

NASUWT SUBMISSION TO THE INDEPENDENT WELSH PAY REVIEW BODY

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NASUWT – The Teachers' Union

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1. INTRODUCTION

1.1 NASUWT welcomes the opportunity to submit evidence to the Independent Welsh Pay Review Body in connection with its 6th remit. In this submission, the IWPRB will be referred to as the Review Body.

1.2 NASUWT believes that the independent nature of the Review Body, carefully considering evidence submitted to it by consultees, makes a crucial contribution to the development of teachers' pay and conditions of service in Wales.

1.3 NASUWT welcomed the Strategic Review of the Review Body, which we believe made positive recommendations to deal with the growing concerns over the health and wellbeing of the teaching profession in Wales. It was deeply regrettable that the Cabinet Secretary for Education, whilst accepting the recommendations, only gave consideration to those that were 'cost neutral'.

1.4 The failure to take forward the Strategic Review has deepened the crisis in education in Wales to the point where Estyn has commented in its Annual Report:

'Since 2014, the number of students on secondary programmes has declined by nearly a half. While there was a temporary increase in recruitment during 2020-2021 and 2021-2022, this was mainly due to prospective students seeking relatively more secure professions and applications from those who lost their jobs during the pandemic. Over the last two years, recruitment has declined sharply and there are significant issues in key subject areas, namely maths, science and Welsh. In the most recent year, recruitment is well below pre-pandemic levels. While there has been little research on the reasons for this in Wales, potential reasons for the lack of interest in teaching in secondary schools may include:

- *perceived challenges associated with behaviour and the fact that schools are having to pick up many of the duties formerly provided by partner agencies through local authorities, CAMHS etc*
- *the relative buoyancy in recruitment in other graduate professions*

- *a perception that the arrangements for the new curriculum may lead to teaching outside one's area of interest/expertise.'*

and

'This decline in recruitment is a significant concern.

'Figures across the partnerships show that recruitment varies considerably from provider to provider. Over the last decade, none of the partnerships have succeeded in recruiting to their overall targets. These figures are particularly stark in the last two years. As a result, there are substantial shortfalls in the number of newly qualified teachers.

'Recruitment to shortage subject areas, which include the Welsh language, mathematics, science (especially chemistry and physics), ICT, geography and modern foreign languages, is of particular concern. These shortages often result in teachers delivering subjects outside of their main area of expertise. The most significant shortage is in students training to be teachers of Welsh language, where the number recruited across all ITE provision has been below 25 students in each of the last four years, which is less than a third of the target figures.

'The low number of students training to teach through the medium of Welsh across secondary subjects is particularly worrying. Over the last ten years, there has been a notable decline in the number of students training to teach individual subjects through the medium of Welsh in secondary schools. The most recent recruitment figures are exceptionally low. This trend presents a significant challenge for the Welsh Government's ambition to reach a million speakers by 2050 through the expansion of Welsh-medium education and the realisation of the Welsh Language and Education Bill.'

[Recruitment and retention – Adroddiad Blynyddol | Annual Report](#)

1.5 The seriousness of the situation in Wales in relation to the position of Additional Learning Needs Co-ordinators (ALNCOs) was well reflected in the 5th

Report of the Review Body. No less than five of the 12 recommendations were given over to this subject.

1.6 The issues of pay and workload of ALNCOs has still not been resolved. There is also evidence in the Review Body's ALNCO Task and Finish Group Report agreeing with the NASUWT evidence that many ALNCOs are working 55 hours per week, and that the current inconsistency in pay, allowances and protected time all create barriers to effective working, as well as stress impact on teacher wellbeing.

1.7 ALNCOs recently met with the Cabinet Secretary for Education to discuss the issues in the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act Wales 2014 (ALNET). The issues being raised are not changing:

- systems: need to be modelled, consistent, simple and streamlined, enough to protect and support ALNCOs and monitor workload;
- funding: parity across Local Associations (LAs), fund Universal Learning Provision (ULP);
- application of ALNET Code: clarity, include ULP, consistency, smooth transition, LAs following ALNCO recommendations;
- address unequal burden on LA, health and schools.

1.8 The ALNCOs gave the message that 'we can't wait any longer'. There is an urgent need to action the IWRPB 5th Report recommendations. Children and teachers in Wales are being placed under intolerable pressure, due to the needs within the ALN system not being met.

2. THE POSITION ON TEACHERS' PAY

The impact of inflation

2.1 It is imperative that the Review Body considers teachers' pay in the context of the significant real-terms reduction in pay that teachers have suffered since 2010.

2.2 The Office for National Statistics (ONS) publishes inflation statistics using a variety of inflation indices. Considering the range of inflation indices available,

Review Bodies are obliged to select the one which is most appropriate to their workforce. NASUWT recommends that the Review Body should prioritise the use of the Retail Prices Index (RPI) when considering the impact of inflation on teachers' pay.

2.3 The UK Government routinely switches between different inflation indices for different purposes. For example, the Consumer Prices Index (CPI) measure is the UK Government's preferred inflation measure for the purposes of public sector pay and both public and state pension increases. However, rail fares, for example, increase every year by an RPI inflation measure and the ONS also publishes inflation data using the CPI, including the owner occupiers' housing costs (CPIH) index, which was designated as the lead measure of inflation used by the ONS from 21 March 2017.

2.4 On 17 January 2019, the House of Lords Economic Affairs Committee Inquiry published a report into the use of RPI.¹ The Committee raised concerns that, over recent years, the UK Government had intentionally side-lined RPI in favour of methods that showed lower headline inflation. The Committee cited concerns with rail fares and student loan interest rates increasing by RPI, whilst public expenditure was updated by the lower CPI rate. For teachers early in their careers, student loan repayments are a significant item of expenditure and interest on these increases by RPI, not CPI.

2.5 Incomes Data Research (IDR) indicates that almost two-thirds (62%) of UK employers use the RPI inflation index when calculating pay awards for their workforces.² The range of prices, which are included in the index, makes RPI a much more reliable indicator of the increases in prices which impact workers. This also makes the RPI index the inflation measure which is most directly relevant to teachers in a wage-setting context.

2.6 Since 2010, there has been significant debate amongst statisticians and economists concerning the best method of measuring UK inflation. On balance, it is

¹ House of Lords, Economic Affairs Committee, *Measuring Inflation*, 2019, <https://publications.parliament.uk/pa/ld201719/ldselect/ldeconaf/246/24602.htm>

² Incomes Data Research (IDR), *Pay Climate*, Issue 34, September 2023, www.incomesdataresearch.co.uk

clear that the different measures of UK inflation were designed for different purposes:

- RPI is a true cost-of-living index, since it measures the change in minimum household expenditure needed to maintain a given standard of living.
- The Harmonised Index of Consumer Prices (HICP) measure, renamed CPI in the UK since 2010, was designed as a macroeconomic tool to assist European Union (EU) countries to set interest rates. Eurostat, the creators of the HICP, state specifically that it is 'not suitable for wage bargaining purposes' since it includes no estimation of owner/occupier housing costs.³
- CPIH has significant deficiencies in estimating owner/occupier housing costs and is based upon the HICP/CPI to ensure that the same statistical principles and methods were used in each country to set interest rates. It is not designed to ensure the maintenance of a given standard of living. CPIH was significantly amended by the ONS from March 2024, to address known deficiencies in underestimating owner/occupier housing and rental equivalence costs. It is anticipated by ONS that, on average, UK annual percentage change reported by the Price Index of Private Rents (PIPR) is 0.7 percentage points higher than the Index of Private Housing Rental Prices (IPHRP), which PIPR replaced in March 2024.⁴

2.7 As stated by Dr Mark Courtney, the former Head of Economics in the Regulatory Impact Unit, Cabinet Office, in his seminal paper *Consumer Price Indices in the UK*:

'Overall, taking account of both coverage and formula effect differences, the conclusion is that, within the limitations of how price data is collected within the UK, the RPI is as good a consumer price index as one can get for uprating purposes.'

³ Eurostat news release, 'Interim step towards harmonised measurement of consumer prices NEW WAY OF COMPARING EU INFLATION Required for the assessment of convergence for Economic and Monetary Union', 29 February 1996,

<https://ec.europa.eu/eurostat/documents/2995521/5253882/2-29021996-AP-EN.PDF.pdf/2228be52-e560-48bd-9393-f16e39132b08>

⁴ ONS, *Redevelopment of private rental prices statistics, impact analysis, UK*: December 2023, <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/redevelopmentofprivaterentapricesstatisticsimpactanalysisuk/december2023>

*The systemic differences between the RPI and the CPI are the result entirely of under-estimation by the CPI.*⁵

2.8 The failure of CPI to include any estimation of housing costs makes it unsuitable in the context of determining pay awards. The experimental estimation of rental equivalence currently utilised within the Household Costs Indices (HCI), which inform the housing costs element of CPIH, had traditionally made it an unreliable inflation measure that underestimated housing costs,⁶ at least until significant improvements were implemented by ONS from March 2024.

2.9 The relatively recent improvements, implemented by ONS from March 2024, have resulted in CPIH more closely resembling inflationary increases as measured by the RPI. In January 2025, RPI stood at 3.6% and CPIH at 3.9%, whereas the CPI measure that excludes housing costs was just 3.0%.⁷

2.10 Increased energy costs from October 2024 contributed to a steep increase in inflationary pressures experienced by UK households. In October 2024, inflation, as measured by RPI, increased to 3.4%, CPIH to 3.2% and CPI to 2.3%. The Review Body should take into account the recent steep increases in energy costs experienced by UK households and anticipate further planned increases to energy costs as a result of Energy Price Cap changes that control what most households pay for energy, which rose by a further 1.2% on average from 1 January 2025⁸ and will increase by a further 6.4% from 1 April 2025. The energy price cap is set at £1,849 per year for a typical household that uses electricity and gas and pays by Direct Debit.

2.11 Government research shows that: *'Under the January to March 2025 direct debit price cap the average annual bill for typical gas and electricity consumption is £1,738. This is well below the peak level of £2,380 level under the Energy Price*

⁵ Dr. Mark Courtney, *Consumer Price Indices in the UK*, 2016, <https://uksa.statisticsauthority.gov.uk/wp-content/uploads/2016/11/Consumer-Price-indices-in-the-UK.pdf>

⁶ Office for Statistics Regulation (OSR), *'National Statistics status of Consumer Prices Index including Owner Occupiers' Housing Costs (CPIH)*, 31 July 2017, <https://osr.statisticsauthority.gov.uk/wp-content/uploads/2017/07/CPIH-letter-from-Ed-Humpherson-to-John-Pullinger-final.pdf>

⁷ ONS Consumer Price Inflation Tables, 19 February 2025, <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>

⁸ Ofgem, *Energy price cap will rise by 1.2% from January 2025*, 22 November 2024, <https://www.ofgem.gov.uk/press-release/energy-price-cap-will-rise-12-january>

Guarantee from October 2022 to June 2023, but still 43% higher than in Winter 2021/22.⁹

2.12 NASUWT strongly recommends that the Review Body both utilise RPI as the most appropriate and accurate inflation measure suitable for determining teachers' pay awards and utilise the Government's pre-announced increases to the Energy Price Cap to factor into any pay award known increases to UK households' energy costs.

The real-terms cut in teachers' pay since 2010

2.13 In Wales in 2024, the pay of classroom teachers' starting salaries was 14.9% less in real terms than if it had increased to match RPI inflation in each year since 2010. Removing M1 and replacing it with M2 as the starting salary for classroom teachers has had a significant impact on reducing the real-terms cut to starting salaries, but significant improvements need to be made to restore teachers' starting salaries in real terms to 2010 levels.

2.14 By the same measure, the pay of classroom teachers on M6 was almost one-quarter (24%) less in real terms, the pay of classroom teachers on the Upper Pay Range (UPR) was over 27% less in real terms, and the pay of teachers on the Lead Practitioner and Leadership Pay Ranges (LPR) was over one-quarter (between 27.7% and 29%) less in real terms than in 2010.

2.15 It is essential for the future of the teaching profession that the Review Body seek to restore teachers' pay to 2010 levels in real terms to address the acute and worsening teacher recruitment and retention crisis in Wales.

2.16 In the IWPRB's 4th Report, the Review Body recommended for September 2022 *'that all statutory scale points on all pay scales, and all allowances, are increased by 5% for 2022-2023'*. In September 2022, annual inflation increases, as measured by RPI, stood at 12.6% and at 10.1% as measured by the CPI. Following extensive negotiations with NASUWT and other education stakeholders, the Welsh Government presented a new enhanced pay offer for teachers and headteachers

⁹ House of Commons Library (HoCL), *Gas and electricity prices during the 'energy crisis' and beyond*, 22 November 2024, <https://commonslibrary.parliament.uk/research-briefings/cbp-9714/>

comprising an additional 3%, of which 1.5% is consolidated and 1.5% is non-consolidated.

2.17 In the IWPRB's 4th Report, the Review Body also recommended for September 2023 *'that all statutory scale points on all pay scales, and all allowances, are increased by 3.5% for 2023-2024. This figure should be kept under review and revisited if there is a significant change in economic conditions compared with the current forecasts'*. In September 2023, annual inflation, as measured by RPI, stood at 8.9% and at 6.7% as measured by CPI. Consequently, NASUWT engaged in negotiations with the Welsh Government and the original proposed pay uplift of 3.5% was increased to 5%.

2.18 In the IWPRB's 5th Report, the Review Body recommended for September 2024 *'that all salaries and allowances be increased by 4.3% from September 2024'*. In September 2024, annual inflation, as measured by RPI, stood at 2.7% and at 1.7% as measured by CPI. Consequently, NASUWT engaged in negotiations with the Welsh Government and the original proposed pay uplift of 4.3% was increased to 5.5%, to match the pay award of teachers in England. It is imperative that the Review Body recommend an appropriate pay award for teachers in Wales for 2025/26 if the Review Body is to retain any semblance of credibility.

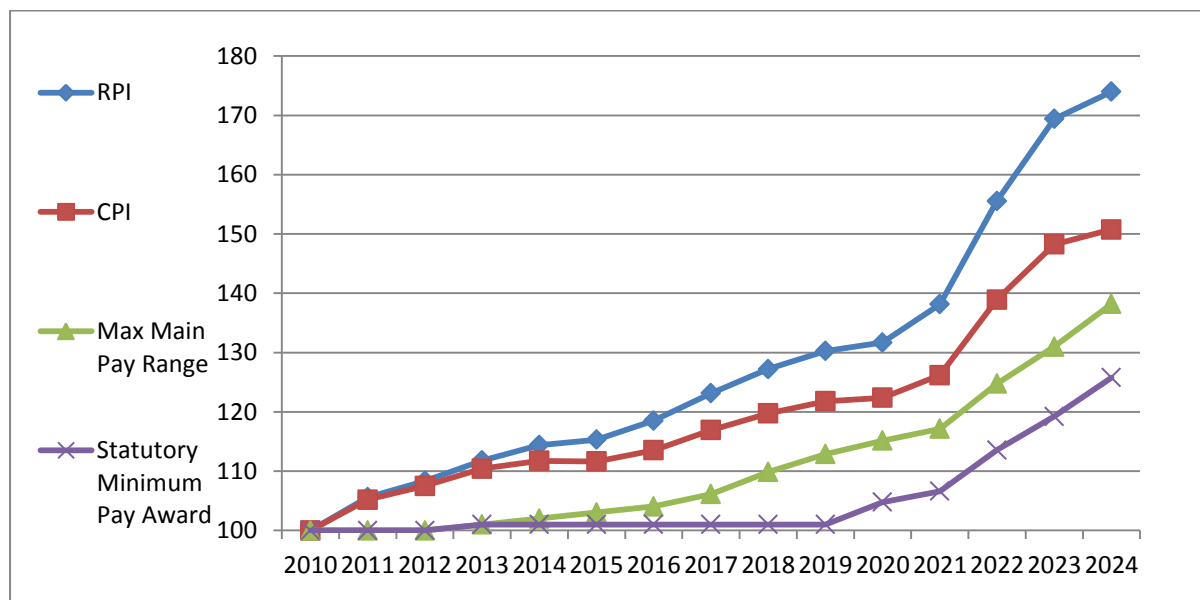
2.19 The cost-of-living crisis, soaring inflation and rising interest rates are creating misery for teachers. Teachers in Wales have endured more than a decade of pay freezes and below-inflation pay awards. The Review Body must act now to restore teachers' pay to 2010 levels in real terms.

Teacher salary increases compared to inflation increases, 2010 to 2024

2.20 The following chart shows the extent to which the pay of classroom teachers on the Main Pay Range (MPR) has fallen behind price increases, measured by both the RPI and CPI, since 2010. The chart illustrates pay increases in the best-case scenario, where a teacher at the top of the MPR has received the maximum pay award each year since 2010 (Max MPR) and the worst-case scenario, where a teacher on the MPR received no cost-of-living award from 2014, until the statutory minimum pay award was applied by the Welsh Government from 2020.

2.21 The indexed price increases, as measured by both RPI and CPI, are measured against the indexed increases to teachers' pay on the MPR in each year between 2010 and 2024, to illustrate the cumulative effect of successive below-inflation pay awards since 2010.

Indexed price increases compared to teachers' MPR increases, 2010 to 2024



2.22 In both the best- and worst-case scenarios, teachers' pay has failed to keep pace with price increases as measured by both the RPI and CPI inflation measures. Teachers in 2024 remain significantly poorer in real terms than they were in 2010. Since 2010, the cost of living has increased by 74% as measured by RPI and 50.8% as measured by CPI, whereas pay for teachers at the top of the MPR has risen by just 38.2%. Teachers remain significantly poorer in real terms than they were in 2010 due to the cumulative impact of successive pay awards failing to match cost-of-living increases, as measured by both the RPI and CPI inflation measures.

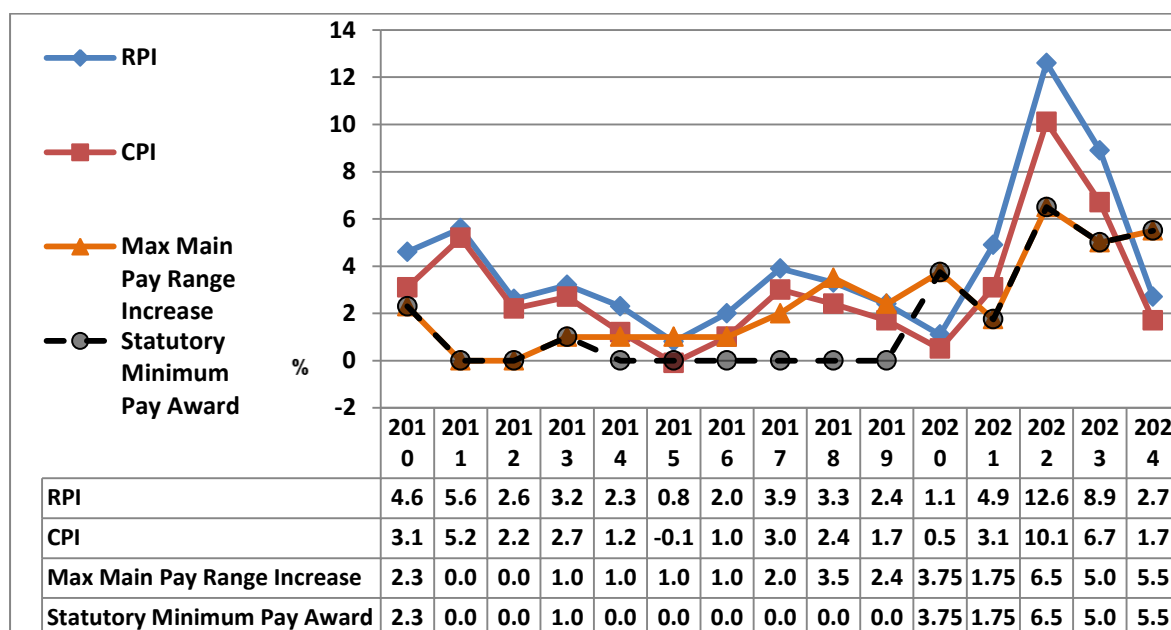
2.23 The paltry 1.75% pay increase implemented in 2021 couldn't have come at a worse time for hard-working teachers. RPI inflation rocketed to a high of 14.2% in November 2022, its highest rate in over 40 years (since December 1980). The Review Body's recommended pay increase for September 2022 of 5%, in the context of 12.6% RPI inflation, represented the biggest proposed real-terms pay cut suffered by teachers in 45 years. The 6.5% increase in teachers' pay, which was eventually implemented in September 2022, still failed to protect teachers' pay in the

context of soaring inflation. The 5% pay award in September 2023 represented another significant real-terms pay cut in the context of 8.9% RPI inflation.

2.24 In the past 15 years, teachers have received just four above-RPI inflation pay awards and one RPI-inflation matching pay award. In ten of the past 15 years, teachers were subject to significant real-terms pay cuts. It must not be forgotten that teachers, during the coronavirus pandemic, have paid with their health, and sometimes with their lives, as part of a national mission to deliver education during the most difficult of circumstances.

2.25 The following chart illustrates the annual percentage increase in teachers' pay in both the best- and worst-case pay scenarios in each year since 2010, as set out above, together with the 12-month percentage change in inflation for both RPI and CPI in September of each year.

Teacher salary increases compared to inflation increases, 2010 to 2024



2.26 Any marginal real-terms gains made in 2015, 2018, 2019, 2020 and 2024 have had limited positive impact on teachers' real-terms earnings, which have plummeted since 2010. The 1.75% pay award in 2021, followed in 2022 by the largest real-terms pay cut suffered by teachers since 1977,¹⁰ when taken in context

¹⁰ In April 1977, teachers received a 5% pay award when RPI inflation was at 17.5%, resulting in a 12.5% real-terms pay cut. In September 2022, teachers received a 5% pay award when RPI inflation was 12.6%, resulting in a 7.6% real-terms pay cut.

of crippling cost-of-living increases, has plunged many teachers into serious financial hardship.

2.27 The real-terms pay increase implemented by the Welsh Government in 2024 was significantly higher than the pay award recommended by the Review Body, and was only implemented as a result of the Welsh Government's commitment to ensure *'that following devolution of pay and conditions to Wales, teachers and school leaders in Wales will suffer "no detriment" in comparison to those in England'*.¹¹

2.28 It is deeply disappointing that for the past two years the Review Body has recommended pay awards that would have further exacerbated the appalling financial situation many teachers are faced with, as mortgage rates, energy bills and food costs continue to increase at a faster rate than their pay.

2.29 If the Review Body is serious about tackling the worsening teacher recruitment and retention crisis, the eventual aim must be to restore teacher pay to 2010 levels in real terms, with significant progress being made in each and every year.

Cumulative shortfall in teachers' salaries since 2010

2.30 The following table shows the extent to which teachers' salaries have eroded in real terms, as measured by RPI, since 2010. The values of teachers' pay on the MPR are between £4,834 (14.9%) and £13,506 (21.6%) lower in 2024/25 than if teachers' salaries had increased in each year since 2010 to keep pace with RPI inflation. Teachers on M3, M4 and M5 are earning salaries that are one-quarter (24%) less in real terms, compared to 2010 pay levels.

2.31 Similarly, the salaries of teachers paid on the UPR are between £12,559 (27%) and £13,506 (27%) lower in 2024/25 than if teachers' salaries had increased to keep pace with RPI inflation since 2010. LPR headteachers' salaries are between £15,853 (27.7%) and £40,740 (29%) lower by the same measure.

2.32 The Review Body has presided over real-terms pay cuts in almost every year since it was established in March 2019. Whilst it is positive that the Review Body rejected the UK Government's pay freeze policy in 2021, the Review Body has failed

¹¹ Welsh Government's Evidence to the Independent Welsh Pay Review Body, March 2024 (para. 5.1, pg. 50).

to make any significant progress in restoring teachers' pay in real terms to 2010 levels.

2.33 The following table (There is only one table below, but paragraphs 2.30 and 2.33 say there is a following table) shows the cumulative impact on teachers' pay range values since 2010, as a result of successive and prolonged below RPI inflation pay awards. Teachers and school leaders who have remained in the profession since 2010 are in effect between £40,875 and £293,225 worse off in real terms since 2010, due to the cumulative shortfall in pay.

Teachers' Salary Shortfall in 2024/2025

| Wales | Salary 2024/25 | Shortfall in 2024/25 (£) | Shortfall in 2024/25 (%) | 2010/11-2024/25 Cumulative shortfall (£) |
|-----------------------------|----------------|--------------------------|--------------------------|--|
| Main Pay Range | | | | |
| M2 (Minimum) | £32,433 | -£4,834 | 14.9 | -£40,875 |
| M3 | £35,039 | -£8,408 | 24.0 | -£61,161 |
| M4 | £37,739 | -£9,050 | 24.0 | -£65,842 |
| M5 | £40,710 | -£9,766 | 24.0 | -£71,045 |
| Maximum | £44,802 | -£9,665 | 21.6 | -£70,679 |
| Upper Pay Range | | | | |
| UPS1 | £46,446 | -£12,559 | 27.0 | -£90,069 |
| UPS2 | £48,168 | -£13,023 | 27.0 | -£93,395 |
| UPS3 | £49,944 | -£13,506 | 27.0 | -£96,860 |
| Leadership Pay Range | | | | |
| L6 | £57,304 | -£15,853 | 27.7 | -£113,401 |
| L8 | £60,203 | -£16,659 | 27.7 | -£119,158 |
| L11 | £64,933 | -£17,969 | 27.7 | -£128,528 |
| L28 | £98,364 | -£27,225 | 27.7 | -£194,727 |
| L43 | £140,685 | -£40,740 | 29.0 | -£293,225 |

2.34 The extent to which teachers' salaries have been devalued in real terms since 2010 is deeply concerning.

2.35 Despite the wealth of evidence presented by NASUWT and others, which has clearly demonstrated the ever-worsening crisis in teacher recruitment and retention and the deeply damaging financial and social impact on teachers of the savage real-

terms pay cuts, the Review Body has been found wanting in taking the bold action necessary to effectively remedy the situation.

2.36 NASUWT remains steadfast in the opinion that a significant above-RPI inflation increase in salary values over a sustained period is necessary to restore teachers' salaries to a level commensurate to their skills and experience. If austerity is truly over, and the Welsh Government is serious about supporting the teaching profession to deliver a world-leading education system, then rebuilding and investing in the teaching profession must be prioritised to ensure there are enough qualified teachers to teach in schools. This is a basic requirement of government.

Teachers' starting salaries

2.37 NASUWT welcomed the Welsh Government's commitment to ensure '*that following devolution of pay and conditions, teachers in Wales will not suffer any detriment in comparison to their counterparts elsewhere in the UK*'. However, the reality of this for teachers in Wales has been the extension of Westminster Government austerity to the teachers' pay in Wales. Indeed, the Westminster Government's decision to delay implementing a £30,000 starting salary until September 2023 was a retrograde step for teachers in England which also had consequential impacts for teachers in Wales. If teachers' starting salaries had increased in line with RPI inflation since 2010, they would have increased to £37,267 in September 2024.

2.38 As detailed elsewhere in this evidence, the recruitment and retention of teachers remains a serious problem that has not been adequately addressed over the past 15 years. A radical overhaul of the current pay system is necessary to make the teaching profession an attractive financial proposition for graduates. The NASUWT pay recommendations ensure both a reasonable starting salary for teachers and a clear pathway to continued pay progression for teachers who remain in the profession over a sustained period.

2.39 NASUWT has provided detailed evidence to the Review Body, since it was established in 2019, which demonstrates both the lower starting salary and slower pay progression of teachers when compared to other graduate-level professions.

The Graduate Market in 2024 research, undertaken by Warwick University, showed that ‘for the third year running graduate starting salaries at the UK’s leading graduate employers are set to increase in 2024, to a new median starting salary of £34,000’.¹² In comparison, teachers’ starting salaries were just £32,433 in 2024.

2.40 The Review Body can no longer afford to keep artificially depressing the wages of teachers compared to other graduate-level professions, in the vain hope that the recruitment and retention crisis will somehow solve itself. It is time to address the fact that a career in teaching is not a financially attractive option when compared to the other job opportunities open to graduates.

2.41 If teachers’ starting salaries had increased in line with RPI inflation since 2010, and were to continue to rise in line with RPI inflation of 3.5% in 2025, as forecast by the Office for Budget Responsibility (OBR),¹³ then teachers’ starting salaries would increase to £38,571 in September 2025. To restore teachers’ starting salaries to the same level as 2010 in real terms by September 2025, an 18.9% increase to starting salaries would be necessary in September 2025.

A restorative pay award

2.42 NASUWT continues to call for significant above-RPI inflation increases to all salary points and allowances to address the cumulative shortfall in teachers’ salaries since 2010, as detailed earlier in this evidence. In 2022, the Union recommended that the £30,000 starting salary should have been introduced in September 2022 and that the following increases to teachers’ salaries and allowances were necessary to reverse the real-terms reduction in pay suffered by teachers in England since 2010:

- 2022 – 12%
- 2023 – 10%
- 2024 – 8%.

¹² Warwick University, *The Graduate Market in 2024*, <https://warwick.ac.uk/fac/sci/statistics/highfliers-graduate-market-report-2024.pdf>

¹³ OBR, *Economic and fiscal outlook – October 2024*, <https://obr.uk/efo/economic-and-fiscal-outlook-october-2024/>

2.43 The implementation of NASUWT's recommended increases would have begun a process to restore teachers' salaries to a level commensurate with teachers' salaries had they increased in line with RPI inflation since 2010.

2.44 The Review Body must reject the futile belief that the teacher recruitment and retention crisis will magically remedy itself. For the teaching profession to once again become an attractive professional occupation, artificially depressing the wages of teachers compared to other graduate-level professions must end.

The disparity between public and private sector earnings growth since 2010

2.45 The latest data on growth in earnings for employees, published by the ONS on 18 February 2025, shows that: '*Average regular earnings growth was 6.2% for the private sector in October to December 2024, and 4.7% for the public sector*'.¹⁴

2.46 When we consider annual growth in employees' average total earnings (including bonuses) since 2010, it is clear from the ONS data that public sector workers earnings, including that of teachers, has failed increase in line with private sector workers generally. In September 2010, private sector employees' average total earnings (including bonuses) were £440 per week (£22,879 annually). This had increased to £703 per week (£36,529 annually) by September 2024, which represents a 37% increase since September 2010.

2.47 By contrast, in September 2010, public sector employees' average total earnings (including bonuses) were £468 per week (£24,318 annually). This had increased to just £678 per week (£35,236 annually) by September 2024, which represents a 31% increase since September 2010. Public sector workers, including teachers, cannot afford another year of damaging pay austerity.

2.48 The following chart shows the extent to which the pay of classroom teachers earning the maximum amount on the MPR (Max MPR) has fallen behind price increases, as measured by both the RPI and CPI, since 2010. It also incorporates

¹⁴ ONS, *Average weekly earnings in Great Britain: February 2025*, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/february2025>

the ONS data to measure annual total pay growth in September each year since 2010 for both private sector and public sector employees.

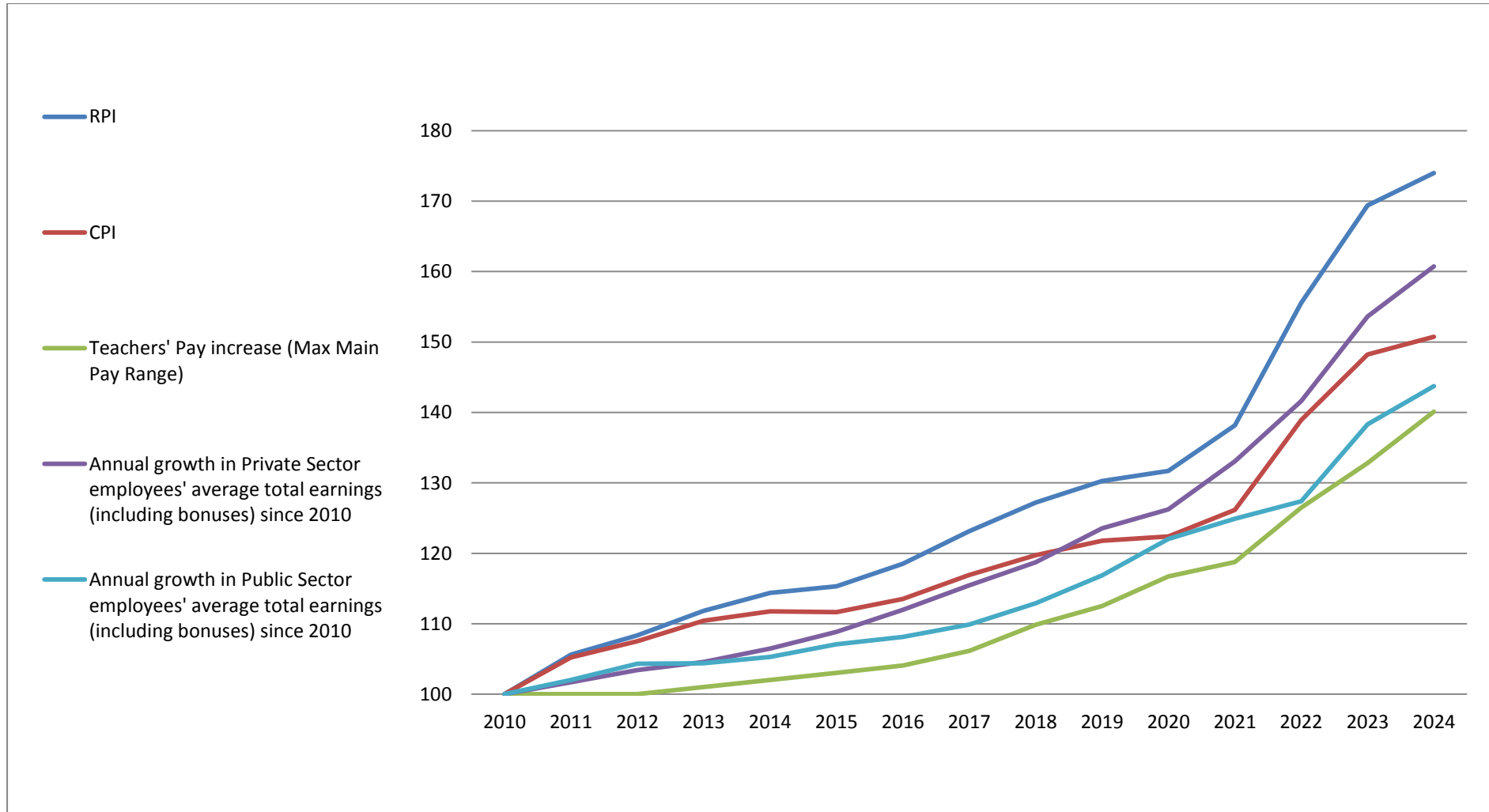
2.49 The chart on the following page illustrates that since 2010:

- the cost of living has increased by 74%, as measured by RPI, and 50.7% as measured by CPI;
- average total earnings in the private sector has risen by 60.7%;
- average total earnings in the public sector has risen by 43.7%; and
- pay for teachers in Wales at the top of the MPR has risen by just 40.1%.

2.50 Classroom teachers in Wales are significantly poorer in real terms than they were in 2010 due to the cumulative impact of pay awards failing to match cost-of-living increases, as measured by both the RPI and CPI inflation measures. Pay increases for classroom teachers in Wales has also failed to keep pace with pay increases more generally in both the public and private sectors since 2010. Whereas private sector earnings have risen faster than price increases, as measured by CPI since 2010, the earnings of public sector workers more generally have failed to do so.

2.51 The extent to which the growth in teachers' earnings in Wales has fallen behind their counterparts in both the public and private sectors is truly shocking. The ONS data demonstrates the urgent need for a significant above-RPI inflation pay award for the teaching profession, to put an end to the cycle of ever-deteriorating real-terms pay for teachers when compared the pay of other workers in an increasingly competitive graduate market.

Indexed price increases compared to teachers' MPR increases, private sector and public sector average total pay increases, 2010 to 2024



Additional Pension Contributions

2.52 Teachers' take-home pay has been significantly reduced due to paying increased pension contributions since 2012. The following table details the amount of additional pension contributions that teachers in Wales will pay in 2024/25 and cumulatively from 2012/13 to 2024/25, over and above the original 6.4% contribution rate as a result of the increased pension contribution rates introduced in 2012.

2.53 Classroom teachers in Wales have paid between £2,549.40 (M2 Minimum) and £12,772.01 (UPS3) in addition pension contributions since 2010, whereas headteachers have paid up to £45,937.30 in addition pension contributions since 2010.

Additional pension contributions (over 6.4%) paid between 2012/13-2024/25

| Total increase in pension contributions | Salary at 1 September 2024 | % Increase (over 6.4% rate) | Additional Pension Contributions (over 6.4%) paid in 2024/25 | | Additional Pension Contributions (over 6.4%) paid between 2012/13-2024/25 | |
|---|----------------------------|-----------------------------|--|---------------------|---|-------------------|
| | | | £pa | £pa with tax relief | £ | £ with tax relief |
| Main Pay Range | | | | | | |
| M2 (Minimum) | £32,433 | 1.0 | 324.33 | 259.46 | 3,186.75 | 2,549.40 |
| M3 | £35,039 | 2.2 | 770.86 | 616.69 | 6,338.09 | 5,070.47 |
| M4 | £37,739 | 2.2 | 830.26 | 664.21 | 8,131.60 | 6,505.28 |
| M5 | £40,710 | 2.2 | 895.62 | 716.50 | 8,772.11 | 7,017.69 |
| M6 (Maximum) | £44,802 | 2.2 | 985.64 | 788.52 | 9,983.36 | 7,986.69 |
| Upper Pay Range | | | | | | |
| UPS1 | £46,446 | 3.2 | 1,486.27 | 1,189.02 | 14,846.74 | 11,877.39 |
| UPS2 | £48,168 | 3.2 | 1,541.38 | 1,233.10 | 15,396.96 | 12,317.57 |
| UPS3 | £49,944 | 3.2 | 1,598.21 | 1,278.57 | 15,965.02 | 12,772.01 |
| Leadership Pay Range | | | | | | |
| L6 | £57,304 | 3.8 | 2,177.55 | 1,306.53 | 21,767.84 | 14,827.85 |
| L8 | £60,203 | 3.8 | 2,287.71 | 1,372.63 | 23,369.21 | 14,392.47 |
| L11 | £64,933 | 3.8 | 2,467.45 | 1,480.47 | 25,641.99 | 15,385.19 |
| L28 | £98,364 | 5.3 | 5,213.29 | 3,127.98 | 50,040.61 | 30,024.37 |

| | | | | | | |
|-----|----------|-----|----------|----------|-----------|-----------|
| L43 | £140,685 | 5.3 | 7,456.31 | 4,473.78 | 76,562.16 | 45,937.30 |
|-----|----------|-----|----------|----------|-----------|-----------|

2.54 The following table shows the combined cumulative loss to teachers' pay as a consequence of both the real-terms shortfall in teachers' salaries in Wales resulting from below-RPI salary increases since 2010, and increased pension contributions over 6.4% since 2012. Teachers who have remained in the profession since 2010/11 are between £43,424 and £339,163 worse off in 2024/25 as a result of the combined impact of increases to teachers' pension contributions and substantial real-terms pay cuts.

'Combined Cumulative Loss' between 2010/11-2024/25

| Wales | Salary 2024/25 | Shortfall in salary in 2024/25 as a result of below-RPI pay increases | Additional Pension Contributions (over 6.4%) paid in 2024/25 | 'Combined Loss' in 2024/25 | Total additional Pension Contributions (over 6.4%) paid between 2012/13-2024/25 | Cumulative shortfall in salary between 2010/11-2024/25 as a result of below-RPI pay increases | 'Combined Cumulative Loss' between 2010/11-2024/25 |
|-----------------------------|----------------|---|--|----------------------------|---|---|--|
| | | | £pa with tax relief | £ | £ with tax relief | £ | |
| Main Pay Range | | | | | | | |
| M2 (Minimum) | £32,433 | -£4,834 | -£259 | -£5,093 | -£2,549 | -£40,875 | -£43,424 |
| M3 | £35,039 | -£8,408 | -£617 | -£9,024 | -£5,070 | -£61,161 | -£66,232 |
| M4 | £37,739 | -£9,050 | -£664 | -£9,714 | -£6,505 | -£65,842 | -£72,347 |
| M5 | £40,710 | -£9,766 | -£716 | -£10,482 | -£7,018 | -£71,045 | -£78,063 |
| M6 (Maximum) | £44,802 | -£9,665 | -£789 | -£10,454 | -£7,987 | -£70,679 | -£78,666 |
| Upper Pay Range | | | | | | | |
| UPS1 | £46,446 | -£12,559 | -£1,189 | -£13,748 | -£11,877 | -£90,069 | -£101,947 |
| UPS2 | £48,168 | -£13,023 | -£1,233 | -£14,256 | -£12,318 | -£93,395 | -£105,712 |
| UPS3 | £49,944 | -£13,506 | -£1,279 | -£14,785 | -£12,772 | -£96,860 | -£109,632 |
| Leadership Pay Range | | | | | | | |
| L6 | £57,304 | -£15,853 | -£1,307 | -£17,160 | -£14,828 | -£113,401 | -£128,229 |
| L8 | £60,203 | -£16,659 | -£1,373 | -£18,031 | -£14,392 | -£119,158 | -£133,550 |
| L11 | £64,933 | -£17,969 | -£1,480 | -£19,449 | -£15,385 | -£128,528 | -£143,913 |
| L28 | £98,364 | -£27,225 | -£3,128 | -£30,353 | -£30,024 | -£194,727 | -£224,752 |
| L43 | £140,685 | -£40,740 | -£4,474 | -£45,214 | -£45,937 | -£293,225 | -£339,163 |

2.55 The table above shows that the combined cumulative loss to teachers' pay, as a consequence of both the real-terms shortfall in teachers' salaries and increased pension contributions, now amounts to significantly more than a full years' salary being docked from teachers' pay packets by successive governments since 2010.

2.56 NASUWT strongly contends that a substantial above-RPI inflation increase to teachers' salaries and allowances are necessary in 2025 to begin to reverse the real-terms reduction in pay suffered by teachers in Wales since 2010.

The gender and ethnicity pay gaps for teachers

2.57 An analysis of the School Workforce Annual Census (SWAC) for Wales 2023,¹⁵ reveals that average salaries are higher for male teachers than for female teachers both overall, and specifically at headteacher and 'other leadership' grades.

2.58 The average salary for all teachers, including those in leadership roles in 2023/24, was £47,691. For male teachers, the average salary was £49,467, whereas the average salary for female teachers was £47,085. The pay premium for male teachers' in 2023/24 was £2,382, which represents a gender pay gap of 4.8% in the teaching profession in Wales across all grades of teachers in 2023/24.

2.59 For male classroom teachers, the average salary in 2023/24 was £43,964, compared to £44,259 for female classroom teachers. The marginal 0.7% average (mean) full-time equivalent (FTE) salary pay advantage for female classroom teachers' in Wales in 2023/24 is reflective of the fact that three-quarters (76%) of qualified classroom teachers are female.

2.60 In 2023/24, the average salary for men in school leadership roles, excluding headteachers (Other Leadership), was £66,633, compared to £63,382 for women in similar leadership positions. The pay premium for men in this category in 2023/24 was £3,251, which represents a gender pay gap of 4.9% in 2023/24.

2.61 For headteachers, the gender pay gap is at its most extreme. In 2023/24, the average salary for men was £81,535, compared to £75,255 for women. The pay

¹⁵ Welsh Government, *School Workforce Census results: as at November 2023*, 18 July 2024, <https://www.gov.wales/school-workforce-census-results-november-2023>

premium for male headteachers is £6,280, which represents a gender pay gap of 7.7% in 2023/24.

2.62 The extent of gender- and ethnicity-based pay inequality within the teaching profession remains a significant concern for NASUWT. The Welsh Government's own SWAC data clearly demonstrates that a significant gender pay gap persists in schools in Wales in 2023/24, which becomes more pronounced in leadership and headteacher positions.

2.63 Systemic discrimination is denying progress towards a more diverse teaching profession. Research undertaken by Warwick University on behalf of NASUWT revealed that Black teachers are paid less than their white colleagues, are more likely to be employed in temporary posts, less likely to be promoted and are more likely to be disciplined or dismissed from their jobs.¹⁶

2.64 The findings of research undertaken recently by the National Foundation for Educational Research (NFER) should be a reminder to both the Review Body and the Government that greater action is needed to tackle the causes and effects of racial discrimination in the teaching profession. Black teachers still face barriers to pay and career progression, as well as covert and overt racial discrimination throughout their careers.

2.65 In England, there are currently no government targets, programmes or funding to improve ethnic diversity in the teaching workforce, in contrast to both Wales and Scotland.¹⁷ The Welsh Government's *Initial teacher education Black, Asian and Minority Ethnic recruitment plan*¹⁸ looks at what can be done to increase recruitment onto initial teacher education (ITE) programmes, and the *Ethnic Minority Initial Teacher Education Incentive Scheme* provides a £5,000 grant to students on an accredited postgraduate ITE programme that leads to Qualified Teacher Status (QTS) where they meet the eligibility criteria, including ethnicity criteria. Progress is

¹⁶ Institute for Employment Research (IER) at the University of Warwick, *Teachers' Pay and Equality*, 2016, <https://www.nasuwt.org.uk/advice/pay-pensions/teachers-pay-research.html>

¹⁷ National Foundation for Educational Research (NFER), *Ethnic diversity in the teaching workforce: evidence review*, 2024, <https://www.nfer.ac.uk/publications/ethnic-diversity-in-the-teaching-workforce-evidence-review/>

¹⁸ Welsh Government, *Initial teacher education Black, Asian and Minority Ethnic recruitment plan*, 2023, <https://www.gov.wales/initial-teacher-education-black-asian-and-minority-ethnic-recruitment-plan.html>

being made, but more needs to be done to remove the barriers to pay and career progression that Black teachers still face.

2.66 NASUWT continues to call on the Review Body and the Welsh Government to undertake a thorough review of both gender and ethnicity pay gaps within the teaching profession and to consult with NASUWT and the teaching profession on the formulation of an action plan to explain what actions will be taken to address any gender and ethnicity pay gaps. As a first step, the Review Body should strongly recommend that school and college employers should publish ethnicity pay gap data, together with gender pay gap data, on an annual basis.

3. MATTERS FOR RECOMMENDATION

What adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders, to ensure the teaching profession in Wales is promoted and rewarded to encourage recruitment and retention of high-quality practitioners?

3.1 NASUWT would be pleased to discuss with the Review Body additional matters relating to teachers' pay, rewards and working conditions.

NASUWT is asking for:

- (i) a multi-year, above-inflation (RPI) pay award;
- (ii) additional funding from the Welsh Government to enable all schools to implement the pay award in full;
- (iii) the removal of threshold application and renaming of U1-U3 to M7-M9;
- (iv) removal of unlimited work hours provisions in the STPC(W)D; and
- (v) annual pay gap reporting, with associated action plans to be published by employers for gender and race.

What adjustments should be made to Leaders' Conditions of Service and in particular the consideration of whether guaranteed working hours (or limits on) as well as protected holiday entitlement and weekends for leaders be included in the STPC(W)D?

3.2 This was a 'Matter for Recommendation' from the 2024 remit which has returned at the request of the Review Body. As the position of NASUWT has not changed on this issue, the following is how the Union responded in 2024.

3.3 School leaders in Wales are not subject to the limit on working days (195) and directed time (1,265) to which teachers are. As a result, there is no limit to their working time. This has a detrimental effect on school leaders' work-life balance, including affecting their mental health.

3.4 NASUWT calls for school leaders to be entitled to a limit to their working days and hours, including a 35-hour working week. A limit to working hours could encourage more leaders to consider flexible working, as currently those leaders who chose to work part time do not have a limit on their working hours as a proportion of directed time, as do teachers (paragraph 50.6). This may, in turn, have a positive influence on the diversity of leadership candidates in Wales.

3.5 A limit on working time would be a strong start to limiting the detrimental effects on school leaders; however, this alone would be of limited benefit if national policy and regulation require leaders to undertake duties which would necessitate them continuing to work unsustainable hours or simply delegating unsustainable duties to colleagues who are themselves working beyond capacity. NASUWT therefore calls on the Review Body to recommend that a limit on working hours is accompanied by a contractual requirement for employers and the Welsh Government to publish workload impact assessments for the implementation of policies affecting the work of schools in Wales. Furthermore, there must be a commitment that any resource implications arising from those impact assessments would be fully funded in advance of implementation.