



SUBMISSION

TEACHERS' PAY CLAIM 2023

The NASUWT is the teachers' union representing all teachers across Gibraltar.

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1. INTRODUCTION

- 1.1. The NASUWT welcomes the opportunity to make a written submission to HM Government of Gibraltar (HMGoG) on the matter of teachers' pay.
- 1.2. The HMGoG will be considering the 2023 pay award for teachers in the context of the cost of living crisis, which has seen inflation soar far higher than any time in recent history.
- 1.3. Reference is made to teachers throughout this pay claim. However, this should be taken as including all teaching professionals, including instructors, lecturers and school leaders.

2. CONTEXT

- 2.1. The NASUWT and HMGoG last agreed a pay award in the summer of 2019, following the NASUWT's successful ballot for industrial action.
- 2.2. The 2019 award was warmly welcomed by the profession, as it addressed a number of issues, not merely the quantum of the award itself.
- 2.3. It is regrettable, however, that the gains made in the 2019 award have been eroded away effectively by a three-year pay freeze. Urgent action is now once again required to prevent a further slide in teachers' real-terms pay.
- 2.4. In addition, the last three years have been the most difficult and stressful for the teaching profession in living memory. As key workers during the coronavirus pandemic, some teachers have paid with their health, as part of the mission to deliver education during the most difficult of circumstances. The stress on the teaching profession has been immense and, in addition, teachers and their families are having to manage a cost of living crisis.
- 2.5. In the background, many members also report dissatisfaction with the HMGoG's general management of Gibraltar's education system, particularly in regard to industrial relations. Members are growing increasingly frustrated that

the HMGoG is not following through with undertakings and agreements made in good faith, such as:

- numerous policies that have been promised but are yet to see the light of day;
- issues with SENCOs' working conditions;
- Key Stage Realignment payments; and
- undertakings around the provision of Learning Support Assistants to support mixed-ability teaching in the primary sector.

2.6. The NASUWT firmly believes that additional resource in the department is urgently required in order to progress the numerous workstreams that both the HMGoG and the NASUWT wish to move forward.

3. GIBRALTAR TEACHERS' PAY SINCE 2019

3.1. Although the 2019 pay award addressed numerous issues with Gibraltar teachers' pay, the lack of an uplift since this time has eroded pay significantly in real terms.

3.2. An analysis of the loss in real terms of gross pay for teachers shows losses of thousands of pounds compared to what teachers would have earned had their pay kept pace with inflation.

3.3. Since 2019, teachers have experienced pay freezes and therefore real-terms pay cuts for three consecutive years. At the same time, there has been an increase in inflation as measured by the Retail Prices Index (RPI) of 14.9% between 2019 and the present, which, in the absence of any award, has seriously eroded the value of teachers' pay.

3.4. Table A shows the effect of inflation on teachers' pay since 2019.

Table A – Shortfall in pay scales due to inflation, 2019 to date

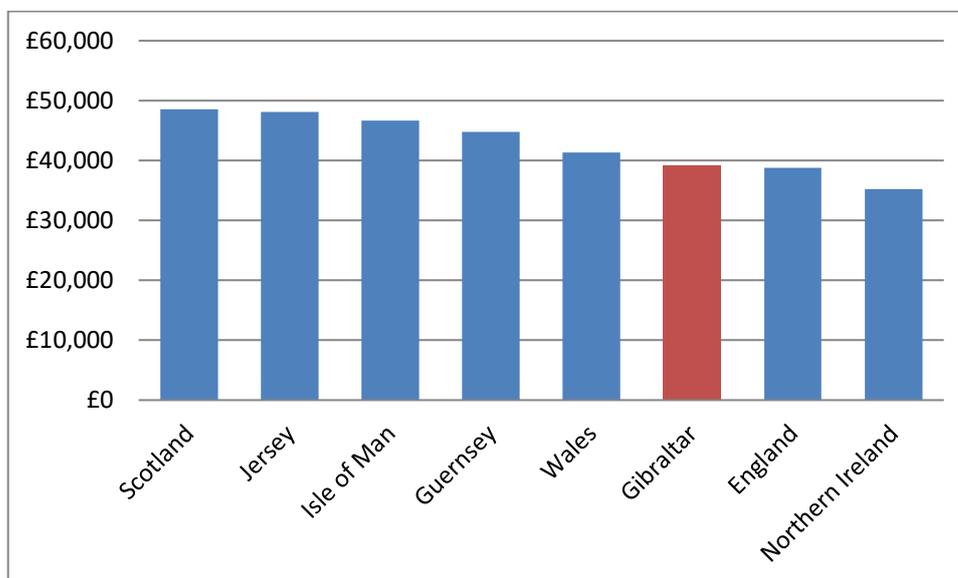
Spine Point	Current Pay	2023 Target Pay*	Shortfall p.a.	Cumulative shortfall since 2019
SP1	£30,771	£35,564	£4,793	£7,970
SP2	£32,309	£37,342	£5,033	£8,369
SP3	£33,925	£39,209	£5,284	£8,787
SP4	£35,621	£41,169	£5,548	£9,227
SP5	£37,402	£43,228	£5,826	£9,688
SP6	£39,272	£45,389	£6,117	£10,172
SP7	£41,236	£47,659	£6,423	£10,681
SP8	£43,298	£50,042	£6,744	£11,215
SP9	£45,463	£52,545	£7,082	£11,776
SP10	£47,736	£55,172	£7,436	£12,365
SP11	£50,123	£57,930	£7,807	£12,983

* The 2023 target salary is the amount salaries would have been had they kept pace with inflation since 2019

- 3.5. Teachers’ pay has been eroded significantly since 2019. Taking into account the June 2022 RPI figure, since 2019 teachers’ pay has reduced by 14.9% in real terms.
- 3.6. Data from the HMGoG also show that in 2020-2021, increases in average earnings outstripped inflation by 2.2%. Although the 2022 figures have not yet been published, it is reasonable to assume that this trend has continued, further eroding the value and competitiveness of teachers’ pay.
- 3.7. Teachers’ pay has also declined relative to other British jurisdictions, which have continued to provide awards in most years since 2019.
- 3.8. Figure 1 shows the relative pay amounts in each jurisdiction that a teacher with six years’ experience can expect to be paid. It should be noted that Jersey and Guernsey have substantial pay awards pending.
- 3.9. Whilst it is accepted that each jurisdiction has its own pressures in relation to pay and the cost of living, figure one clearly demonstrates how teachers’ pay in Gibraltar is slipping down the league table.

3.10. It should ring considerable alarm bells that most teachers from the Crown Dependencies, Wales and Scotland would experience a pay cut to work in Gibraltar.

Figure One: Comparison of Teachers' Pay with Six Years' Experience



4. AFFORDABILITY

4.1. The HMGoG must recognise and accept the importance of the pay award for teachers in securing recruitment and retention of high-quality teachers and service quality across the system as a whole.

4.2. The NASUWT believes that the HMGoG should bring forward proposals on pay which address the three-year pay freeze and demonstrate the vital contribution teachers make to the economy while continuing to ensure high-quality education provision. The NASUWT urges the HMGoG to recognise the unequivocal case for a significant, above-inflation pay award for teachers in order to ensure that teaching remains competitive with other graduate occupations and to avert the recruitment and retention crisis that is engulfing other jurisdictions.

- 4.3. Although the latest estimates continue to predict a deficit of £45 million, it should be noted that the size of the deficit has reduced significantly since the height of the pandemic.¹
- 4.4. The accounts also show that despite the annual revenue deficit, the HMGoG's cash reserves are forecast to increase to £158 million, from £119 million in the previous year.
- 4.5. Additionally, Gibraltar's Gross Domestic Product is expected to reach £2.6 billion in 2022/23, its highest recorded rate, further indicating the strength of Gibraltar's economy.²
- 4.6. The latest available unemployment statistics also point to strength and resilience in the economy, with only 27 people registered as unemployed.³

5. TEACHER SUPPLY

- 5.1. Gibraltar is in an almost unique position in British jurisdictions in that it has no current recruitment and retention issues. This underlines the need for pay to remain competitive.
- 5.2. Experience from the Crown Dependencies has clearly shown that where pay begins to lag behind inflation, or comparator graduate professions, a recruitment and retention crisis quickly follows.
- 5.3. To demonstrate this, since 2015 Guernsey has gone from being relatively well-staffed to having to rely on agencies to provide 50 teachers due to an inability to recruit,⁴ whilst pay has fallen sharply in real terms. Some schools in Guernsey have also had to resort to teaching Science to Year 11 pupils in halls due to an inability to staff normal classes. Indeed, Guernsey is now

¹ <https://www.gibraltar.gov.gi/uploads/Budget%202022/Final%20-%20Draft%20Estimates.pdf>

²

[https://www.gibraltar.gov.gi/uploads/statistics/2022/National%20Income/GDP%20Estimates%202006%20-%202021%20\(3\).pdf](https://www.gibraltar.gov.gi/uploads/statistics/2022/National%20Income/GDP%20Estimates%202006%20-%202021%20(3).pdf)

³ <https://www.gibraltar.gov.gi/uploads/statistics/2021/employment/EMP.16.pdf>

⁴ <https://gsy.bailiwickexpress.com/gsy/news/school-staffing-challenges-continue/#.ZCbZ1HbMLIU>

seeking to recruit surplus teachers from Gibraltar to ease its recruitment issues.

- 5.4. The HMGoG must not become complacent. Although Gibraltar is largely self-sufficient in respect of teacher training and recruitment currently, if teacher pay continues to slide, this situation could quickly deteriorate.
- 5.5. There is already some evidence that local recruitment may be starting to come under pressure, with a number of jobs advertised in Gibraltar on the Tes jobs website.
- 5.6. If Gibraltar becomes reliant on attracting recruits from elsewhere, most likely the UK, it is going to result in a desperate situation, with the UK already in the grip of a teacher recruitment and retention crisis.
- 5.7. To demonstrate the level of this crisis, interim data from the DfE for the 2023/24 application round points toward a collapse in levels of active interest among graduates in entering the teaching profession. By the November 2022 checkpoint, the total number of applications for Initial Teacher Training (ITT) was 24,171.⁵ The figure for the comparable stage of the 2022/23 cycle was 45,892, a decline of 47% in a single year.⁶
- 5.8. To place this data into historical context, it is important to note that 111,592 applications were made by the end of the 2022/23 cycle. By the end of the 2013/14 cycle, 153,850 ITT applications had been made, signalling that the decline evident so far, in respect of the 2023/24 cycle, is from a level of active interest in entering teaching substantially below levels evidenced in the earlier part of the last decade.⁷
- 5.9. These declines compounded the longstanding failure of the system to recruit sufficient ITT participants to meet national targets. Recruitment into secondary

⁵ DfE (2022a). *Initial teacher training recruitment: candidate applications and numbers*, November 2022. Available at: (<https://www.gov.uk/government/publications/monthly-statistics-on-initial-teachertraining-recruitment-2023-to-2024>)

⁶ DfE (2021a). *Initial teacher training recruitment: candidate applications and numbers*, November 2021. Available at: (<https://www.gov.uk/government/publications/monthly-statistics-on-initial-teachertraining-itt-recruitment>)

⁷ UCAS (2015). *Report B: UCAS Teacher Training Applications at End of Cycle 2014*. Available at: (https://www.ucas.com/sites/default/files/utt_publicstats_application_end_of_cycle_report_b.pdf)

ITT programmes for 2022/23 only reached 59% of the centrally set target required to sustain teacher supply, following on from a 21% overall shortfall in 2021/22. Recruitment into primary programmes also failed to meet the set target.⁸

5.10. This data makes it clear that Gibraltar would, most likely, find it exceedingly difficult to recruit from the UK, should it be necessary, especially given the data in figure 3.

5.11. Unless the HMGoG takes action, Gibraltar will fall victim to a double whammy of declining pay and a rapidly reducing pool from which to recruit.

6. WIDER ECONOMIC AND LABOUR MARKET CONDITIONS

6.1. In addition to the erosion of teachers' pay through inflation, other pressures are more acute on Gibraltar compared to other jurisdictions, especially as teachers must physically reside in Gibraltar.

6.2. The average house price in Gibraltar is around £857,000, with prices having increased by around 45% over the preceding 18 months.⁹ Gibraltar house prices are also higher than the Crown Dependencies and substantially higher than any region of the UK, as shown in Figure 4.^{10 11 12}

⁸ DfE (2022c). *Academic Year 2022/23: Initial Teacher Training Census*. Available at: (<https://explore-education-statistics.service.gov.uk/find-statistics/initial-teacher-training-census/2022-23>)

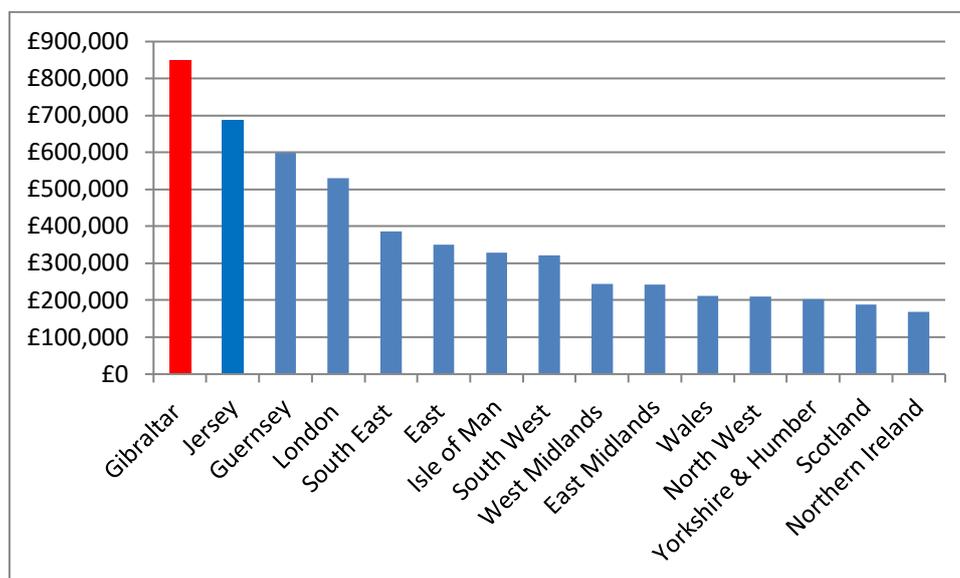
⁹ <https://www.bmigroup.gi/market-update> (accessed 26 April 2023)

¹⁰ *ibid.*

¹¹ States of Guernsey Data and Analysis: *Guernsey Quarterly Residential Property Prices Bulletin*. August 2022

¹² Statistics Isle of Man: *Isle of Man Housing Market Review 2021*; September 2022.

Figure 4: Average house prices in Gibraltar compared to UK regions/Crown Dependencies



Source: Statistics Jersey/Statistics Isle of Man/States of Guernsey Data and Analysis/Office of National Statistics

- 6.3. It should be noted that the average house price in Gibraltar has now exceeded that of London by over £300,000.
- 6.4. The price of an average property in Gibraltar is now almost 17 times the salary of a teacher on the top of the pay spine point.
- 6.5. These high ratios make it exceedingly difficult for teachers to buy property, especially Early Career Teachers likely saddled with student debt, and/or moving from the UK to take up a teaching post in Gibraltar. They also act as major disincentives for teachers looking to work here.
- 6.6. The NASUWT does recognise that HMGoG has put some measures into place to assist local teachers in the property market. But these are not available to all.
- 6.7. Furthermore, teacher salaries are becoming less competitive when compared with those of other graduate professions.

- 6.8. Graduates are currently in high demand across the UK for professions other than teaching. The NASUWT draws to the HMGoG's attention the intensification of competition for graduates in the UK over recent years.
- 6.9. Salary levels across the graduate labour market serve to demonstrate the uncompetitive nature of teachers', lecturers' and school leaders' pay.
- 6.10. In January 2022, High Fliers Research carried out a study of the latest graduate vacancies and starting salaries at the UK's 100 best-known and most successful employers. The research institute found that graduate recruitment at employers that featured in *The Times Top 100 Graduate Employers* recovered well in 2021, following a substantial cut in graduate vacancies in 2020, at the start of the coronavirus pandemic.¹³ High Fliers also found that:
- the number of graduates recruited in 2021 was higher than expected – an annual increase of 9.4%, compared with graduate recruitment in 2020;
 - the country's top employers recruited 2,400 more graduates in 2021 than had been expected at the beginning of the 2020-21 academic year, and graduate recruitment increased in nine out of 15 of the most sought-after industries and business sectors;
 - the latest recruitment targets for the UK's leading employers show that the number of graduate jobs on offer in 2022 is expected to increase by a further 15.7%, the largest annual rise in graduate recruitment for more than 15 years;
 - employers in all 15 of the key industries and business sectors for new graduates are planning to expand their recruitment in 2022. The number of graduate vacancies available is now 11% higher than the pre-pandemic peak in graduate recruitment recorded in 2019; and
 - accounting and professional services firms are expected to be the largest recruiters of new graduates in 2022, with a record 7,400 entry-level vacancies available for university leavers.

¹³ https://www.highfliers.co.uk/download/2022/graduate_market/GM22-report.pdf

6.11. The report indicates that competition in the market for graduates continues to be high, so schools will continue to have difficulties in recruiting and retaining teachers.

Figure 4: Recruitment into Key Graduate Professions

Industry or Business Sector	Recruitment target for 2022, as published in Sept 2021	Recruitment target for 2022, as revised in Jan 2022	% change from recruitment in 2021	Vacancies added (cut), compared with 2021
Accounting & professional services	5,800	7,424	▲ 25.9%	1,528
Armed Forces	1,100	1,100	▲ 1.9%	20
Banking & finance	1,525	1,654	▲ 18.9%	263
Charity & voluntary sector	112	95	▲ 4.0%	3
Chemicals & pharmaceuticals	190	144	▲ 14.3%	18
Consulting	380	310	▲ 27.0%	66
Consumer goods	270	273	▲ 11.4%	28
Engineering & industrial	1,925	2,410	▲ 19.0%	385
Investment banking	1,980	2,005	▲ 2.9%	57
Law	866	892	▲ 1.4%	12
Media	855	920	▲ 15.3%	122
Oil & energy	140	138	▲ 38.0%	38
Public sector	4,690	4,748	▲ 2.5%	118
Retailing	1,310	1,617	▲ 12.3%	177
Technology	2,355	2,944	▲ 38.9%	825
ALL SECTORS	24,378	28,411	▲ 15.7%	3,865

Source - The Graduate Market in 2022

6.12. The evidence presented in the High Fliers Research also shows that starting salaries at the UK’s leading graduate employers stood at a median of £32,000, higher than the current starting salary of teachers in Gibraltar. It should be noted that the High Fliers Research has identified that at least a quarter of places on the top graduate programmes now provide starting salaries of more than £40,000.

6.13. In addition, the median starting salary for investment banks and law firms now stands at £50,000.

6.14. The disparity between teachers’ pay and the pay of other graduates has been noted by the School Teachers’ Review Body (STRB) in England. In its 30th Report, the STRB accepted that teachers’ and school leaders’ pay was

uncompetitive, stating: *'For the majority of teachers and school leaders, including those in London, there continues to be a significant gap between their earnings and the levels of pay in other comparable graduate professions.'*

- 6.15. The STRB also outlined the importance of pay for experienced teachers, as follows: *'It is vital that high-quality graduates are attracted to join the teaching profession and make it their career. The pay system must therefore ensure that earnings for teachers are **competitive with the wider graduate labour market**. The level of starting pay must provide a competitive point of entry to the profession in comparison to other graduate professions within the relevant local labour markets. Equally, pay levels for experienced teachers should be commensurate with the earnings of those with similar levels of experience in other comparable graduate professions in order to retain and motivate them throughout their career.'*
- 6.16. The above figures relate to the UK and not Gibraltar. As the Gibraltar graduate market is going to be heavily skewed towards the financial services industry, it is likely that the median salary for graduates in Gibraltar is going to be considerably higher than that in the UK.
- 6.17. The High Fliers Research found the median starting salary in investment banks was £50,000, whilst for banking as a whole, this figure stood at £38,500, although again it should be noted that these are UK figures, not Gibraltar figures. Median figures for Gibraltar do not exist, but it is reasonable to assume they will be higher than that of the UK.
- 6.18. Given all the evidence above, there exist powerful disincentives for Gibraltar-born graduates to train or return here to teach, and for non-native graduates and teachers to come to Gibraltar.
- 6.19. In addition, in order to properly assess the graduate labour market and to ensure that the HMGoG positions are competitive, the HMGoG should collect and publish data on pay levels in different sectors.

7. EQUALITY IMPACT

- 7.1. The HMGoG must provide a robust equality impact assessment of any teachers' proposals for the pay award, including the cumulative impact of the award.
- 7.2. In occupations/professions where women predominate, pay levels are, on average, significantly lower than in occupations/professions where men predominate. Therefore, a below-inflation pay award is likely to exacerbate the pay gap between men and women in teaching, given that proportionately more men than women achieve promotion, particularly in larger schools, but also impact disproportionately on black and minority ethnic (BME) and disabled teachers, who face additional barriers to promotion and pay progression.
- 7.3. Across the UK, women's pay already lags behind that of men as a result of gender bias, disadvantage and discrimination. BME and disabled teachers also report a high incidence of workplace discrimination. It is further clear that teachers with these protected characteristics are disproportionately represented within the lowest grades. There is no reason to assume that Gibraltar is any different. Any pay award must not exacerbate this situation.
- 7.4. The HMGoG must ensure that it now carries out a detailed and robust equality impact assessment to confirm that any proposals:
- (i) do not contribute to discrimination;
 - (ii) advance equality of opportunity between different groups; and
 - (iii) do not exacerbate the issues of discrimination, irrespective of the legislative frameworks.
- 7.5. The absence of comprehensive and robust equalities data does not eliminate the problem of workforce discrimination in access to employment, career development and promotion.

8. CONCLUSION

- 8.1. The NASUWT concludes that teachers' pay in Gibraltar has been eroded against inflation and average earnings since the pay adjustment agreement in 2019.
- 8.2. The case for a substantial above-inflation pay award applied to all teachers and headteachers on their current salary, to all points on the pay scales and any allowances, is exceedingly strong.
- 8.3. The NASUWT has presented detailed evidence of the enormous disparities between the pay of teachers and comparable graduates, the huge cost of living on Gibraltar particularly with regards to property, and the erosion in pay that has occurred since 2019.
- 8.4. A substantial above-inflation pay award, as part of a planned process to close the gap between the pay of teachers and comparable graduate professions, is needed.
- 8.5. The NASUWT therefore calls on the HMGoG to agree the following pay awards as part of a sustained programme of teachers' pay restoration:
- January 2023 – RPI + 5%;
 - January 2024 – RPI + 5%;
 - January 2025 – RPI + 5%.
- 8.6. Failure to make such an award will have a detrimental impact on the education profession in Gibraltar. Children and young people are entitled to be taught by those who are recognised and rewarded as highly valued professionals. Gibraltar will not be able to sustain that entitlement if it fails to address the issue of teachers' pay.