

PART ONE - PUBLIC

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**Decision Maker:** GENERAL PURPOSES AND LICENSING COMMITTEE

**Date:** 5 November 2018

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** Teacher Pay Policy – Centrally Based Staff

**Contact Officer:** Angela Huggett, Head of HR Strategy and Education  
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**Chief Officer:** Gillian Palmer Interim Director of Education  
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**Ward:** N/A

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1. Reason for report

- 1.1 From 1 September 2018 revised arrangements came into force in relation to Teachers' Pay and Conditions through the publication of the statutory 2018 School Teachers' Pay and Conditions Document.
- 1.2 This report sets out the main changes and proposes options for Members consideration.

2. **RECOMMENDATION(S)**

- 2.1 That Members note and comment on the report and determine which option below they wish to implement in respect of Centrally Based Teaching staff ;

**Option (A) - Agree to apply the statutory uplift to the minimum and maximum of scales and allowances only and allow managers to determine any pay and progression increase between these amounts based on performance;**

**Option (B) – Apply the minimum and maximum statutory uplifts to the whole of the respective scales and allowances and allow managers to determine any additional pay and progression increase based on performance;**

**Option (C) - Apply the statutory uplifts to the minimum and maximum of scales and allowances and determine a flat rate percentage increase for all points in between and allow managers to determine any further pay and progression increase based on performance;**

- 2.2 Dependent on which option above is agreed, authorise officers to uplift the Pay Scales within the current Pay Policy accordingly and implement the new policy with effect from the 1<sup>st</sup> September 2018. There are no other required changes to the Policy this year.

## Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Children and Young People Excellent Council
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## Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: N/A
  4. Total current budget for this head: N/A
  5. Source of funding: N/A
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## Staff

1. Number of staff (current and additional):

All Teachers and Heads of Service centrally employed in Education Services i.e.

- Specialist Support and Disability Services (The Phoenix Centre)
- Sensory Support Services
- Primary Pupil Support Advisory Team

As at 30 September 2018 this comprised 50 staff (39.53 FTE) employed on Teacher Terms and Conditions of employment.

2. If from existing staff resources, number of staff hours: N/A.
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## Legal

1. Legal Requirement: Statutory Requirement Sections 122 and 127 Education Act 2002
  2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

### **3. COMMENTARY**

- 3.1 The Education Act 2002 gives the Secretary of State power to prescribe pay and conditions and to issue guidance on pay and conditions matters, to which those concerned must have regard.
- 3.2 The statutory requirements for teachers' pay and conditions for maintained schools in England and Wales are set out in the School Teachers' Pay and Conditions Document which is published annually, and schools and local authorities (LAs) must abide by these. LAs and governing bodies are also required to have regard to the statutory guidance issued in conjunction with the document, and in respect of guidance on procedural matters a court or tribunal may take any failure to do so into account in any proceedings.
- 3.3 In accordance with the requirements of the School Teachers' Pay and Conditions Document, the LA as the "relevant body" is required to have in place a pay policy setting out the arrangements for determining pay arrangements for all centrally based teaching staff.

#### **Background**

- 3.4 Each year the School Teachers' Review Body (STRB) is provided with a remit from the Secretary of State to review Teachers' Pay. The remit focuses on specific areas as well as pay trends in general. The school teachers' review body consults with employers and teacher organisations and Unions and reports back to the Secretary of State its findings and recommendations. The Secretary of State then determines whether or not to accept the proposals put forward by the review body. A copy of the 28<sup>th</sup> Review Body full report can be found at the following link:

<https://www.gov.uk/government/publications/school-teachers-review-body-28th-report-2018>

- 3.5 This year, the Review Body made the following recommendations which were accepted by the Secretary of State:
- A 3.5% uplift to the minimum and maximum of the main pay range (MPR) and unqualified Teachers pay range;
  - A 2% uplift to the minima and maxima of the upper pay range (UPR), the leading practitioner pay range and all allowances across all pay ranges;
  - A 1.5% uplift to the minima and maxima of the leadership group pay range and all head teacher group pay ranges.
- 3.6 The DfE carried out extensive consultation with relevant parties and the School Teachers Pay and Conditions Order was laid before Parliament in October 2018 with implementation of the 2018 School Teachers Pay and Conditions Document on the 1<sup>st</sup> September 2018.
- 3.7 The new pay and conditions document continues to provide flexibility for relevant bodies in relation to reward and performance of staff. Each School and LA is required to determine its own specific pay policy tailored to the needs of the individual school/service.
- 3.8 In reaching its recommendations the Review Body commented that:

"The maintenance of an effective workforce of teachers and school leaders in England and Wales requires a large number of good graduates across a range of subjects to be attracted to join the profession each year, and for most of these to choose to make teaching their career.

In recent years, maintaining teacher supply has become more difficult. Last year saw a further deterioration in both recruitment and retention. The Government's overall target for recruitment to postgraduate initial teacher training (ITT) was missed in 2017/18 for a sixth successive year. The indications from interim UCAS data on applications suggest that the situation in 2018/19 will be no better. The numbers of vacancies and temporarily filled posts in schools and of teachers resigning from the profession have also continued to increase. These trends are particularly concerning as demand for teachers is expected to rise considerably over the next decade, particularly in secondary schools, as a result of increases in pupil numbers.

Several of our consultees raised concerns about the ability to attract teachers into leadership roles. This aligns with what we have heard on our visits to schools around the country, as few classroom teachers tell us they aspire to become senior leaders, and most assistant and deputy heads we speak to do not wish to become head teachers. The statistical evidence available also supports this picture, showing emerging problems in recruiting and retaining school leaders.

Turning to pay trends, the evidence this year indicated that teaching has continued to lag behind other graduate professions, both in terms of starting salaries and pay progression prospects. Significant gaps have developed over a number of years between the teachers' pay framework and the earnings available in other graduate professions. The expected starting salaries for new teachers in England and Wales have persistently fallen short of median starting salaries for graduates. For 2016, estimates of the gap ranged between 10% and 25%. The median earnings of classroom teachers have increasingly lagged median earnings in other professional occupations, with the gap exceeding 5% in the last four years. Since 2010/11, the value of key points in the teachers' pay framework have also increased more slowly than the corresponding percentiles in the earnings distribution for other professional occupations, with gaps of up to 5% emerging.

We consider that these relative pay trends are important contributory factors in the recruitment and retention problems facing the teaching profession in England and Wales. The decline in the position of the teachers' pay framework in the labour market for graduate professions needs to be addressed as a matter of priority. With the prospects for wage growth in the wider economy better than for several years, a significant uplift to teachers' pay is required to forestall a further weakening in the competitive position of the teaching profession.

Pay is by no means the only factor that affects teacher recruitment and retention. However, a competitive teacher pay system will help schools to maintain the effective workforce of good teachers and school leaders that is essential to achieving strong pupil outcomes.

**For September 2018, we recommend that all pay and allowance ranges for teachers and school leaders are uplifted by 3.5%.** This will address deteriorating trends in teacher retention by improving the position of the teachers' pay framework in the labour market for graduate professions. Unless we act now, graduate starting pay will also have moved still further ahead by next year, making teacher recruitment more difficult.

As has been the case for several years now, school leaders and governing bodies have autonomy in determining how their schools spend the funding they receive. It is for them to determine how to implement the changes to the School Teachers' Pay and Conditions Document (STPCD) arising from our recommendations. Different schools will make different decisions depending on their local circumstances, and this is an inherent feature of the way that the school pay and funding systems now work. Our objective in making our recommendations is to set a national pay framework that will assist school leaders and governing bodies in the recruitment and retention of teachers in their schools. They should give suitable priority to teachers' pay when setting their budgets to help ensure that an effective workforce is maintained.

3.9 The LA currently employs Teaching Staff in the following service areas:

- Specialist Support and Disability Services (The Phoenix Centre)

- Sensory Support Services
- Primary Pupil Support Advisory Team

In total as at the 30 August 2018 this comprised 50 staff (39.53FTE) on Teaching terms and conditions of employment.

- 3.10 There is existing provision for each Teacher's salary to be reviewed annually. In addition the LA already has an appraisal policy in place agreed by Members in autumn 2012.
- 3.11 New Teaching Standards were introduced in 2012 and from September 2014 pay progression for all Teaching staff became directly linked to performance.
- 3.12 Teacher Trade Unions nationally were opposed to several elements of the significant pay changes that were introduced in 2013 and this continues to be their position. Their response to the STRB consultation is detailed later in this report.

### **3. 13 DfE and Trade Union Perspectives**

- 3.14 The current Secretary of State, Damian Hinds accepted in full the STRB's recommendations he further stated:

"The Government is committed to world class public services and ensuring that public sector workers are fairly paid for the vitally important work that they do. It is thanks to our balanced approach to public finances – getting debt falling as a share of our economy, while investing in our vital services and keeping taxes low – that we are today able to announce this fair and deserved pay rise for teachers, their biggest increase since 2010/2011.

We ended the 1% average pay policy in September 2017, because we recognised more flexibility is now required to deliver world class public services including in return for improvements to public sector productivity.

We want to ensure that we can recruit and retain brilliant teachers. To ensure that teaching remains an attractive and fulfilling profession, we are delivering a fully funded pay rise for classroom teachers and those in leadership positions.

The School Teachers' Review Body (STRB) has recommended a 3.5% uplift to the minima and maxima of all pay ranges and allowances in the national pay framework for the pay award due to be implemented from September 2018. I have decided to accept in full the STRB's recommendation for a 3.5% uplift to the minima and maxima of the main pay range, building on last year's 2% uplift to the main pay range. This will both raise starting salaries significantly and increase the competitiveness of the early career pay framework. We are also announcing a substantial uplift to pay ranges for leaders and higher-paid teachers: the minima and maxima of the upper pay range will be uplifted by 2% and on the leadership pay range by 1.5%.

As a result, classroom teachers will see the biggest benefit with starting salaries increasing between £803 and £1,004, and those at the top of the main pay range will be eligible for increases between £1,184 and £1,366. Schools will continue to determine how their staff are paid and thanks to the flexible performance-based pay system we have introduced schools are still able to choose to give teachers or leaders a higher pay rise where this is appropriate to their particular local context and budget.

We will be supporting schools in England to implement the award with an investment of £508 million through a new teachers' pay grant of £187 million in 2018-19 and £321 million in 2019-20 from the existing Department for Education budget. This will cover, in full, the difference

between this award and the cost of the 1% award that schools would have anticipated under the previous public sector pay cap. The grant will provide additional support to all maintained schools and academies, over and above the core funding that they receive through the national funding formula. We will publish further details on the distribution of this grant when the pay award is confirmed.”

### **3.15 Consultation**

- 3.16 Following publication of the Pay and Conditions Document the Council is required to formally consult with Trade Unions to seek their views on the pay policy. This year there are no changes to the policy with the exception of the percentage uplifts.
- 3.17 The National Teacher unions representing teachers and school leaders advised the School Teachers’ Review Body that a substantial increase in pay was required to address recruitment and retention pressures and raise the status of the teaching profession. They stated that uplifts should be applied to the salaries of all teachers and school leaders. Five of these organisations submitted a joint statement proposing an increase of 5%. Most teacher unions and the organisations representing local authorities and school governors stated that the Department should provide additional funding to schools to meet the cost of pay increases.
- 3.18 The Department for Education did not make any specific proposals on the level of pay increase for teachers. The Secretary of State informed the STRB that the level of uplift must represent a fair pay settlement for teachers. He stated that funding levels for the next two years would provide schools with some headroom for pay increases and that schools would have to implement our recommendations within their funding allocations.
- 3.19 The Regional Teacher Trade Union representatives recognised by the Council have been contacted for any further views/comments and any responses received will be verbally reported at the meeting.

### **3.20 Options**

- 3.21 In light of the recommendations of the review body the Council needs to review its pay policy and determine whether any changes are required.
- 3.22 A letter from the Chief Secretary to the Treasury set out the Government’s new policy on public sector pay for 2018-19, stating that the Government recognised a need for more flexibility on pay in some parts of the public sector, particularly in areas of skill shortage. It emphasised that there would still be a need for pay discipline to ensure that public services remained affordable and sustainable.
- 3.23 The 2017 pay policy was previously prepared using guidance and advice from DfE. The current policy provides flexibility for managers in determining arrangements for Teachers’ Pay for all Teaching staff including those employed on the leadership range. This includes flexibility regarding starting salaries and progression and is broadly consistent with the current principles applied to those staff employed by the Council on Localised Pay terms and conditions. The policy itself uses a range of reference points for salary purposes. The LA as well as Schools needs to have regard as to how it sets objectives and appraises performance and decisions need to be evidence based. However, making differentiated pay decisions is not in itself unlawful.
- 3.24 The Council has to implement the changes required by the SCTP&CD 2018 as this is a statutory requirement however it has discretion regarding those elements which are non-statutory. The following options are detailed for Members consideration.

- 3.25 **Option (A) - Apply the Statutory uplift to the minimum and maximum of scales and allowances only and allow Managers to determine any pay and progression increase between these amounts based on performance;** this would assist with recruitment and retention at both the top and bottom of the scales however the disadvantage would be that some staff in between these points may not receive any increase at all and over time this could create disproportionate salary differentials and impact on morale.
- 3.26 **Option (B) –Apply the minimum and maximum Statutory uplifts to the whole of the respective scales and allowances and allow Managers to determine any additional pay and progression increase based on performance;** this would ensure that all teachers would receive a consistent percentage increase in salary within the salary scale with any additional increase being based on performance.
- 3.27 **Option (C) - Apply the Statutory uplifts to the minimum and maximum of scales and allowances and determine a flat rate percentage increase for all points in between and allow Managers to determine any further pay and progression increase based on performance;** this approach would be broadly consistent with Localised Pay and Conditions of service and the pay award applied to all Council staff earlier in the year.

#### **4. POLICY IMPLICATIONS**

- 4.1 The model policy is consistent with BBB priorities to provide strategic leadership and support to schools in the Borough to assist and underpin the Government's Education Reform Programme and ensuring the organisation has a workforce of appropriate skills and experience to meet future challenges in delivering local priorities. Various elements of the model policy for teachers are similar or consistent with the key elements of the Council's local terms and conditions of service for all non- teaching staff employed by the authority.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The percentage uplift set out in the SCTP&CD is a statutory requirement and as such the Council has no alternative other than to apply it. Recent communications from Central Government indicate that the funding available through the Teachers Pay Grant will be required to be passported straight to School's therefore any cost implications arising from the application of the policy will need to be met from existing resources.

#### **6. LEGAL IMPLICATIONS**

- 6.1 Part 8 of The Education Act 2002 deals with the legal status of teachers pay and conditions. Section 122 gives the Secretary of State a power to prescribe pay and conditions for teachers and Section 127 recites that the Secretary of State after due consultation may issue guidance which a local authority and a school governing body shall have regard to in respect of teachers pay.

#### **7. PERSONNEL IMPLICATIONS**

- 7.1 As set out in this report.

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| <b>Non-Applicable Sections:</b>                       | N/A |
| Background Documents:<br>(Access via Contact Officer) |     |