









Rt Hon Kit Malthouse MP Secretary of State for Education Sanctuary Buildings Great Smith Street London SW1P 3BT

22 September 2022

Dear Secretary of State

School Teachers' Pay: STRB's 32nd Report and Government Response

This joint union response to the consultation on the Government's response to the 32nd STRB Report demonstrates the continuing consensus in the profession on the key issues facing teachers and school leaders.

The STRB's recommendations on teacher and school leader pay from 1 September 2022 are insufficient to address the crisis within the teaching profession. Moreover, the Government's proposed response to those recommendations is completely unacceptable and will result in further damage to the profession. We note below examples of where the STRB rightly identifies serious problems but does not recommend the significant improvements in pay and conditions that are needed to effectively address those problems.

The STRB Report was once again published by the Government at the end of the summer term, despite the consistent representations we have made on the problems this causes for planning and consultation at the school level. This is totally unacceptable and action must be taken to ensure that this practice does not continue.

Pay Cuts

The real terms pay cuts inflicted on teachers and school leaders since 2010 had already, before this year's spike in inflation, resulted in real terms pay losses of around a fifth compared to pay levels had they matched RPI inflation. Instead of recommending that the pay lost is urgently restored, the Government proposes to accept, huge real terms pay cuts for September 2022. Rather than taking restorative action, this simply compounds the problem.

The latest information available at the time of writing shows RPI inflation at 12.3% in August. RPI is at its highest for over forty years, but all of the indications are that worse is to come. The Bank of England has said¹ that inflation is expected to "keep rising this year." The National Institute of Economic and Social Research (NIESR) in early August predicted that RPI inflation would rise to 17.7%.²

Against the latest RPI figure of 12.3%, the proposed 5% increase would mean a real terms cut of over 7% for the majority. The proposed increases to starting pay, though higher than 5%, are also significantly below current and anticipated levels of RPI inflation and they too represent a real terms pay cut. RPI may well be higher in September, so the actual real terms cut could be even worse. Such a pay cut, coming on top of years of real terms pay cuts since 2010, would inflict huge and unsustainable damage.

Whatever the precise outturn for inflation, it is clear that real terms pay cuts for teachers and school leaders have become an established feature of Government policy. This policy position must be reversed in favour of restoring the pay lost since 2010, including protecting teacher and school leader living standards in the current cost-of-living crisis. Otherwise we will not be able to recruit, retain and value the teachers and school leaders we need. The result will be further damage to our education service, for which parents will rightly hold the Government to account.

The STRB states³ that pay is an important influence on recruitment, retention and morale – for experienced teachers as well as for new teachers. Yet the Government proposes pay increases that are significantly below inflation. These pay cuts will intensify the already serious and deep-rooted recruitment and retention problems.

¹ https://www.bankofengland.co.uk/knowledgebank/will-inflation-in-the-uk-keep-rising

 $^{^2\} https://www.theguardian.com/business/2022/aug/03/inflation-will-soar-to-astronomical-levels-over-next-year-thinktank-warns$

³ STRB 2022 paragraph vi, page 1.

The STRB found it "necessary and appropriate to exceed the Government's proposed general pay increases for experienced teachers." This, in itself, is not unwelcome. However, the Government's proposed increases were indeed completely inadequate and the STRB has not gone far enough to remind the Government of the need to protect teachers and school leader pay, or to repair the damage already caused by years of pay cuts against inflation since 2010.

The STRB's proposed pay increases for September 2023, subject to a review mechanism, were rejected by the Government in favour of a one-year pay increase, in spite of a two-year Remit being issued to the STRB by the Government itself. Pay increases must both protect teacher and school leader living standards and begin the process of restoring the pay lost in real terms since 2010. With inflation expected to stay high in 2023, it is clear that neither the STRB's recommended 3% increase for September 2023 nor the Government's own proposals would secure significant recovery of the pay lost and both represent yet another pay cut.

Moreover, it is important to recognise that even if inflation rates were to fall back, this merely represents a slowing of the rate at which prices increase - historic price rises remain 'baked in.' The case, therefore, for an uplift to restore the real value of pay is incontestable.

We further note that the STRB's recommendations for a mechanism to trigger a review of the proposed 2023 increase do not include any measure of inflation, as the review mechanism is linked to earnings across the economy .⁵ Notwithstanding the inadequacy of the STRB's proposals, it is deeply regrettable that the Government has decided not to propose a multi-year award or to identify an alternative to the reopener proposals recommended by the Review Body.

The STRB report itself notes the decline in the competitiveness of teacher pay compared to pay in the wider economy between 2010-11 and 2020-21.⁶ The STRB report also notes⁷ the significant cut in the real value of teacher pay since 2010, though it understates the extent of the pay losses (these should be measured against increases in RPI inflation over the period, instead of CPI inflation). The STRB report shows how the real terms pay cuts for teachers and school leaders have been significantly worse than those for professional occupations as a whole and for pay in the whole economy.

The STRB states that, in the light of continuing recruitment and retention problems and lower teacher pay levels against comparators, "material change is needed to address this situation." Yet despite this compelling evidence, the Government is proposing yet another major real terms cut in pay for teachers and school leaders.

⁵ STRB 2022, paragraph 4.34, page 64.

⁴ STRB 2022 ibid.

⁶ STRB 2022, paragraph 3.27, page 31.

⁷ STRB 2022, paragraph 3.28 and Figure 6, pages 31-32.

⁸ STRB 2022, paragraph 4.13, page 58.

The STRB has proposed higher increases to some Main Pay Range points. These are increases to advisory pay points and we are clear that such pay points should be mandatory as part of the statutory national pay structure needed to recruit, retain and fairly reward teachers and school leaders.

We return to pay structure issues later in this response. In the meantime, we note that differentiated pay increases, with higher increases for starting pay and early career, cause enormous anger amongst experienced teachers and school leaders, and contribute to the already significant retention problems. The clear consensus against differentiated pay increases was reflected in consultees' evidence to the STRB, and must now be addressed by the Government.

Funding issues

The STRB argues that its proposed pay increases "address the risks to teacher supply while balancing the needs of affordability." We wholly reject this analysis.

With the country facing the threat of stagflation – slow or no economic growth, rising unemployment and high inflation – securing economic growth must be a priority for the Government. Education has a key role to play in any effective growth strategy – it is on the foundation of the skills and potential of our young people that the country's economic future depends.

Failing to attract new entrants, or to retain existing teachers and school leaders, damages our education system. Investing to improve teacher and school leader pay and conditions, so that we recruit and retain effectively, is therefore essential to economic success. We are clear that effective solutions to the pay, workload and supply problems cannot be found within the existing inadequate funding envelope. Objective, evidence-based assessment of pay and conditions cannot take place if artificially restricted by funding levels that are insufficient to properly reward, recruit and retain teachers and school leaders.

By not challenging the inadequate funding envelope, the STRB is effectively supporting the Government by undermining the objective evidence-based approach which is essential to any credible assessment of teacher pay and conditions.

The unions have long contended that the remit of the STRB should not stretch into affordability and should instead focus on the recruitment and retention issues facing the profession. The financial situation in 2022 places the STRB in an impossible situation: there is a clear need for significant pay increases whilst it is equally clear that adequate funding for teachers' and school leaders' pay is not being made available by the Government.

Limiting discussion to what is possible within the Government's inadequate funding envelope results in pay increases that are both insufficient to recruit, retain and value teachers and school leaders, and not properly funded.

The STRB notes⁹ that consultees have questioned the value of the Review Body process given these artificial constraints and have argued that the STRB should not be restricted by the Government's funding decisions. We reiterate those points and note in the meantime that it is the Government's responsibility to take the action needed, including the additional investment required, to solve these problems.

It is clear that a school funding crisis is upon us arising from the Government's insistence that schools funding should remain at the levels established by the Autumn 2021 Spending Review, despite crisis inflation since then. We condemn the wholly inadequate increase in school funding in 2023-24 in particular, when it is clear that the teaching profession will need a substantial pay increase to remedy the impact of runaway inflation in 2022-23.

Recruitment and Retention

The STRB notes that "even a relatively small increase in leaving rates (for experienced teachers and school leaders) would result in significant additional numbers of teachers leaving the profession." ¹⁰

It is important to remember that this would be on top of the significant existing retention problems. The latest figures from the School Workforce Census¹¹ show that almost a third of teachers leave in the first five years, almost a quarter within three years, and an eighth within a year. The number of FTE leavers increased by 12% between 2020 and 2021. Retention by age cohort continues to be lower than the equivalent rates in 2010.

The DfE's latest published data series shows that of school leaders aged under 50 on appointment, at least a quarter of leaders in the primary phase, and well over a third of leaders in the secondary phase, leave their post within five years. DfE's own data indicates that these attrition rates are worsening over time. Attrition rates for middle leader posts approach one in two in both phases. ¹²

Alongside the retention problems, the latest figures on recruitment also give considerable cause for concern.

A Parliamentary Answer of 26 July¹³ showed that acceptances to secondary teacher training courses starting in autumn 2022 were less than 50% of the DfE target. Acceptances for physics represented barely 14% of the target, but it is clear that recruitment problems exist across the secondary curriculum.

⁹ STRB 2022, paragraph 2.8, page 11.

¹⁰ STRB 2022, paragraph vii, page 2.

¹¹ https://explore-education-statistics.service.gov.uk/find-statistics/school-workforce-in-england (SWC)

¹² School leadership in England 2010 to 2020, DfE, April 2022, pp58 - 67

¹³ https://www.theyworkforyou.com/wrans/?id=2022-06-30.HL1393.h

The latest School Workforce Census figures¹⁴ on FTE newly qualified entrants show that, although the 2021 figures were an increase compared to 2020, the number of recruits in 2021-22 was significantly lower than in every year between 2012-13 and 2019-20. The number of FTE returners dropped significantly in 2021-22 compared to 2020, continuing the pattern of recent years. The number of FTE returners was significantly lower in 2021-22 than in any year between 2012-13 and 2020-21. ITT targets were missed across a range of secondary subjects.

The STRB report notes the improving picture on pay in the wider economy and the significant increase in graduate recruitment and starting pay. The STRB rightly concludes that the graduate labour market has recovered sharply from the pandemic shock. Data published since the STRB wrote its report underlines the strength of earnings growth in the wider economy. Pay growth in the private sector was 5.9% in the three months April-June 2022 according to the latest ONS data available at the time of writing. Private sector pay growth was already, by June, ahead of the 5% pay increase proposed for most teachers. Higher inflation is likely to create further private sector pay growth before the pay implementation date for teachers of 1 September, widening the gap between pay in the wider economy and pay for teachers and adding to the teacher supply problems.

Taken together, the latest information on recruitment and retention shows a picture that is unsustainable. The failure to recruit or retain the teachers and school leaders we need has become an entrenched feature of the school landscape since 2010 that was not reversed by the temporary impact of the pandemic on some measures of teacher supply. These deep-rooted and widespread supply problems are directly related to the pay cuts, pay fragmentation and excessive workload which have characterised Government policy over the same period.

Recruitment and retention shortfalls intensify workload and wellbeing problems. Failure to recruit means additional workload and cover for other teachers. Failure to retain means loss of the expertise and mentoring that is so valuable for early career teachers. Failure to pay teachers and school leaders properly ensures the continuation of supply problems. Radical and holistic action is needed to get to the root of all of these problems, and must involve significant improvements to pay and conditions for all teachers and school leaders. The STRB notes that: "Recruitment and retention rates have been below what is needed to fill vacancies across regions, school types and subject specialisms with appropriately qualified teachers." This conclusion is based on the clear evidence of teacher shortages across the school system.

https://www.ons.gov.uk/employment and labour market/people inwork/employment and employee types/bulletins/average weekly earning singreat britain/latest

¹⁴ SWC, ibid.

¹⁵ STRB 2022, pages 21-24.

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¹⁷ STRB 2022, paragraph 4.23, page 59.

We are clear that a continued focus on sticking-plaster actions (such as the focus on specific subjects and bursaries highlighted by the STRB in paragraph 5.13) will not provide the solutions we need. Only significant improvements in pay and conditions for all teachers and school leaders, within a fair national pay structure, can provide the foundation needed for effective recruitment and retention.

Pay structure issues

We note that the STRB has identified structural issues, including career paths and structures, pay progression, and performance-related pay (PRP), as "future priorities" which may require "multi-year transition." ¹⁸

We are clear that pay structure issues need to be addressed as a matter of urgency. The unfairness of performance-related pay progression, equalities concerns, the dismantling of the national pay structure, and the wholly unjustified imposition of PRP, have damaged teacher and school leader pay and supply for many years already.

The STRB states that "best practice suggests that a review (of PRP) should take place." We are clear: "best practice" is to ground policy in evidence and properly assess its impact. PRP was imposed with no foundation in evidence and without an impact assessment and is opposed across the profession. It needs to be abolished, not reviewed. That being said, we expect the Secretary of State to respond to the STRB's call for a review of PRP by including this in the remit to the STRB to be issued in Autumn this year.

Since 2013 when these pay structure changes including PRP were imposed, pay has deteriorated and supply problems have increased. Every year that these unfair pay arrangements are allowed to continue results in more of our members being underpaid and undervalued. In turn, this creates additional recruitment and retention problems. The excessive accountability regime creates significant additional workload, damages wellbeing, undermines positive appraisal and causes conflict within schools.

There is no credible argument for PRP, fragmented pay arrangements, and the excessive accountability regime. The case for a fair national pay structure with competitive pay levels, no PRP, and guaranteed progression to recognise experience and expertise, is in contrast overwhelming. Only such an approach can underpin the fair and transparent pay structure that is needed to recruit, retain and value the teachers and school leaders we need.

We call again for the urgent removal of PRP and implementation of a fair national pay structure. This must include the immediate restoration of mandatory pay points for all teachers and school leaders, with competitive pay levels which are a minimum entitlement within a fair and transparent national pay structure that is not artificially constrained by inadequate funding levels.

¹⁸ STRB 2022, paragraphs xi-xii, pages 2-3.

¹⁹ STRB 2022, paragraph 5.10, page 68.

Workload

Excessive workload is a key issue for teachers and school leaders. The issue interacts strongly and negatively with pay issues, due to the unnecessary additional workload caused by PRP and excessive accountability. As with pay, workload problems require objective and evidence-based analysis of the investment needed to secure effective solutions.

We note the STRB comments in the context of flexible working issues on "the option of changing, over time, the remuneration of teachers to better support positive trends in working arrangements in schools."²⁰ It is not clear what the STRB means by this, but we are clear that the issue of flexible working in schools must be addressed alongside significant improvements in pay for all teachers and school leaders.

Conclusion

A new Prime Minister has taken office, but the long-established problems facing the teaching profession and education remain. Those problems will not be solved without a reversal of Government policy on teacher and school leader pay. This must involve a restoration of teachers' real term pay levels to those before the Government's austerity policy began in the last decade and must also address the further impact of runaway inflation in 2022/23 and 2023/24.

There must be an urgent assessment of funding for schools in light of the effects of inflation on schools generally and the need to fully fund pay awards for all school employees.

Given the significantly higher current rates of inflation than those at the time the STRB made its recommendations, the recommendations must be revisited with a view to increasing the proposed 5% increase.

Instead of another huge real terms pay cut, teachers and school leaders need to see urgent action from you to protect their living standards and restore the value of their pay. Instead of extending the damage caused by pay fragmentation and unfair PRP, we need a fair pay structure with competitive pay levels sufficient to value teachers and school leaders for the crucial work they do to deliver high quality education. Effective action must be taken to reduce workload and lift the burden of excessive accountability. The Government must invest in teachers and school leaders if education is to be protected.

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²⁰ STRB 2022 paragraph 5.18, pages 69-70.

We represent the overwhelming majority of teachers and school leaders in England. On their behalf, and on behalf of the young people they teach and their parents, we urge you to respond positively to the critical issues we raise so that we can begin to repair the damage to education caused by the Government's political choices.

Yours sincerely

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