

School Teachers' Review Body (STRB): Remit for the 27th Report - 2017 pay award

Evidence of the Association of School and College Leaders

Introduction

1. The Association of School and College Leaders (ASCL) represents more than 18,000 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. 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 STRB following the letter from the Secretary of State dated 25 October 2016 which addresses the arrangements for the 2017 pay award.
3. The future prosperity and wellbeing of the nation depends on the quality of its education service. Consequently, it is essential that teachers and school leaders of the highest calibre be recruited and retained. ASCL remains concerned that the government's continued intention to limit teachers' pay awards to 1% will hamper this endeavour and we again urge the STRB to press the DfE for fully funded pay rises above the proposed 1%.

Matters for recommendation

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 1% limit for pay awards for public sector workers

4. While it may be tedious, we have little option but to reiterate our position of the last few years. We remain strongly opposed to the Secretary of State's attempt to restrict the STRB's recommendation on the pay award to an average of up to 1%. This is because such a restriction is at odds with the requirements on the STRB to consider the following:

- a) evidence of the national state of teacher and school leader supply, including rates of recruitment and retention, vacancy rates and the quality of candidates entering the profession;
- b) evidence of the wider state of the labour market in England and Wales;
- c) forecast changes in the pupil population and consequent changes in the level of demand for teachers; and
- d) the government's commitment to increasing autonomy for all head teachers and governing bodies to develop pay arrangements that are suited to the individual circumstances of their schools and to determine teachers' pay within the statutory minima and maxima.

5. We remain concerned that if the STRB is to fulfil its remit and be able to recommend a pay award that properly reflects the above factors then it cannot be fettered by an arbitrary amount. Rather, it should be the case that it can make a recommendation based upon a review of all the evidence.

6. Such a recommendation, must, of course, take into account affordability. However, the STRB is again being tied to a figure decided in advance without any review of the present state of the labour market for teachers. The argument put forward by the DfE that schools are working in a flat cash environment is nugatory. Schools have in fact seen a real terms cut of around 10% over the last six years because of increased costs in employers' NI contributions, employers' pension contributions and teachers' pay as well as general inflation. There will be continued cost pressures over the duration of this parliament. We already know there will be a further rise in employers' contributions to the Teachers' Pensions Scheme in 2019 and with other inflationary pressures by the end of this parliament a further real terms cut in the region of 5% is not unrealistic.

7. As we have consistently argued, if schools are to recruit and retain staff, and use the flexibilities afforded them under the STPCD, we need to see a return to fully funded pay awards.

8. As in previous years, it remains our contention that any award should be applied to all ranges, and then consistently across the range: there is no argument for there to be a difference of approach between classroom teachers, unqualified teachers or school leaders. The recruitment and retention picture shows problems across all levels. This was the approach taken in 2016, and it was welcomed by our members.

9. It also remains our position that in applying the award schools should be able to distinguish between performance-related progression and annual pay uplifts and that where schools choose to, their pay policies may stipulate that the latter may be passed on in full to all staff.

Argument

Recruitment and Retention

10. Recruitment and retention remains one of the most pressing issues facing the profession. The backdrop remains an improving labour market for graduates, with High Fliers¹ reporting that 'Britain's best-known and most successful employers' were planning to increase their graduate recruitment for the fourth year, this year up 8.4% on 2015.

11. As a serious concern facing the profession, this has been underestimated by the DfE for too long, in part due to the weakness of its methodology. The Teacher Supply Model (TSM) used by the DfE depends on uncertain and lagged data, is highly aggregated, is based on questionable assumptions and is rebased each year.

12. This final point means that it effectively assumes that there is currently an adequate supply of teachers when determining training needs, which is not the case, and that it takes no account of not hitting targets for teacher recruitment one year when assessing needs for the next. As noted in the NAO report, most targets for secondary teacher recruitment have been missed for a number of years, so that the TSM has become increasingly out of step with the reality of teacher recruitment in schools.

13. The TSM also makes what have proved to be optimistic assumptions about teacher retention, and in any case is calculated on the basis of worsening the ratio between the number of teachers and the number of pupils in the system. In other words, even if it were accurate, and all its targets were met, there would be a detrimental impact on the school system and what would be experienced by school leaders as a shortage of teachers.

14. In short, the methodology used by the DfE to set targets for the training of new teachers is severely flawed and has failed to produce a plan that would ensure an adequate supply of new teachers.

15. There are always going to be regional variations and each region/area faces specific challenges, for example coastal areas, where deprivation is often higher. However teacher recruitment is a significant concern throughout the country, and the picture is worsening.

16. This year ASCL carried out a survey of school leaders and 97% said that they were experiencing difficulties recruiting teachers. When asked how the picture compared to twelve months ago, 80% said it was significantly worse or worse: only one respondent thought that the picture had improved.

17. This shortage of teachers is having serious consequences on the life chances of young people. When members were asked if the recruitment difficulties they were experiencing had affected the education they were able to deliver to pupils:

- 51 per cent said that the situation has affected performance in GCSEs; and
- 23 per cent said it had affected performance in A levels/ AS levels.

18. This is supported by a briefing paper from the Social Market Foundation² which shows that pupils make less progress when they have a teacher that:

¹ http://www.highfliers.co.uk/download/2016/graduate_market/GMReview16.pdf

² <http://www.smf.co.uk/publications/social-inequalities-in-access-to-teachers/>

- does not have a formal teaching qualification;
- is newly qualified;
- is less experienced;
- is without a degree in the relevant subject;

and where teacher turnover at their school is high.

19. Their analysis found:

‘that schools serving lower income communities are more likely to have teachers with all these characteristics. This suggests they face greater recruitment difficulties in hiring staff and offers one explanation as to why there continue to be substantial and persistent inequalities in educational outcomes between pupils from disadvantaged and more privileged backgrounds.’

20. The ASCL survey found that:

- 73 per cent of school leaders have had to use supply teachers to fill vacancies, rather than as short-term cover for absences such as illness;
- 71 per cent have had to use non-specialists (those without a degree in the relevant subject) to teach classes;
- 58 per cent have had to offer enhanced salaries or other financial incentives to recruit teachers – at a time of severe funding pressures on schools; and
- 27 per cent are no longer able to provide courses in some subjects, such as design & technology, music and modern foreign languages.

21. It is also the case that schools are experiencing difficulties recruiting in a wide range of subjects. The table below shows the percentage of respondents who struggled to recruit to specific subjects:

Subject	Percentage
Mathematics	89.05%
Physics	76.19%
Chemistry	67.38%
English	61.43%
Computer Science	52.38%
Biology	44.29%
Geography	37.38%
French	37.14%
Design & Technology	33.10%
Spanish	24.52%
History	20.48%

Religious Studies	18.57%
German	17.14%
Music	14.76%
Special needs teachers	9.76%
Other	15.71%

22. Nor do we expect the situation to improve. The shortage of secondary teachers is likely to worsen in the near future due to demographic changes. A significant increase in secondary school population is expected over the next few years as larger age-cohorts now in the primary phase move through. The most recent figures available from the DfE (January 2016)³ show the number of children of compulsory school age enrolled in state-funded schools of all types to be as follows:

Age as at 31 August 2015 Number

Primary age

5	654,201
6	643,270
7	645,670
8	620,966
9	600,071
10	587,734

Secondary age

11	571,173
12	554,826
13	534,856
14	537,665
15	541,379

³ See

www.gov.uk/government/uploads/system/uploads/attachment_data/file/532038/SFR20_2016_National_Tables.xlsx

23. Projecting the numbers forward it is clear that for the next six years at least the number of children arriving at secondary age will exceed the number reaching 16, and the simple calculation shows the secondary population growing each year to a total in 2022 12% higher than at present. To maintain standards the number of secondary teachers also needs to grow by approximately 12% over that period.

24. There is movement between the state and independent sectors that complicates the picture above, but a similar calculation based on the numbers enrolled in all types of school would suggest an even greater growth in secondary numbers.

25. It is clearly much harder to predict the number of primary places needed. ASCL does not have figures for numbers of children aged less than five, who are mainly not in school and who were born after the last national census. But the age cohorts above show a rising trend, with an increase in eight of the last ten years. There is no reason to suppose that the growth in primary numbers and consequent extra demand for primary teachers has ended.

26. Likewise, the numbers in post-16 education in schools is harder to predict accurately, as approximately half of the age-16 cohort leave school for education or training in colleges or apprenticeships. However, according to the Office for National Statistics the proportion of 16 and 17 year-olds who were not in education, employment with training or training (NEET) has fallen from 8.9% in April to June 2006 to 4.3% in the same quarter of 2016. This is a good thing, but the difference of 4.6% of the age-group represents approximately 67 thousand young people in the education and training system, who might earlier have been out of it. Many will be in training or in colleges, but this is clearly another upward pressure on the requirement for teachers.

27. Exacerbating the issue are a number of economic pressures. The erosion in teachers' pay impacts on their ability to access the housing market. Research for the *Guardian* by Journalistic.org revealed that a primary or secondary school teacher on the average London teacher's salary would need to find at least a 63% deposit to fund the purchase of the average property in the capital: and according to online estate agents HouseSimple, it would take teachers earning the average London salary more than 71 years to save up such a deposit. The latest figures from Halifax show the price of an average London property now stands at more than 11 times the typical salary of a local teacher. The picture is slightly better in the north-east, north-west, Wales, Scotland and Yorkshire, where an average-earning teacher can still buy an average-priced local property for about 4.5 times their annual salary: though getting a mortgage at this multiple is not always easy.

28. This may, in part, account for the fact that almost a third of the newly-qualified teachers who entered schools in 2010 have since left the profession. Of the 24,100 new teachers who entered the school system that year, 7,230 have opted to leave teaching. Data shows that 13% of the 2010 intake left the profession after only a year, climbing to 18% after two years, with the figure reaching 30% in 2015, five years after they started⁴.

⁴ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-questions-answers/?page=1&max=20&questiontype=AllQuestions&house=commons%2clouds&use->

29. As the High Fliers Report makes clear, teachers' salaries are significantly behind their peers from the outset: the median starting salary is £30,000, and the public sector starting salary is the lowest of all the sector or industries in the report.

30. Nor are concerns limited to those at the start of their career. In his recent report, Her Majesty's Chief Inspector of Education, Children's Service and Skills commented that *'schools are also reporting that they are finding it difficult to recruit headteachers. Two fifths of governors say they find it hard to recruit to senior staff posts'*.

31. In the same report Sir Michael goes on to advise the government *'to worry less about structures and to worry more about capacity. No structure will be effective if the leadership is poor or there are not enough good people in the classroom'*⁵.

32. As the STRB is aware, ASCL has been calling for a national strategy to tackle the issue of recruitment and retention for a number of years. This needs to be comprehensive, and cross-government, but ultimately must include a comprehensive pay strategy.

School Funding Issue: Lack of Affordability of unfunded pay rises

33. Any pay strategy needs to take account of the other major issue facing schools. The pressure on school revenue budgets continues to increase. The IFS predict a real terms cut of 8% between 2015-20. So whilst it may be the case that per pupil funding has been frozen, schools are still struggling to support additional unfunded employer costs:

- Increase in teachers' pension costs of 2.38% from September 2015;
- Increase in class 1 national insurance contributions of 3.4% from April 2016;
- The introduction of the apprenticeship levy at 0.5% of the annual pay bill from April 2017; and
- A planned change in the SCAPE rate from 2019/20 will cause a further increase in the employer contributions required for teachers' pensions.

34. We would never recommend that schools look to reserves to fund any aspect of staffing costs: this is not sustainable and in the current fiscal crisis only serves to mask inadequacy in the funding system. Anecdotally the opportunity to hold reserves is becoming increasingly rare.

35. Evidence suggests⁶ that for local authority maintained secondary schools, the average surplus (in each school with a surplus) has fallen by 10.2% since 2013/2014. This represents £43,000, or one experienced teacher.

dates=True&answered-from=2016-10-01&answered-to=2016-10-30&member=1540&dept=60&keywords=teachers

⁵ <https://www.gov.uk/government/publications/ofsted-annual-report-201516-education-early-years-and-skills>

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/483541/SR48_Text.pdf

36. The same source shows that for local authority maintained secondary schools where there is a deficit, the average deficit has increased by 56% since 2012/13 and that the rate of increase is rising sharply: 15% between 12/13 and 13/14, compared to 31% between 13/14 and 14/15. The average deficit for this group of schools was £326,000 at the end of 2014/15.

37. The proportion of secondary schools in deficit is increasing:

- 2013/14: 11.2 % in deficit
- 2014/15: 15% in deficit

38. The total revenue balance across all maintained schools has decreased by £64.8 million to £2.2 billion in 2014/15.

39. Some schools in better funded areas were able to put some money aside to allow them to cushion the impact of the inflationary pressure so this is a downward trend that is likely to continue. It should be noted that schools in lower funded areas did not have the opportunity to do this as they were already on the limits of their income.

Cuts to the education services grant (ESG)

40. Planned cuts to the ESG (£600 million) will have a negative impact on the revenue budgets of maintained and academy schools. When the general per pupil rate (£77 per pupil in 2016/17) is cut in the funding year 2017/18 schools will be required to purchase services such as school improvement and audit from their schools block funding. Whilst we understand that protections will be in place academy schools will still stand to lose 1% to 3%. This represents a further squeeze on the proportion of the school budget available to spend on teachers. LA's will be forced to retain DSG funds centrally to support maintained schools and deliver those services previously paid for by the ESG. These services include, but are not limited to HR, audit, H&S, asset management and budgeting and accounting functions. This retention will require schools forum approval. Such retention will represent a further squeeze on the delegated schools budgets of maintained schools.

Award to be applied consistently

41. Our position remains the same as in previous years. Pay erosion over the last few years has been felt equally across all pay ranges and any pay award for 2017/18 should be applied to all pay ranges and to allowances.

Maintaining a separate cost of living award

42. We must reiterate our position on the principle of a separate cost of living award. Governing bodies and school leaders are best placed to assess a teacher's performance and to award pay progression based on performance. However the consideration of the wider implications of the pay of teachers on recruitment and retention cannot, and must not, play a part in that process.

43. Those making pay decisions based on performance in school do not have all the evidence available to be able to have a comprehensive understanding of the national, regional and local picture on recruitment on retention. It is the role of the STRB to ensure that the pay of teachers remains competitive and supports wider government policy on recruitment and retention. As such it is imperative that cost of living awards remain separate from pay progression based on performance and are negotiated at a national level: they are a key driver to ensuring that there is sufficient quality and quantity of teachers in the system.

44. We have significant concerns that the annual uplifts are now not being applied in some schools for budgetary reasons and that this is undermining attempts to keep the profession competitive.

Summary

45. Recruitment and retention and a severe reduction in funding remain the two most significant challenges facing the school system, as Malcolm Trobe's letter to Justine Greening on her appointment as Secretary of State for Education (July 2016) made clear⁷.

46. As outlined in the letter, we believe that one of the things that is needed to tackle this issue is an uplift significantly higher than 1%, and this must be fully funded. We would expect to see a uniform pay award.

47. ASCL will welcome further discussion with the STRB on these matters and will respond to the evidence submitted by other consultees.

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1 December 2016

⁷ See www.ascl.org.uk/utilities/document-summary.html?id=54E1D641-DE66-4977-AD11217BF74CA432