

THE STRB BONUS PAYMENTS

INTRODUCE THE OPTION FOR MAINTAINED SCHOOLS TO OFFER NON-CONSOLIDATED PAYMENTS (INCLUDING BONUSES)

The School Teachers' Review Body's (STRB's) 36th remit includes the proposal for the option for maintained schools to offer non-consolidated payments (including bonuses) for those who want to use them, separate to and above any pay progression arrangements and the annual STRB recommended pay uplift.

The STRB's proposal to allow maintained schools to offer non-consolidated payments (including bonuses), in a manner akin to multi-academy trust schools, is flawed and misleading. The Department for Education (DfE) should be clear that the use of such freedoms and flexibilities have, in reality, rarely been exercised.

In the current climate, schools are chronically underfunded, and one in four are unable to afford a further 1% pay uplift, let alone exercise freedom and flexibilities to pay teachers more. Therefore, this calls into question the cost-effectiveness of such a proposal.

If such decisions are to be made then, in practice, schools would have to budget and set aside payments at the start of the year to make the payments from funding that they, essentially, do not have. Therefore, in practice, these flexibilities around pay uplifts are fanciful at best and impractical.

Allowing schools to design systems and policies to implement bonus payments where they choose to do so opens up the risk of litigation in terms of equal pay claims (soon to include ethnicity and disability) and claims arising from discrimination. This risk is exacerbated where schools design their own policies that may lack the robust scrutiny and evidence base by which to make fair and transparent pay decisions. Pay flexibilities and payments of bonuses otherwise open up schools to a great degree of legal risk over unfair/discriminative pay claims that NASUWT is all too aware of.

Using public money to obtain external legal advice/consultants etc to design or defend pay processes from legal challenges is not a good use of money, especially where our evidence tells us that only one in four schools can afford a 1% pay increase using the most conservative interpretations of the data available. Any pay policy would have to stand up to the scrutiny of appeals, reviews and transparency whilst ensuring equality.

Secretary of State for Education Bridget Phillipson has been clear that no additional funding (due to Corporate Social Responsibility commitments) will be provided as part of the STRB remit on pay, in keeping with the policy confirmed in the last Spending Review:

'We expect schools will need to continue to contribute to the costs of future pay awards and ensure spending is maximised to deliver for children and young people.'

Despite that statement, she has also re-emphasised expectation that the STRB's recommendations will consider recruitment and retention data, as well as schools' budget constraints and workforce demographics (equalities). With one in four schools being able to find one percent in their budgets, it really seems that introducing the power to offer non-consolidated payments (including bonuses), for those who want to use them, is unlikely to be affordable for many schools and is, in reality, a non-starter.

Teachers being paid more would be a welcome step, however, as we know the profession is critically underfunded and that these freedoms are rarely going to be exercised due to financial constraints. Schools are hardly flush with money and many are barely able to make cost-of-living pay awards and provide incremental progression. Giving maintained schools the same powers as academies to make bonus payments without additional funding makes no sense. The real focus has to be on adequate funding and a pay and conditions framework that serves the profession by eradicating the recruitment and retention crisis that has taken place due to eroding pay levels since 2010, with workload spiralling over that same time period.

Extending the ability to make bonus payments (to recruit, retain and reward) to all maintained schools akin to academy schools eradicates the two-tier approach and aligns the schools system. However, maintained schools would need to be aware of the legal challenge, risks and unintended consequences in exercising these pay flexibilities.

For the freedoms and flexibilities to be exercised, schools will need robust pay policies, metrics and standards under which performance is being assessed, together with appropriate training for decision makers with all the safeguards of transparency and appeal procedures. To introduce this when only last year the STRB removed performance-related pay seems absurd. Furthermore, the process would create further workload for leaders, with the need to collect evidence and data taking them away from their core duties and responsibilities of leading teaching and learning.

Introducing and moving towards a 'bonus culture' would also prove to be divisive. Paying bonuses fails to reflect the unique and broad nature of teaching in that it undermines holistic learning environments in which the work of one colleague is augmented and supported by that of their peers and allows them to develop their personal effectiveness by sharing expertise and experience and providing critical professional support to each other.

Introducing bonuses would place an excessive focus on individual performance in pay progression systems and the focus on individual rewards undermines collaborative school cultures and teamwork. This would discourage and adversely affect professional innovation and creativity by limiting the scope to take appropriate risks, explore possibilities and act creatively, particularly in the face of novel or exceptional challenges. The focus should be on providing teachers with the resources and opportunities to improve their skills and knowledge throughout their careers.

There needs to be much more thought around criteria and standards for awarding bonuses. The DfE would need to provide suitable guidance and advice, which in reality would be challenging as recruitment, retention and rewards for individual schools is simply not a 'one size fits all' prospect. Schools will have their own distinct challenges in terms of recruitment, retention and rewards with regional variables, workforce demographics and the specific needs of young people being integral to any such approach.

Essentially, the majority of schools would not have the budget to avail costly legal advice and consultancy and this further renders schools liable to legal risk, potentially costing them yet more. Unless sound legal

advice is taken, schools could be liable for equal pay claims and discrimination in making pay decisions around who and who not to award a bonus to, while schools must have due regard for the 'protected characteristics' of its workforce.

Furthermore the, equality duty under section 149 of the Equality Act 2010 means that schools must have due regard to the above matters in relation to the management of their pay policies.

Schools must:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

As a minimum, schools need to ensure fair access to the pay system and must not:

- treat a teacher less favourably than another teacher because they have a protected characteristic;
- provide rules or procedures which have (or would have) a worse impact on teachers who share a particular protected characteristic than on people who do not have that protected characteristic, unless this can be shown to be objectively justified;
- treat a teacher less favourably than another teacher because they are associated with a person who has a protected characteristic;
- treat a teacher less favourably than another teacher because of a perception that the teacher has a protected characteristic;
- treat a teacher badly or victimise them because they have complained about discrimination or helped someone else complain, or done anything to uphold their own or someone else's equality law rights;
- harass a teacher because of the teacher's protected characteristics;
- prevent employees from making a 'relevant pay disclosure' (i.e. for the purpose of finding out whether, and to what extent, there is unlawful pay discrimination) to anyone, or prevent employees from seeking such a disclosure from a colleague or a former colleague.

NASUWT has constantly requested the DfE to collect more fit-for purpose and robust equalities data. If bonus payments are introduced, schools will need to collect equalities data and carry out timely equality pay audits (including gender, ethnicity and disability pay gaps) to help inform pay profiles of their school workforce and remove and root out any unintended pay patterns and potential discrimination.

Substantial research (below) has demonstrated what NASUWT has known and supported all along: that the most favourable mechanism and lever with which to fix the ongoing recruitment and retention crisis within the profession is to employ a strategic, short and long-term approach that offers a range of financial and non-financial rewards, such as:

Financial priorities

- Competitive and fair pay structures.
- Strong early-career incentives.
- Improved working conditions, flexibility, and professional growth.

Non-financial priorities:

- Reduce workload and improve working conditions.
- Expand opportunities for flexible work arrangements.
- Strengthen access to professional development and career progression.

NFER – The impact of early career retention payments on teacher retention

A recent study by the National Foundation for Education Research (NFER)¹ on the impact of early career retention payments (ECRPs) on teacher retention examined the effectiveness (and value for money) of five different government schemes. Piloted since 2018, each provided additional payments to teachers in shortage secondary subjects, with direct payments made to teachers in their first five years and loan reimbursements made to those in their first ten years.

Table 1: Summary of teacher retention payment schemes implemented in England since 2018

RETENTION PAYMENT	SUBJECTS ELIGIBLE	PAYMENT YEARS
Maths and physics retention payment (MPRP)	Maths, physics	2019/20 – 2020/21
Teacher student loan reimbursement (TSLR)	Physics, chemistry, biology, computer science, languages	2018/19 – 2031/32
Maths phased bursary (MPB)	Maths	2021/22 – 2024/25
Early career payment (ECP)	Physics, chemistry languages, maths	2022/23 – 2024/25
Levelling up premium (LUP)	Maths, physics, chemistry computer science	2022/23 – 2023/24
Targeted retention incentive (TRI)	Maths, physics, chemistry computer science (also in FE)	2024/25 – 2025/26

Note: TRI was initially launched as an extension of the levelling up premium but renamed by the new Government in summer 2024.

Sources: (Department for Education, 2017, 2018, 2019, 2022)

1. Maths and Physics Retention Payment (MPRP) – 8.1% per year reduction in the leaving rate statistically insignificant.
2. Teacher Student Loan Reimbursement (TSLR) – not statistically significant.
3. Maths Phased Bursary (MPB) – 10.9% per year reduction in leaving rate statistically significant, implying with confidence that MPB led to lower teacher leaving rates.
4. Early Career Payment (ECP) – not statistically significant.
5. Levelling Up Premium (LUP) – a 6.3% reduction in the leaving rate, but statistically insignificant.

¹ https://www.nfer.ac.uk/media/biaisns1/the_impact_of_early_career_retention_payments_on_teacher_retention.pdf

The five ECRPs led to teacher leaving rates that are 5.1% per year lower than they otherwise might have been. This impact estimate is not deemed statistically significant enough to suggest that ECRPs are effective at improving retention or maximising cost-effectiveness.

The research suggests retention payments are used as a part of a wider strategy to boost teacher numbers. The DfE's own data suggest that these initiatives have consistently and continuously failed to recruit new entrants to the profession or retain those already within the profession.

Bursaries

NFER's research found that bursaries were more cost effective than retention payments as a tool to retain teachers within the profession and suggested maximising the use of bursaries before implementing retention payments. There was no strong evidence that retention payments work better for certain teacher groups or schools. Lead NFER economist Jack Worth suggested the strategy should 'focus on subject shortages' or target schools with more disadvantaged pupils, which often struggle to recruit and retain teachers.

The NFER report predicted every additional 'teacher year' secured through teacher retention payments would cost around £20,000, compared to between £9-13,000 through bursaries.

Recommendations for the Government:

1. **Continue retention payments** for shortage subjects, as removing them could worsen teacher supply.
2. **Maintain and enhance bursaries**, especially in high-demand subjects (maths, physics, chemistry, computing), aligning them with teacher starting salaries.
3. **Monitor and evaluate** new retention policies such as the Targeted Retention Incentive and evaluate against the School Workforce Census data in order to assess longer-term impacts of policy.
4. **Invest in research** on other interventions – such as workload reduction, flexible working, and professional development – to identify more cost-effective strategies for recruitment and retention.

The research confirms that the Government needs to develop wider recruitment and retention strategies that are aimed at attracting young teachers, whilst ensuring that pay remains competitive throughout teachers' careers in order to improve retention rates. In addition, the barriers and drivers for teachers leaving the profession such as workload, job satisfaction and stress need to be explored on an ongoing basis in order to be minimised and eradicated wherever they exist. Only then will retention rates be improved for more experienced teachers.

The Government needs to take a targeted approach aimed at several factors, including increasing funding to the sector and implementing a series of above-Retail Prices Index (RPI) inflation pay awards in order to reverse teacher pay erosion from 2010.

Transitions from initial teacher training (ITT) into teaching 2023/24 saw the lowest number of new entrants into teaching since the School Workforce Census was established, and overall numbers of entrants into primary programmes have fallen significantly.

However, we accept the DfE's view that placing teacher supply on a more sustainable footing requires other non-pay interventions to be made alongside, and not instead of, improvements in pay and pay progression across the profession.

NFER – Policy options for a long-term teacher pay and financial incentives strategy

NFER published research in 2023 titled *Policy options for a long-term teacher pay and financial incentives strategy*, calling for a long-term strategy on teacher pay and financial incentives to address teacher supply challenges and improve recruitment and retention, whilst simultaneously highlighting the importance on non-pay conditions in recruitment and retention.² The research recognised that increasing only pay was unlikely to make a significant difference to the overall supply picture on its own.

Recommendations:

1. Pay Structure Reforms

- **Flatten the main pay scale:** Increase lower pay points faster than higher ones to attract and retain early career teachers (ECTs) cost-effectively.
- **Risks:** Could reduce incentives for experienced teachers and alter workforce balance.
- **Conclusion:** Pay progression must target all career stages to retain experienced staff as mentors.

Pay progression has to be targeted at all stages of a teacher's career in order to be truly effective, as more experienced teachers need to be retained, with their skills and experience harnessed to mentor and support younger teachers.

2. Phase-specific pay

- **Separate pay scales** for primary and secondary teachers, with higher increases for secondary, may be cost-effective.
- **Risk:** Could create a **two-tier system**, making primary teaching less attractive and driving teachers to other jobs (e.g. retail).

This approach would create a two-tier system where teachers are not attracted to the profession, with research showing a career in teaching amongst one of the lowest graduate salaries on offer. If primary teacher pay increases a lot less than secondary teachers, then teachers will want to look elsewhere, such as Aldi/Lidl graduate schemes, which offer a much higher starting salary.

3. Targeted Incentives

- More **funding for early-career payments**, as these are the most cost-effective incentives when focused on new teachers.

This approach would focus only on recruitment, and without retaining more experienced teachers there may be a scenario where we're back to square one in terms of retention.

The evidence on teacher recruitment and retention makes a compelling case for a long-term strategy on teacher pay and financial incentives to address the currently intense teacher supply challenge. A range of strategies is needed to make teaching more attractive in non-financial ways, including workload reduction, increased opportunities to work more flexibly, and increased access to high-quality professional development.

² <https://www.gatsby.org.uk/app/uploads/sites/2/2025/07/nfer-report-final.pdf>

Recommended strategic approach:

- **Integrated system:** Combine recruitment, retention and progression incentives, ensuring fair pay progression and support at all stages that incentivises progression and retains experience.
- **Subject and phase targeting:** Tailor incentives to acute shortage areas (e.g. maths, physics, computing) and disadvantaged schools that tend to find teacher recruitment and retention more challenging. Indeed, the teacher supply challenges in physics are so deep that even ambitious pay and financial incentive packages require long-term policy focus and attention.
- **Cost-effectiveness:** Combine pay, bursaries and early-career payments to balance broad-based improvements with targeted interventions.
- **No single perfect model:** Policymakers must weigh trade-offs across cost, impact and equity to develop a long-term strategy that strikes an appropriate balance between being broad-based and targeted at areas of need.

NFER Policy Recommendations

1. **Develop and publish a long-term teacher pay and incentives strategy** as part of wider strategy to boost competitiveness and address non-financial factors to increase retention.
2. **Redesign the 'Levelling up Premium'** to expand eligibility nationwide, focus on shortage subjects, and increase payment size to enhance its impact.
3. **Political transparency:** All parties should state in their manifestos how they will tackle teacher pay and incentives to improve supply.
4. **Evidence-based policymaking:** The DfE, as part of its SRTB evidence, should publish forecasted supply impacts of all pay proposals and outline additional actions (financial and non-financial) for subjects unlikely to meet recruitment targets.

The NFER research stresses that while pay and financial incentives are vital tools for addressing the teacher supply crisis, **they must form part of a broader strategy**. Without improving working conditions, career flexibility, and professional development, pay rises will not secure long-term recruitment and retention – especially in high-demand subjects and disadvantaged schools.

The core message is that a comprehensive, long-term plan is needed to boost teacher pay competitiveness while integrating pay and non-financial improvements (flexibility, workload reduction, professional development) and a number of broad-based and tailor-made options. Hence, the STRB's remit to introduce merely bonus payments for state maintained schools akin to MAT schools is limited and a short-sighted view in which to improve teacher recruitment and retention.

NFER – Policy analysis of student loan reimbursements for improving teacher retention

In 2024, the National Association of School-Based Teacher Trainers (NASBTT) and Universities Council for the Education of Teachers (UCET) commissioned research on the estimated costs and possible impact on teacher supply and retention of introducing a new Teacher Student Loan Reimbursement (TSLR) scheme.³ Under the TSLR scheme, the Government pays back any student loan repayments a teacher made in the previous year, provided they are still teaching in a state school and are in the first ten years of their career.

³ https://www.nfer.ac.uk/media/sl0abjje/policy_analysis_of_student_loan_reimbursements_for_improving_teacher_retention.pdf

NFER carried out policy analysis of the TSLR scheme and modelled the possible impact on teacher retention with value for money comparisons against other incentives such as bursary increases and ECRPs.

The research suggests that a TSLR scheme could prove a cost-effective option for policymakers alongside ECRPs, particularly when bursaries are already at a high level.

Commissioned by NASBTT and UCET, policy modelling by NFER found:

- Impact: Estimated increase of 2,100 teachers in 2025/26.
- **Cost-effectiveness:**
 - **Bursaries** most cost-effective where currently low (£9,000–£10,000 per additional teacher-year).
 - **TSLRs and ECRPs** around £12,500 per additional teacher year, similar to the cost per additional teacher year where bursaries are already around £30,000.

Conclusion: suggests a policy approach of first raising bursaries where low, then **focus on retention** incentives (like TSLR and ECRPs) in high-bursary subjects such as maths and physics (which currently attract a £28,000 bursary).

This suggests that a policy approach of first raising bursaries where they are low is likely to be most cost effective, and where there is already a high bursary available (e.g., maths and physics) it is worth focusing on incentivising retention.

Tomorrow's teachers – a roadmap to get Gen Z into the classroom

A recent Teach First-commissioned report has urged the Government to introduce new schemes to attract and retain teachers, especially from Gen Z, who are reluctant to view teaching as a lifelong career.⁴ Research shows 61% of young people would consider teaching, but they value work-life balance, hybrid options and non-linear careers. Only 13% would want to teach for their whole careers. Teaching is respected and seen as purposeful, but also described as stressful and increasingly difficult.

Key proposals include:

- £7.5m 'teacher in residence' pilot: secondments placing teachers in businesses for professional development.
- Career-break scheme: allowing unpaid leave (up to five years) with guaranteed return, aimed at retention but potentially hard to staff.
- Pay and incentives: reform bursaries, expand retention bonuses to more subjects, reinstate trainee pay, and raise salaries so teaching ranks in the top third of graduate jobs by 2030.
- Flexibility and work-life balance: offer compressed hours, hybrid working and more career fluidity days to appeal to Gen Z.

Overall, the report stresses that without better pay, flexibility and recognition of non-linear careers, teaching will struggle to attract Gen Z – ultimately harming education, particularly in disadvantaged areas. Leaders have warned that structural issues (workload, stress, poor pay) must be addressed, otherwise schemes won't work.

⁴ https://www.teachfirst.org.uk/sites/default/files/2024-09/Tomorrows_teachers_Teach_First_report.pdf

While teaching was traditionally thought to offer job security, generous holidays, strong pensions and deeply fulfilling work, salaries continue to lag behind other graduate roles, while flexibility remains limited. In reality, due to lack of funding in the education sector, redundancies are on the rise, pensions are being eroded (with inferior schemes being introduced such as the ULT's push for more take-home cash for less pension in retirement) and teachers no longer able to enjoy the job due to excessive workload, stress, bureaucracy and accountability that has left them burnt out. As a result, recruitment is falling – especially in schools serving disadvantaged communities, where excellent teachers are needed most.