

Report No.

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 6 November 2019

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

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

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Chief Officer: Director of HR & Customer Services

Ward: N/A

1. Reason for report

- 1.1 From 1 September 2019 revised arrangements came into force in relation to Teachers' Pay and Conditions through the publication of the statutory 2019 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 agree option (B) in respect of Centrally Based Teaching staff;**
- 2.2 **If 2.1 is agreed authorise officers to uplift the Pay Scales within the current Pay Policy accordingly and implement the new policy with effect from the 1st September 2019. 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: £31k- £50k
 2. Ongoing costs: £31k to £50k
 3. Budget head/performance centre: Various
 4. Total current budget for this head: Various salary budgets
 5. Source of funding: DSG
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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 2019 this comprised 49 staff (40.03 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 29th Review Body full report can be found at the following link:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819428/School_Teachers_Review_Body_29th_report_2019.pdf

- 3.5 This year, the Review Body made the following recommendation which was accepted by the Secretary of State:

- All pay and allowance ranges for teachers and school leaders are uplifted by 2.75%.

Under the current pay system, it will be for school leaders and governing bodies to determine how to implement, in their individual schools, the changes to the School Teachers' Pay and Conditions Document (STPCD) arising from the STRB recommendations.

A copy of the Executive Summary of the STRB can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819431/School_Teachers_Review_Body_29th_report_2019_-_Executive_Summary.pdf

- 3.6 The DfE carried out extensive consultation with relevant parties and the School Teachers Pay and Conditions Order was laid before Parliament on 20th September 2019, came into force on the 11th October 2019, with implementation of the 2019 School Teachers Pay and Conditions Document on the 1st September 2019.
- 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 recommendation the Review Body commented that its key considerations in making this recommendation were:
- The state of teacher recruitment and retention has continued to get worse, while rising pupil numbers will increase the challenges in the coming years.
 - A decade of relative decline has taken the teachers' national pay framework too low in relation to the graduate labour market and the wider economy.
 - The costs of this are already being carried by schools all over the country, who are finding it harder to recruit and retain teachers and risk becoming less effective.
 - Without action this year to improve the competitiveness of the teachers' pay framework, there will be further deterioration in the state of teacher supply.
 - The median value of pay settlements across the economy was 2.5 per cent, and the upper quartile in the distribution of pay settlements was 3 per cent in the year to March 2019.
 - There is a context of heightened economic uncertainty and the need to consider affordability.

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 2019 this comprised 49 staff (40.03 FTE) 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 have been 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 Secretary of State, accepted in full the STRB's recommendations he further stated:

“Last year, the government announced the largest pay rise in nearly a decade for almost a million public sector workers. Building on this, this year I have decided to accept in full the STRB's recommendations for a 2.75% uplift to the minima and maxima of all pay ranges and allowances.

The pay award will both raise starting salaries and increase the competitiveness of the pay framework. As a result, minimum starting salaries for classroom teachers will see an increase between £652 (Rest of England) and £816 (Inner London), and classroom teachers at the top of the main pay range could see an increase between £963 and £1,110. For more experienced classroom teachers at the top of the upper pay range, it could mean an increase of between

£1,084 and £1,327.

As a result, the pay ranges for all teachers and leaders will see an uplift. Thanks to the flexible performance-based pay system we have, schools can choose to give teachers and leaders a higher pay rise where this is appropriate to their local context and budget.

As this award is more than the 2% we assessed was affordable in our evidence to the STRB, I will invest a further £105 million into the existing Teachers' Pay Grant this financial year. This is on top of the £321 million funding that schools are already receiving through the Teachers' Pay Grant in 2019-20.

Last year, we specifically targeted early career pay because of the growing retention challenges within the first 5 years of a teacher's career. The STRB has recognised the improvements we have made to the unqualified and main pay ranges following the 2% uplift to the main pay range in 2017 and 3.5% uplift to both in 2018.

It is now vitally important to increase the competitiveness of the pay framework and help address the teacher supply challenges across the workforce. This year's pay award will also support the Teacher Recruitment and Retention Strategy, which I published in January this year. The strategy underpins the Early Career Framework, which provides a fully funded 2-year package of support for all early career teachers. In addition to their pay, teachers continue to benefit from defined benefit pensions, which are amongst the most generous available.

Thanks to the government's balanced approach to public finances – getting debt to fall as a share of our economy, while investing in our vital services and keeping taxes low – we are able to continue our flexible approach to pay policy, allowing us to attract and retain the best people for our schools.

We consider all pay awards in light of wider pressures on public spending. Public sector pay needs to be fair both for public sector workers and the taxpayer. Around a quarter of all public spending is spent on pay and we need to ensure that our public services remain affordable for the future.

It is also vital that our world class public services continue to modernise to meet rising demand for the incredible services they provide, which improve our lives and keep us safe.

I am grateful for the in-depth considerations the STRB has given in concluding their report and recommendations for the 2019 teachers' pay award."

3.15 Consultation

3.16 The Review Body stated that:

"The unions representing teachers and school leaders told us there should be a substantial uplift in teachers' pay in September 2019 as part of a longer-term process to restore the value of teachers' salaries. Four of these organisations submitted a joint statement proposing a pay increase of 5% for all teachers and school leaders. Most of these unions and the organisations representing local authorities and school governors stated that the Government should fully fund any pay uplift. The Department did not make any specific proposals on the level of pay uplift for teachers but stated that a 2% increase in per teacher pay was affordable nationally.

The Secretary of State told us that we should not assume that any additional funding would be provided to schools by the Government for teachers' pay from September 2019."

3.17 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.

3.18 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.

3.19 Options

3.20 In light of the recommendations of the review body the Council needs to review its pay policy and determine whether any changes are required.

3.21 In July 2019 the then Chancellor of the Exchequer confirmed a second year of above inflation pay rises for the majority of Public sector workers including Teachers, Consultants, Dentists, Police Officers, Prison Officers and the Armed Forces.

3.22 The 2018 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.

3.23 The Council has to implement the changes required by the SCTP&CD 2019 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.

3.24 **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 (although this would not be recommended) and over time this would create disproportionate salary differentials and could significantly impact on morale. This could also impact on recruitment and retention of Teachers as local academies tend to apply the Statutory uplift across the whole of the pay ranges and allowances creating a more attractive salary package.

3.25 **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. This would assist in providing a competitive salary in the local labour market in terms of recruitment and retention. This option is costlier however it is clear from the STRB and from the Secretary of State that the intention of this year's award is to increase the pay and allowances of all teachers with Local Authorities

having the flexibility through the performance-based pay system to give teachers and leaders a higher pay rise where this is appropriate to their local context and budget.

- 3.26 **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 however the pay award applied to all Council staff earlier in the year provided for a flat rate for the majority of staff with enhanced rates for those staff on lower graded salaries.

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 There are 49 relevant posts (equivalent to 40.03 fte’s)

The proposals for the pay policy are as follows:-

Option A - Uplift the minimum and maximum scales only by 2.75%

Option B - Increases as above in Option A but apply the increases to all scales in the salary ranges.

Option C - As per Option A but increase the other scales by 1% and 2%

- 5.2 The costs would be as follows:

Costs	
<u>Option</u>	<u>£'000</u>
Option A	33
Option B	50
Option C - 1%	39
Option C - 2%	45

- 5.3 The maximum cost would be £50k. These employees are funded from the Dedicated Schools Grant (DSG), a ringfenced grant used for Education purposes. The expectation would be that the increase in costs would be met from this grant in the first instance as the Teachers Pay Grant announced by the government is for School settings only and not for Local Authority based teacher graded staff.

- 5.4 It should also be noted that if Option A is applied there is a possibility in some instances that the spinal points will begin to overlap.

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.

Non-Applicable Sections:	N/A
Background Documents: (Access via Contact Officer)	