



School Teachers'
Review Body

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TWENTY-SEVENTH REPORT – 2017

Executive Summary

Chair: Dr Patricia Rice

THE SCHOOL TEACHERS' REVIEW BODY

Our role

The School Teachers' Review Body (STRB) was established in 1991 as an independent body to examine and report on such matters relating to the statutory conditions of employment of school teachers in England and Wales as may from time to time be referred to it by the Secretary of State. The STRB reports to the Prime Minister and the Secretary of State. The legal foundation for the function and work of the STRB is Part Eight of the Education Act 2002. The secretariat for the STRB is provided by the Office of Manpower Economics (OME).

The members of the STRB are:

Dr Patricia Rice (Chair)

Peter Batley

Sir Robert Burgess

Ken Clark

Dan Flint

Philippa Hird

Mike Redhouse

Jeanne Watson

Executive summary

Our remit on pay for September 2017

The Secretary of State asked us to make recommendations on: *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.* She asked us, when considering our recommendations, to have regard to: the Government's policy on public sector pay awards; affordability, at both national level and for individual schools; evidence of the national state of teacher and school leader supply; evidence of the wider state of the labour market; forecast changes in the pupil population and the level of demand for teachers; and the Government's commitment to increasing autonomy for schools in relation to pay. She also drew our attention to a letter from the Chief Secretary to the Treasury that emphasised that pay awards should be applied in a targeted manner to support the delivery of public services and to address recruitment and retention pressures. The Secretary of State made clear in her evidence that schools would have to manage the cost of implementing adjustments to the pay and allowance ranges within existing funding allocations.

The unions representing teachers and school leaders told us that an increase of more than 1% was required, arguing that this was needed to counteract real-terms reductions in pay for teachers and to respond to pressures affecting recruitment and retention. They also stated that this pay uplift should be applied uniformly to the salaries and allowances received by all teachers. Most unions emphasised that the Department should provide additional funding to schools to meet the cost of any pay uplift. Organisations representing employers and head teachers also noted concerns about schools' ability to manage the cost of implementing uplifts to teachers' pay ranges in September 2017.

Our analysis

New and recent graduates have always comprised a significant proportion of entrants into the teaching profession, and the state of the graduate labour market is therefore an important influence on teacher supply. Our analysis of earnings shows that average starting salaries and profession-wide earnings remain considerably lower for teaching than for other graduate professions. In addition, while there is uncertainty about the future, general employer demand for new and recent graduates continues to increase.

The trends in teacher recruitment and retention data show that schools continue to face substantial pressures. The overall target for recruitment to Initial Teacher Training (ITT) was missed in 2016/17 for the fifth successive year, and the specific targets for most secondary subjects were missed. The number of qualified teachers leaving the profession for reasons other than retirement has continued to rise, and teacher retention rates have deteriorated, including for those with two to five years' service. The number of schools reporting teacher vacancies and temporarily-filled posts has also increased markedly over the last five years.

The cumulative impact of these factors creates a real risk that schools will not be able to recruit and retain a workforce of high quality teachers to support pupil achievement. We are particularly concerned about this because demographic trends indicate rising pupil numbers and therefore rising demand for teachers in the coming years. At the same time, the pool of recent graduates from which to recruit is expected to shrink as a result of a smaller cohort of 18 to 21 year-olds.

Our analyses of school finances show that schools are working under increasing financial constraints. Between now and 2020, many schools will face both real-terms reductions in the level of per-pupil funding and growing cost pressures. Difficult choices may be inescapable. Since staff pay represents the largest single item of expenditure for almost every school,

particular attention will have to be focused on the way in which pay is managed to support an effective teaching workforce. The evidence suggests that this will represent a significant challenge for some school leaders and governing bodies.

Our conclusions and recommendations

It is essential that the national pay and allowance framework for teachers attracts high quality graduates to the profession, retains experienced and capable teachers, and motivates and rewards fairly those who take on additional responsibilities and leadership positions. We consider that the evidence supports the case for an uplift to the pay framework which will strengthen the position of teaching in relation to other graduate professions and start to mitigate recruitment and retention pressures.

We noted, and carefully considered, the evidence we received about schools' financial situations. School leaders and governing bodies will face a range of financial challenges over this Spending Review period, and it is clear that some schools will find it challenging to implement any pay uplift at all. However, pupil achievements are largely dependent on schools maintaining a strong cadre of teachers. This will require school leaders and governing bodies to make best use of their people and give the necessary priority to teachers' pay within their schools' budgets. The new teachers' pay framework introduced by recent reforms has given them additional tools to help with this.

Taking all factors into account, we conclude that action is required now to make the teachers' pay framework more competitive. In the context of the overall financial situation, we think this should be targeted to support the recruitment and retention of teachers in the early stages of their careers. **For September 2017, we recommend:**

- **A 2% uplift to the minimum and maximum of the main pay range (MPR);**
- **A 1% uplift to the minima and maxima of the upper pay range (UPR), the unqualified teacher pay range and the leading practitioner pay range;**
- **A 1% uplift to the minima and maxima of the leadership group pay range and all head teacher group pay ranges; and,**
- **A 1% uplift to the minima and maxima of the Teaching and Learning Responsibility (TLR) and Special Educational Needs (SEN) allowance ranges.**

It is for school leaders and governing bodies to implement these changes to the national pay framework in accordance with their pay policies and within the funding available.

Looking ahead

Economic uncertainty means that it is difficult to predict the future state of the labour market. However, we consider it likely that further uplifts of more than 1% will be required to elements of the pay framework in the coming years to make pay more competitive for teachers at all stages of their careers. Accordingly, the Department and other consultees should help school leaders and governing bodies in the effective management of pay within their budgets.

The Secretary of State told us in her oral representations that one of her priorities was to strengthen teaching as a graduate profession. As part of this, **the Department should review the current national pay and allowance framework for classroom teachers. The STRB would welcome the opportunity to contribute to such a review as part of a future remit.**