowance scales for classroom teachers, unqualified teachers and school leaders, to ensure the teaching profession in Wales is promoted and rewarded to encourage recruitment and retention of high quality practitioners.

IWPRB Recommendations

Recommendation 1 - that all statutory scale points on all pay scales, and all allowances, are increased by 5% for 2022-2023.

23. ASCL acknowledges the recommendation made by the IWPRB in their 4th Report to increase all pay scales and allowances beyond the suggestion put forward by the Welsh Government for a 4% increase.
24. ASCL welcomes the undifferentiated award.
25. The proposed increase of 5%, however, falls considerably short of what is needed to offset record high levels of inflation. RPI was at 12.3% in July 2022 with the OBR predicting that it will rise further still for the remainder of 2022.
26. We note that the Minister stated in his covering letter dated 3 March to the IWPRB that “*the current high rate of inflation is predicted to be temporary*”. There is, however, no sign of inflation falling anytime soon with the Bank of England expecting CPI to rise from 9.4% in June 2022 to 13% in October 2022 (some 3 points higher than it predicted in May).²
27. The Bank of England’s Monetary Policy Committee projects that inflation will begin to fall in 2023 but that it will still be running at 9.5% in the third quarter of 2023 when the next teachers’ pay award is due to take effect.
28. The 5% pay award from September constitutes yet another significant real terms pay cut for the teaching profession in Wales.
29. The proposed increase exacerbates the long term decline in the pay of school teachers and leaders and makes worse, not improves, the already dire situation relating to recruitment and retention.
30. We note the comments in paragraphs 6.5 and 6.6 of the IWPRB report:

² <https://www.bankofengland.co.uk/monetary-policy-report/2022/august-2022>

...it is our impression from the consultees' and other evidence, that the positive factors [related to the teaching labour market] during the COVID-19 period were largely temporary, and that the longer-term trends have been resumed. In particular, we note that demand for graduates in the general economy has increased during 2021 and 2022 and that graduate salaries have risen as a consequence. We also received evidence that higher proportions of experienced teachers and leaders were leaving or considering leaving the profession as a result of the stress and workload created by the COVID-19 crisis, and concerns were expressed about the ability of schools to replace them, especially in the existing shortage areas.

Our broad conclusion, therefore, and based on the information available to us, is that there is no room for complacency, and that the situation regarding the teacher and leader labour market will need to be monitored closely in coming months and years as continuing pressures from the economic position take a tighter hold.

31. The data offered in the report around recruitment and retention pressures suggests there is cause for concern now, not just in the future. Para 3.47 refers to a drop in applicants from 26,924 in 2011 to 14,188 in 2020. Para 3.48 refers to only 88.6% of vacancies advertised in primary schools were filled and 92.2% in secondary.
32. This was reflected in an ASCL survey of schools³ where 95% of respondents indicated that they experienced difficulties over recruiting teachers.
33. Given the further cost of living pressures that have emerged since this report was written in May 2022, it is ASCL's belief that the proposed pay award goes nowhere near addressing the concerns identified by the Review Body.
34. It is noticeable that data from the Welsh Government relating to recruitment and retention pressures for school leaders is all but totally absent. This gap in the data needs to be addressed.
35. ASCL surveyed its members in scope of the IWPRB recommendations over the last week of August and the beginning of September. In total 619 members were invited to complete the survey with 132 responses. This is a response rate of over 21% and is notably higher than pay surveys carried out previously.
36. ASCL also surveyed members in England covered by the remit of the STRB. This survey had broadly similar results with a total response of 2,203 school leaders in England.
37. The survey data contains compelling evidence that there is widespread dissatisfaction with the remuneration of school teachers and leaders and that pay is a significant issue with regard to recruitment and retention.
38. When asked "does your salary have any bearing on your intentions to stay in or leave the teaching profession?" 67.5% of respondents answered that their salary has an impact on them remaining in the profession.
39. Of those respondents (89 in total), a significant majority indicated that their decision to leave the profession would be altered if pay was to increase in real terms in the future. Table 1 below contains the data from the survey.

³ <https://www.ascl.org.uk/ASCL/media/ASCL/News/Press%20releases/ASCL-survey-on-teacher-shortages.pdf>

Table 1 – responses of school leaders who indicated that pay is a factor on their intentions to stay in or leave the profession.

Please indicate your intentions in the circumstances below (answer the scenario/ scenarios that most apply):						
Answer Choice		Leave in the next year	Leave in 2-3 years time	Leave in 4-5 years time	Stay in the profession	Response Total
1	Pay continues to decline in real terms	7	43	34	5	89
2	Pay remains broadly the same	2	20	41	23	86
3	Pay improves in real terms	0	4	9	73	86
answered						89

40. Table 1 indicates that less than 6% of respondents would stay in the profession beyond 5 years if pay continues to decline in real terms. This figure jumps to almost 85% of respondents stating that they would stay in the profession beyond 5 years if pay was to improve in real terms.
41. The potential destinations of those who intend to leave are shown in Table 2 below. This shows that almost two thirds (62.9%) are destined for either a role outside of education or early retirement.

Table 2 – potential destinations of school leaders who indicated that pay is a factor on their intentions to stay in or leave the profession

If you do leave, what will your next role be? (choose one only)			
Answer Choice		Response Percent	Response Total
1	Another role within education (not teaching or leadership)	32.6%	29
2	Another role outside education	40.4%	36
3	Normal retirement	2.2%	2
4	Early retirement	22.5%	20
5	Other (please specify):	2.2%	2
answered			89

42. Two thirds of all respondents to the survey indicated that other factors also impact on their intentions to stay in or leave the profession. It would appear that nothing has changed since ASCL’s survey of members in February 2021, which showed similar results. The factors impacting on respondents in terms of their intentions are shown in table 3 below.

Table 3 – Factors other than pay that impact on school leaders’ intentions to stay in or leave the profession

Please indicate which factors prompt you to consider leaving the teaching profession (choose all that apply to you):		
	Response Percent	Response Total
Unsustainable workload/working hours	69.3%	61
Exhaustion/fatigue	68.2%	60
Stress	46.6%	41
Wellbeing	46.6%	41
Lack of recognition of role/profession	45.5%	40
Lack of recognition/respect from the government	43.2%	38
Pressure from funding restraints	43.2%	38
Government education policy	33.0%	29
Accountability measures	30.7%	27
Other (please specify):	19.3%	17
Impact of covid	10.2%	9
Limited career progression	6.8%	6

43. There is much that can be done through the IWPRB remit and the associated provisions of the STPC(W)D to address a number of the concerns identified in table 3. This is further evidence to demonstrate that urgent action is needed to address these issues. Failure to take such action will be seen in the impact on the retention of school leaders in our schools.
44. ASCL members also hold a dim view of the ability of pay rates for the profession to attract, retain and develop talent. Table 4 shows the responses.
45. Table 4 – How pay impacts on recruitment and retention

Please answer this question from the perspective of how pay affects the teaching profession. How effective do you think the salaries proposed for school teachers and leaders in the 2022 pay award will be in terms of?							
		Very ineffective	Ineffective	Neutral	Effective	Very Effective	Response Total
1	Attracting the best graduates to the profession	31	59	32	10	0	132
2	Teachers remaining in the profession	23	73	27	9	0	132
3	Teachers aspiring to become school leaders	28	49	46	8	1	132
4	Leaders remaining in the profession	29	62	31	10	0	132
answered							132

46. Table 4 shows that under 8% of respondents believe that salaries are effective in attracting the best graduates to the profession; under 7% believe that salaries will encourage teachers to stay in the profession; the same proportion believe that salaries encourage teachers to

become leaders; and under 8% of respondents believe that salaries will encourage school leaders to remain in the profession.

47. The ASCL survey of members affected by the IWPRB pay recommendations provides clear and compelling evidence that current and planned levels of remuneration is having, and will continue to have, a significant detrimental impact on the recruitment and retention of school teachers and leaders.

Recommendation 2 - *that all statutory scale points on all pay scales, and all allowances, are increased by 3.5% for 2023-2024. This figure should be kept under review and revisited if there is a significant change in economic conditions compared with the current forecasts.*

48. We understand the desirability of longer terms pay awards and the clarity this provides for 2023/24. ASCL questions, however, whether the year in which there has been more economic uncertainty than any other time in living memory is the best year to introduce such a measure.

49. A 3.5% pay award for 2023/24 in the face of growing inflationary pressures and the already stated long term decline in real terms pay of school teachers and leaders is inadequate on two fronts:

- a Firstly, it fails to offer any hope of real term wages catching up on the decline of the past 12 years;
- b Secondly, there is no clear review mechanism of this award to allow for the 3.5% figure to be revisited in the (highly probable) event of inflation remaining high during 2023.

50. It is noted that the IWPRB Report and the Minister’s response both refer to the scope for review as follows; *“This figure should be kept under review and revisited if there is a significant change in economic conditions compared with the current forecasts.”*

51. We also note that the IWPRB report states; *“the outlook for the economy and public expenditure has become increasingly uncertain, and economic forecasts have been revised substantially as 2022 has progressed. The IWPRB is aware that there are likely to be further revisions in forecasts between the time of writing this fourth report in early May and the time of publication. We have used the most up-to-date information available to us, but this cannot account for any future economic shocks.”*

52. ASCL welcomes the principle of longer term pay awards but has grave reservations about this IWPRB recommendation. These concerns would be ameliorated by a clear indication of what *“significant change in economic conditions”* actually means.

53. In February 2022 the Bank of England Monetary Policy Committee predicted CPI to “peak” at 7.25% in April 2020 and then fall back to normal levels over the following two years.⁴

54. In March 2022 the OBR predicted CPI to be as follows (see table 5)⁵:

Table 5: OBR CPI forecast for 2022-23

2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
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⁴ <https://www.bankofengland.co.uk/monetary-policy-report/2022/february-2022>

⁵ <https://obr.uk/forecasts-in-depth/the-economy-forecast/inflation/#CPI>

5.786	7.716	7.476	8.731	8.086	3.523	3.350	1.454
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55. The Monetary Policy Committee report in May 2022⁶ estimated a CPI of 10.25% in Q4 2022 whereas the same committee's report in August 2022⁷ estimates Q4 CPI to be 13%.
56. The IWPRB report was written in May 2022 and references the MPC's May estimate of 10.25% CPI in Q4. Since then all inflation indices have moved significantly upwards. It is arguable that the conditions to review the 2023/4 pay award have already been met!
57. Predictions by the OBR in March for RPI were notably higher than CPI as table 6 below shows:

Table 6 – OBR CPI and RPI predictions

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
RPI	8.07	10.20	9.95	10.99	9.95	5.09	4.69	2.62
CPI	5.786	7.716	7.476	8.731	8.086	3.523	3.350	1.454

58. These predictions for RPI were made in March 2022 before increases to interest rates introduced by the MPC so will not only be higher in reality due to underestimating inflation but also because of higher housing costs (included in RPI but not CPI) due to higher mortgage costs. Higher mortgage costs will act as a longer term RPI inflationary pressure due to the nature of medium term fixed rate mortgages.
59. Further confirmation of the likely high level of inflation is provided by the July 2022 HM Treasury comparison of forecasts for 2023, which predicts a range of RPI in Q4 of 1.9% to 9.6%.⁸ The median RPI of all the predicted forecasts is 4.1% and the average of the newest predictions in the report is 5.4%.
60. The IWPRB Report (para 2.8) references the HM Treasury inflation forecasts published in April 2022⁹ with a predicted RPI for Q4 in 2022 and 2023 of 9.1% and 3.9% respectively. The July 2022 forecasts put these RPI Q4 figures at 10.4% and 5.4%. In other words, by the time the IWPRB Report had been published the data on inflation forecasts was out of date and, therefore, under represented inflation forecasts by 1.3-1.5%. This highlights two things:
 - a The need for the pay review process to be more timely so it acts on up to date information; and
 - b The need for the 2022 and 2023 pay awards to be re-evaluated in line with the latest available data.
61. We must conclude that inflation is unlikely to fall to "normal" levels in 2023 and the proposed pay award of 3.5% for September 2023 looks likely to result in yet another real terms pay cut.

⁶ <https://www.bankofengland.co.uk/monetary-policy-report/2022/may-2022>

⁷ <https://www.bankofengland.co.uk/monetary-policy-report/2022/august-2022>

⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1092359/Forecomp_July_2022.pdf

⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1069697/Forecomp_April_2022.pdf

Recommendation 3 - *We recommend to the Welsh Government that the minimum of the MPR (M2) pay point is increased to £30,000 for 2023-2024.*

62. We note that this recommendation is necessary to ensure that new teachers in Wales are not at a detriment to those in England.

Consideration of the case for further statutory guidance within the School Teachers' Pay and Conditions (Wales) Document in addition to that currently provided in Section 3 of the Document, with specific reference to statutory guidance previously provided in the STPCD for England & Wales prior to 2012.

Recommendation 4 - *We recommend that the Welsh Government, in partnership with the PPF, updates and clarifies the wording in the STPC(W)D to incorporate the changes made since the devolution of pay and conditions – specifically pay portability, progression on the UPR, and performance-related pay – to reflect accurately and consistently the previous recommendations made by the IWPRB. This task should be completed by September 2022.*

63. ASCL fully supports this recommendation and looks forward to being consulted in due course. The recommended timing of this being completed by September 2022 would appear to be impossible, however, and further highlights our comments above about reviewing and agreeing timescales for future reviews.

Whether the existing structure for teachers' pay, terms and conditions requires amendments from September 2022 to facilitate the recruitment and retention of high quality practitioners, with specific consideration of Recommendations 5 + 7 of the IWPRB's 3rd report.

Recommendation 5 - *We recommend to the Welsh Government that the pro-rata principle substantially referred to in section 40.1, should be removed from the 2022-2023 STPC(W)D in respect of part-time teachers in receipt of TLR1s and TLR2s, and that the PPF should agree, and replace it with, appropriate wording to state that a decision on the additional responsibilities and commensurate level of award should be mutually agreed by the teacher and the employer.*

64. In earlier evidence we stated it was our view that the current TLR arrangements are working effectively, and that we have seen no evidence to suggest that they are not working. This remains the case.
65. ASCL has previously set out its concerns over the unintended consequences of removing pro-rata TLR payments for part-time teachers. It is not acceptable if the proposed changes result in part-time teachers receiving a full time TLR payment and then carrying out their TLR duties when they should not be working.
66. It is our firm view that there must be provision for schools to use their own discretion, according to their own circumstances, in making decisions about TLR payments, and that must include what the values and proportion of TLR payments should be.
67. We must reiterate that we do not support any move towards a fixed national TLR structure.
68. We await, therefore, to be consulted on the proposed wording.

Recommendation 6 *We recommend to the Welsh Government that in the light of the statutory nature of the new ALNCo role, a task and finish group be established to review the*

non-contact allocation and remuneration. The group should report its findings by December 2023.

69. We welcome this recommendation and look forward to working with colleagues across other unions and Government to contribute to the task and finish group.
70. It is noted that the intended date for this report is December 2023 and propose that a timetable be agreed immediately in order to ensure that it can be delivered on time.

Recommendations from the 3rd Remit

***Recommendation 7** - We refer to the three recommendations made in our third report, i.e. monitoring and reporting of equalities legislation at school and local authority level; guidance to school governors on pay and conditions; and arrangements for future work on a model pay policy at a national level, and recommend that they are implemented as originally written.*

71. ASCL refers you to our previous comments made in our response to the 3rd Remit of the IWPRB, which we have included as annex A to this response. As you will see from our response last year, ASCL welcomes these recommendations.
72. It is disappointing that these recommendations have yet to be fully implemented. We trust that these recommendations can now be expedited and request that a timetable be agreed and published to set out how and when this will happen.

Pay scales in the STPC(W)D and the Strategic Review

73. It is noted that a number of issues should be considered as part of the wider strategic review of the pay structure.
74. We shall save our comments and input on these issues for our evidence submission for the strategic review.
75. ASCL appreciates that the deadline for evidence submissions was postponed to allow for consultees to reflect on the IWPRB 4th Report and we believe this was a sensible decision. We note the likely new deadline of 11 November 2022 and will respond accordingly.
76. We would also welcome the opportunity to discuss the availability of data to support the strategic review. We have raised issues previously about the availability of data relating to leadership vacancies and the difficulties caused by current limitations.

Proposed changes to the STPC(W)D 2022-3

77. There are a few minor amendments that we suggest should be made to the draft STPC(W)D 2022-3:
78. On page 5, the title year needs updating to 2021 rather than 2020.
79. On page 6, the final paragraph needs the actual date that the order will come into force, as this will not be 1 September 2022, although it will be applied retrospectively.
80. On page 20, the Part 3 title needs updating to 2022.

81. Once the revisions to the pro-rata principle for TLR allowances has been made paragraph 41 page 67 will also need amending accordingly. It may be that paragraph 55 on page 70 will need amending too.

Finally

82. We hope that this is of value to your consultation. ASCL is willing to be further consulted and to assist in any way that it can.

Louise Hatswell & Carl Parker
Pay and Conditions Specialists
Association of School and College Leaders
16 September 2022

Annex A – ASCL Response to Recommendations 10, 11 and 12 of the IWPRB 3rd Remit

Recommendation 10 - *that the Welsh Government urgently reviews the monitoring and reporting of equalities legislation at school and local authority level, and considers whether changes are required to the STPC(W)D and school pay policies, to ensure that schools and local authorities carry out their statutory duties regarding equalities.*

44. We welcome and support this recommendation. ASCL, alongside partner unions have long promoted the importance of transparency over pay setting and awards. This focus, along with the provision of comprehensive guidance from the DfE, has seen improvements in this practice in England for several years now, but this is not the case in Wales. It is imperative that employers analyse and publish pay progression data by protected characteristics, pay grade and contract type, to ensure that their decisions are not discriminatory, either directly or indirectly.

Recommendation 11 - *that the Welsh Government reviews the guidance available to school governors on pay and conditions and publishes a governance handbook which is regularly updated.*

45. We welcome this recommendation which is line with recommendations we made in our oral evidence sessions and other evidence. However, we urge the Minister to follow the recommendation in full, rather than simply to ‘*update Governing Bodies as appropriate.*’

Recommendation 12 - *that the Welsh Government should facilitate arrangements for future work on a model pay policy at a national level, thereby removing the need for this work to be replicated across regional consortia and local authorities.*

46. As the situation in Wales is different to the one in England, in that all teachers are subject to the provisions of the Document, we welcome and support this recommendation. There is no logical reason why one LA policy should be fundamentally different to another.

47. The perpetuation of the disparity in pay scale values is completely at odds with the commitment to ‘no detriment’ and we hope that this will be addressed and that the higher value pay scales will be adopted and they will also then replace the ones reintroduced into the STPC(W)D.

48. Hopefully, the introduction of a national model pay policy will ensure that the disparity in the values of the main pay range between some local authorities is resolved once and for all.

49. However, we would not want to see a prescriptive approach to the areas of the policy where there is appropriate discretion at a school level.

50. We look forward to being involved in working on the model pay policy at a national level.