

SUBMISSION

TEACHERS' PAY CLAIM 2020/21

The NASUWT is the largest teachers' union in Guernsey, and the only union exclusively representing teachers and headteachers.

If you require further information about this submission, please contact:

Dr Patrick Roach General Secretary NASUWT Hillscourt Education Centre Rose Hill Rednal Birmingham B45 8RS Tel: 0121 453 6150

CONTENTS

Page

SECTION 1	Introduction	3
SECTION 2	Context	4
SECTION 3	Guernsey Teachers' Pay Since 2007	5
SECTION 4	Affordability	8
SECTION 5	Teacher Supply	11
SECTION 6	Wider Economic and Labour Market Conditions	14
SECTION 7	Equality Impact	19
SECTION 8	Conclusion	20

INTRODUCTION

- 1.1 The NASUWT welcomes the opportunity to make a written submission to the Policy and Resources (P&R) Committee on the matter of teachers' pay.
- 1.2 The NASUWT was deeply disappointed by the P&R's decision to impose the 2019 pay award, especially as it was subject to a formal dispute.
- 1.3 The 2020/21 pay award for teachers should have been considered in the context of a changing education landscape and the ongoing impact of the COVID-19 pandemic, during which teachers have been on the frontline ensuring the island continues to function.
- 1.4 The NASUWT is appalled that P&R has again decided to run roughshod over all established negotiation machinery by not only imposing the 2020 and 2021 pay awards, but also moving the award date to 1 January.
- 1.5 These impositions mean that there will have been no meaningful negotiation and no agreement over pay for three years.
- 1.6 It is simply unacceptable to make decisions of this magnitude without any attempt at negotiation and will come as a complete kick in the teeth to Guernsey's teachers who have worked and continue to work incredibly hard during the COVID-19 crisis.
- 1.7 The Committee should also be in no doubt that that the table that was published by the employer and emailed to all staff clearly indicated a 2.4% award from September 2020. Teachers and Lecturers would, therefore, have expected this uplift to be applied, and the non-application of this is likely to infuriate staff.
- 1.8 The fact that teachers went above and beyond during the pandemic, and yet the employer intends to reward this with a real-terms pay cut and a lower award than virtually all other pay groups is nothing short of disgraceful.

1.9 These impositions, pay cuts and refusal to negotiate over key provisions puts the profession in a very serious position which has the clear potential to result in industrial unrest at a critical time in the transformation process.

SECTION 2

CONTEXT

- 2.1 The pay award is being considered in the context of the ongoing reorganisation of secondary education, which is causing uncertainty and anxiety amongst the workforce across all sectors.
- 2.2 Teachers in Guernsey will also potentially face changes to working practices through the proposed general reorganisation of the States of Guernsey. This will feed into the existing uncertainty and anxieties around the school reorganisation.
- 2.3 The extent to which States' plans to harmonise terms and conditions will apply to teachers is also unclear at the moment, and further adds to the general uncertainty hanging over the profession.
- 2.4 Public services, including education, and public service workers, including teachers, have been at the forefront of the islands' response to the COVID-19 pandemic.
- 2.5 Throughout the pandemic, schools remained open and teachers willingly gave up their holidays to ensure that the children of key workers remained in school so that they could continue to serve the island. Teachers have repeatedly gone above and beyond expectations throughout 2020.
- 2.6 As well as keeping schools open, with virtually no notice, teachers switched from 'normal' to remote teaching, something no teacher has been trained to do. Teachers once again stepped up to the mark to ensure that teaching and education continued despite the pandemic through devising, at breakneck speed, a functional system of remote learning. This has included ensuring self-isolating pupils are still receiving an education.

2.7 The switch to remote learning has caused significant increases in workload, which is likely to continue for some time and needs to be recognised. The States will, however, need to address this additional workload burden as a matter of urgency.

SECTION 3

GUERNSEY TEACHERS' PAY SINCE 2007

- 3.1 Teachers' salaries have been eroded significantly, particularly when measured against increases in average earnings and Retail Prices Index (RPI) inflation over the last decade.
- 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 2007, teachers have endured several years of below-RPI pay rises, which have seriously eroded the value of teachers' pay. Figure 1 below shows teachers' pay uplifts against RPI inflation since 2007.





- 3.4 There was an increase in inflation, as measured by the RPI, of 36.1% from December 2006 to September 2020, whilst teachers' pay has increased by 29.75%, leading to a real-terms pay cut of over 6% over this period.
- 3.5 Table A below shows the effect of inflation on teachers' pay since 2007.

Table A – Shortfall in pay scales due to inflation, 2007 to date

Scale	2021 Actual	2021 target	Shortfall	Cumulative shortfall		
point	salary	salary*	p.a.	since 2007		
1	£31,223	£33,505	-£2,282	£12,365		
2	£33,566	£36,020	-£2,454	£13,291		
3	£36,083	£38,718	-£2,635	£14,275		
4	£38,794	£41,629	-£2,835	£15,356		
5	£41,704	£44,751	-£3,047	£16,512		
6	£44,833	£48,111	-£3,278	£17,760		
U1	£47,349	£50,809	-£3,460	£18,743		
U2	£49,093	£52,681	-£3,588	£19,436		
U3	£50,362	£54,041	-£3,679	£19,924		
* The 2021 target salary is the amount salaries would have been had						
they kept pace with inflation since 2007.						

- 3.6 Data from States Data and Analysis also shows that for the economy as a whole, average earnings have outstripped inflation most years since 2006, whereas, as stated above, pay has fallen behind, further eroding the competitiveness of teachers' pay.
- 3.7 Figure 2 below shows teacher pay uplifts compared to RPI inflation and Guernsey earnings growth. This shows that average earnings as a whole have exceeded inflation between 2006 and 2020. Whilst teachers' pay has lagged significantly behind both measures, the gap between the growth in teachers' pay and that of the wider workforce is striking, underlining the reduced competitiveness of teacher pay over the last decade.

- 3.8 The growth in annual earnings has continued despite the impact of the pandemic, with and annual increase of 2.5% in 2020.¹
- 3.9 The differential between teachers' pay awards and increases in median earnings now stands in excess of 10% since 2007.
- 3.10 It should also be noted that the average earnings increase is the measure used to uprate States members' pay, and therefore forms a reasonable comparator for teachers' pay.

Figure 2: Teacher Pay Uplift compared to RPI inflation and median Guernsey earnings growth, 2006-2021



3.11 Additionally, teachers are at a disadvantage compared to colleagues in Guernsey's civil service. Figure 3 below shows teacher pay uplifts since 2007 compared to those the civil service has received. This clearly shows a significant discrepancy of around 3% between teacher and civil service pay over this period, with teachers again significantly out of pocket compared to their civil service colleagues.

¹ Guernsey Quarterly Population, Employment and Earnings Bulletin, October 2020. **NASUWT – The Teachers' Union**

Figure 3: Teacher pay uplifts compared to civil service uplifts, 2007-2014



AFFORDABILITY

- 4.1 The States of Guernsey must recognise and accept the importance of the pay award for teachers in securing the recruitment and retention of high-quality teachers and service quality across the system as a whole. Teachers' pay and conditions of service are inextricably linked to the provision of high-quality education.
- 4.2 The NASUWT believes that the States of Guernsey should bring forward a pay offer which demonstrates not only the important contribution teachers make to the economy, but also to continue ensuring high-quality education provision. The NASUWT, therefore, urges the States to recognise the 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 a recruitment and retention crisis.
- 4.3 Analysis of the State's accounts for the years following the financial crisis shows that Guernsey has weathered the financial storm well, with a net revenue surplus of £380 million over the last nine years. This is shown in Table B below.

Year	Net revenue income (£m)	Net revenue expenditure (£m)	Revenue surplus/deficit (£m)
2009	369	353	16
2010	361	360	1
2011	347	333	14
2012	363	341	18
2013	396	381	15
2014	415	382	33
2015	416	401	15
2016	416	363	53
2017	432	357	75
2018	497	427	70
2019	521	451	70
		Total surplus/deficit	380

Table B – Analysis of States accounts, 2009-2019

- 4.4 The latest *Guernsey Annual GVA and GDP Bulletin* published by the States Data and Analysis unit also shows the economy continuing to show growth, with GDP at its highest level, enjoying its seventh consecutive year of growth in 2019.
- 4.5 Guernsey's GDP per capita now stands 56% higher than in the UK, and 14% higher than Jersey's GVA per capita.
- 4.6 The latest Guernsey Economic and Financial Stability Overview reports that although the economy is likely to contract in 2020 due to the effects of the COVID-19 pandemic, growth is expected to return in 2021, with other indicators such as unemployment and the housing market also pointing to a strong recovery.²

² Guernsey Economic and Financial Stability Overview, December 2020. **NASUWT – The Teachers' Union**

- 4.7 Data from the latest Guernsey Quarterly Population, Employment and Earnings Bulletin shows that the unemployment rate as of 3 October 2020 stood at just 1.8%, with 570 people registered as unemployed. This figure is less than one third of the number unemployed in May 2020, demonstrating a strong rebound in the economy. It is also substantially lower than that of both the UK and Jersey.³
- 4.8 These figures clearly indicate that the Guernsey economy is increasingly strong. The States, therefore, are able to afford substantial pay uplifts for teachers.

³ Guernsey Quarterly Population, Employment and Earnings Bulletin, 29 October 2020. *NASUWT – The Teachers' Union*

TEACHER SUPPLY

- 5.1 Guernsey is very largely, if not totally, dependent on the UK for the training of teachers. The vast majority of off-island appointments come from the UK.
- 5.2 The dependence on the UK means that Guernsey will also be affected by the crisis in teacher recruitment and retention in England. The increasingly parlous teacher supply situation was acknowledged by the House of Commons Public Accounts Committee in the findings of its inquiry into these matters.⁴
- 5.3 The most recent data from the Universities and Colleges Admissions Service (UCAS) End of Cycle Analysis Report confirms that approximately 45,410 people applied for an initial teacher training (ITT) place through the UCAS Teacher Training (UTT) application scheme in 2018.⁵
- 5.4 This quantity of applicants represents a decline on the equivalent figure for 2017 and confirms a 16% fall in the number of applicants since 2014. Between 2010, when 67,289 applicants entered the formal ITT recruitment process, and 2018, the number of applicants has fallen by 32%. This period coincides with the imposition of significant pay freezes and restraints on the teaching profession.
- 5.5 Interim data from UCAS for the 2018/19 UTT application round indicates that mid-phase applications for ITT remain at historically low levels. By 16 September 2019, 116,270 individual applications had been made through the UCAS UTT process.⁶ At the equivalent stage of the 2014 cycle, 153,850 applications had been made, a decline of 24%.

⁴ House of Commons Committee of Public Accounts (2018). *Retaining and developing the teaching workforce: Seventeenth Report of Session 2017-19* (HC460).

⁵ Universities and Colleges Admissions Service (UCAS) (2019a). *Report A: UCAS Teacher Training applicants at End of Cycle 2018.*

⁶ UCAS (2019b). Report B: UCAS Teacher Training applications at End of Cycle 2018. **NASUWT – The Teachers' Union**

- 5.6 The Department for Education (DfE) data for the number of new entrants who have started, or expect to start, an ITT programme during the 2019/20 academic year has yet to be released. However, the most recent available data confirms that the number of new entrants into training programmes only reached 88% of the central target set for 2017/18, a substantial decline from the 94% of target figure achieved in 2016/17.⁷
- 5.7 Many ITT courses remain significantly undersubscribed. Overall recruitment into secondary programmes in 2018/19 only met 78% of the total number of applicants identified as necessary by the DfE, down from 115% in 2010/11.⁸
- 5.8 The Statistical First Release data further confirms that the majority of subjects did not recruit sufficient trainee teachers to meet the targets set by the DfE (Figure 4).

Figure 4: New entrants to postgraduate initial teacher training by subject, as a proportion of Teacher Supply Model targets, academic year 2018 to 2019



Source: DfE: Initial Teacher Training Census 2018/19

⁷ DfE (2018a). *Initial Teacher Training (ITT) Census for the academic year 2018 to 2019, England*. ⁸ DfE (2018a). *op. cit.*

- 5.9 In light of this evidence, it is clear that problems with recruitment into teaching are intensifying and creating significant barriers to ensuring adequacy of teacher supply, underlining the status of the current teacher supply position as a 'crisis' rather than a 'challenge'.
- 5.10 Additionally, as the number of teachers decreases, the number of pupils is increasing.
- 5.11 In England alone, during the period 2017-2026, secondary school numbers are projected to increase by almost one fifth, reaching 3.31 million by the end of the period. Overall, an additional 534,000 pupils will need to be catered for in the secondary education sector by 2026.⁹
- 5.12 A similar situation exists in England in the primary sector, where the pupil population is projected to increase by 100,000 between 2017 and 2026.
- 5.13 In order to maintain the current pupil-teacher ratios, an additional 5,000 primary teachers and 34,000 secondary teachers will be required.¹⁰
- 5.14 The huge number of extra teachers required, combined with the shrinking pool, will make it increasingly difficult for Guernsey to attract high-quality teachers.
- 5.15 Evidence later in this document also shows that, although Guernsey teacher salaries are higher than the equivalent levels in the UK, when other factors such as housing and the cost of living are taken into account, they are actually uncompetitive. This will have a detrimental effect on Guernsey's ability to recruit high-quality teachers from the UK in a decreasing pool.
- 5.16 There is continuing evidence that the schools in Guernsey are having some difficultly in recruiting teachers. The NASUWT is aware that in 2019, there appeared to be a significant number of teachers leaving Guernsey for jobs in Jersey schools, where teacher pay is significantly higher.

⁹ DfE (2017). *National pupil projections: trends in pupil numbers* – July 2017.

¹⁰ School workforce in England: November 2016. Department for Education.

5.17 The NASUWT believes pay is a significant catalyst in sustaining and motivating the teaching profession through periods of rapid change and increasing demands on the teaching profession.

SECTION 6

WIDER ECONOMIC AND LABOUR MARKET CONDITIONS

- 6.1 Section 3 demonstrates the erosion of teachers' pay compared to both RPI inflation and median earnings, with the latter generally exceeding inflation since 2007, whereas teachers' pay uplifts have rarely done so.
- 6.2 In addition to the erosion of teachers' pay through inflation, other pressures are more acute on Guernsey compared to other jurisdictions.
- 6.3 The mix adjusted average purchase price for Local Market properties was £465,664 in the third quarter of 2020, 1.3% higher than the previous quarter and a huge 9.2% higher than the third quarter of 2020.¹¹ This is considerably higher than the UK average house price, which is around £245,000, and considerably higher than the average house price in Wales (£175,998), Scotland (£163,248), Northern Ireland (£143,205) and England (£262,175). The average house price in Guernsey is higher than in every region of England except for London, as shown in figure 5.¹²

¹¹ Guernsey Quarterly Residential Property Prices Bulletin, November 2020.

¹² Office for National Statistics, UK House Price Index: October 2020.



Figure 5: Average house prices in Guernsey compared to UK regions

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

- 6.4 The average price of a three-bedroomed house (i.e. a normal family dwelling) in Guernsey stood at around £450,000 in 2019, the most recent year for which data is available.¹³ If the 9.2% average annual increase is applied, this means a normal family dwelling now costs around £490,000.
- 6.5 The price of a three-bedroomed house in Guernsey is almost ten times the salary of a teacher on spine point U3, whereas the average value of a one-bedroomed flat, £230,000, is almost eight times the salary of a newly qualified teacher (NQT). These high ratios make it exceedingly difficult for NQTs, often saddled with student debt (a position exacerbated in Guernsey by the inability of Guernsey-born students to access student loans), and/or those moving from the UK to take up a teaching post in Guernsey, to buy property, and therefore acts as a major disincentive for teachers looking to work on the island.

¹³ Guernsey Annual Supplementary Property Bulletin 2019. **NASUWT – The Teachers' Union**

- 6.6 The average rental price of a three-bedroomed house stood at £1,900 per month in 2019,¹⁴ substantially higher than all of the UK apart from central London.¹⁵
- 6.7 Given that a significant number of teachers will be employed on short-term licences, and these teachers are likely to be entering the rental market, this is yet another powerful disincentive for those thinking of teaching in Guernsey.
- 6.8 The high housing costs particularly hit returning Guernsey teachers who are not eligible for the same assistance in the form of relocation benefits as nonnative teachers would receive, thus discriminating against Guernsey-born teachers seeking to return to the island.
- 6.9 The comparison with Jersey is quite stark, as the Jersey 2020 teacher pay scales are, on average, over £3,000 higher than the equivalent Guernsey 2021 pay scale point, and nearly £6,000 at the lower end of the main scale. This represents yet another barrier to the recruitment of high-quality teachers.
- 6.10 A similar picture exists for essential commodities.
- 6.11 As an example, the latest data from Guernsey Fuel and Oil Watch showed that the latest average cost of unleaded petrol in Guernsey was 121.6p,¹⁶ whereas the average cost of unleaded petrol in the UK was 114.0p per litre, with supermarkets selling at 108.7p per litre.¹⁷ This represents a Guernsey premium of 6.6% in general fuel costs and 11.8% when compared to supermarket fuels, which are not available in Guernsey. A similar differential applies to diesel fuel.
- 6.12 Gas is considerably more expensive. The cheapest tariff offered by Guernsey Gas is 14.1p per kWh, whereas there are many UK tariffs charging around 3p per kWh. This represents a Guernsey premium of around 470%.

¹⁴ Ibid.

¹⁵ Office of National Statistics, *Private Rental Market Summary Statistics* – October 2019 to September 2020.

¹⁶ https://www.facebook.com/GuernseyFuelWatch/photos/a.318195775221571/1332898617084610/ accessed 16 December 2020

¹⁷ The Automobile Association, November 2020 *Fuel Price Report*.

- 6.13 A similar situation exists for electricity, with the standard tariff offered by Guernsey Electricity being 19.78p per kWh, whilst there are numerous UK tariffs charging less than 13p per kWh.
- 6.14 The premium on the cost of essential commodities means that the purchasing power of Guernsey teachers is considerably less than their colleagues in the UK, again acting as a significant disincentive for teachers looking to relocate, even when the superficially higher salaries are taken into account.
- 6.15 Additional costs, such as the lack of free primary health care and charges for ambulance use, will act as a further disincentive for both Guernsey-born graduates and UK teachers to come to Guernsey to teach.
- 6.16 Furthermore, teacher salaries are becoming less competitive when compared to other graduate professions.
- 6.17 Graduates are currently in high demand across the UK for professions other than teaching. The NASUWT draws to P&R's attention the intensification of competition for graduates in the UK.
- 6.18 Salary levels across the graduate labour market serve to demonstrate the uncompetitive nature of teachers' pay. This point is emphasised by the most recent Report from High Fliers Research, *The Graduate Market in 2020*.
- 6.19 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.
- 6.20 The researchers also found that the highest graduate starting salaries have hit £60,000 for the first time.
- 6.21 The evidence presented in the High Fliers Research shows that starting salaries at the UK's leading graduate employers stood at a median of £30,000 in 2020. Whilst this is in line with the current starting salary of teachers in Guernsey, it should be noted that the High Fliers Research has identified that

at least a fifth of places on the top graduate programmes now provide starting salaries of more than £40,000.

6.22 In addition, the median starting salary for investment banks is now £50,000 and for law firms £45,000. Figure 5 shows the graduate starting salaries in the UK.



Figure 5: Starting Graduate Salaries by Sector or Industry

- 6.23 The above figures relate to the UK and not Guernsey. As the Guernsey graduate market is going to be heavily skewed towards the financial services industry, it is likely that the median salary for graduates in Guernsey is going to be considerably higher than that in the UK.
- 6.24 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 £32,500, although again it should be noted that these are UK figures, not Guernsey figures. Median figures for Guernsey do not exist, but it is reasonable to assume they will be higher than that of the UK.

Source: The Graduate Market in 2020

- 6.25 Employment in financial institutions accounts around for 19.1% of all full-time equivalent (FTE) employment in Guernsey,¹⁸ and the starting salaries greatly exceed that of teachers.
- 6.26 Given all the evidence above, there exist powerful disincentives for Guernseyborn graduates to return to the island to teach, and for non-native graduates and teachers to come to Guernsey.
- 6.27 In the case of Guernsey-born graduates, this constitutes a considerable 'brain-drain' off the island. In 2017, only 55% of Guernsey-born graduates returned after graduating.¹⁹ For demographic, population control and economic reasons, it is better for Guernsey-born graduates to return, yet teachers' pay is simply not competitive enough to attract them back. Teachers from the UK must, therefore, be recruited. Again, teachers' pay is simply not competitive with that of the UK, despite being superficially higher for all the reasons previously stated.

EQUALITY IMPACT

- 7.1 The States must provide a robust equality impact assessment of any proposals for the teachers' 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 would 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.

¹⁸ Guernsey Quarterly Population, Employment and Earnings Bulletin, October 2020.

¹⁹ <u>http://www.careers.gg/CHttpHandler.ashx?id=115261&p=0</u>

- 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 high incidence of workplace discrimination. It is also clear that teachers with protected characteristics are disproportionately represented within the lowest grades. There is no reason to assume that Guernsey is any different. Any pay award must not exacerbate this situation.
- 7.4 This position is likely to be further exacerbated in Guernsey compared to the UK, given Guernsey's limited anti-discrimination legislation.
- 7.5 The States must ensure that they now carry out a detailed and robust equality impact assessment to confirm that any proposals:
 - do not contribute to discrimination;
 - advance equality of opportunity between different groups; and
 - do not exacerbate even further the issues of discrimination, irrespective of the legislative frameworks.
- 7.6 Regrettably, there is a paucity of workforce equalities data across the whole of the States of Guernsey, and the NASUWT believes the States must address this as a matter of urgency.
- 7.7 The absence of comprehensive and robust equalities data does not eliminate the problem of workforce discrimination in access to employment, career development and promotion.

CONCLUSION

- 8.1 All children and young people are entitled to be taught by those who are recognised and rewarded as highly skilled professionals.
- 8.2 The NASUWT believes that this entitlement of children and young people is at risk as a result of teachers' pay in Guernsey having been eroded against inflation and average earnings for at least ten years.
 NASUWT The Teachers' Union

- 8.3 The case for a significant, 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.
- 8.4 In addition to a significant, above-inflation pay award, the States should also use their subsidy of the St John Ambulance service to provide free ambulance cover for teaching staff, thus removing a powerful recruitment disincentive.
- 8.5 Furthermore, an award for 2020/21 only will not even begin to close the pay gap which has arisen since 2008 and, furthermore, start to make teachers' salaries competitive with other graduate professions. A single-year percentage award will be insufficient.
- 8.6 When submitting its pay evidence, the NASUWT does not simply pluck a percentage figure from the air and ask the States to award this. The NASUWT's approach is evidence-based.
- 8.7 The States should, therefore, bring forward an offer comprising a multi-year award with a clear end point which restores the competitiveness of teachers' salaries, closes the teachers' pay gap and provides the basis for the appropriate remuneration of the teaching profession. As the first year of a multi-year award, the 2020/21 pay increase should be substantially higher than the current rate of inflation.
- 8.8 Failure to make such an award will have a detrimental impact on the teaching profession in Guernsey. Children and young people are entitled to be taught by those who are recognised and rewarded as highly valued professionals. Guernsey will not be able to sustain that entitlement if it fails to address the issue of teachers' pay.