

NASUWT Evidence: SNCT Pay Claim 2025/26

Pay

The impact of inflation

It is essential that the Scottish Government and COSLA consider teachers' pay in the context of its substantial deterioration in real-terms suffered since 2010.

The Office for National Statistics (ONS) publishes inflation statistics using a variety of inflation indices. Considering the range of inflation indices available, it is of utmost importance that the Government select the one which is most appropriate to the teacher workforce. The NASUWT recommends that the Government should prioritise the use of the Retail Prices Index (RPI) when considering the impact of inflation on teachers' pay.

The Westminster Government routinely switches between different inflation indices for different purposes. For example, the Consumer Prices Index (CPI) measure is the Government's preferred inflation measure for the purposes of determining 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 Consumer Prices including owner occupiers' housing costs (CPIH) index, which was designated as the lead measure of inflation used by the ONS from 21 March 2017.

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 Government has intentionally side-lined RPI in favour of methods that show lower headline inflation. The Committee cited concerns with rail fares and student loan interest rates increasing by RPI, whilst public expenditure is uprated 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.

Incomes Data Research (IDR) indicates that more than half of employers (53%) use the RPI inflation index when calculating pay awards for their workforces.² The range

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 38, September 2024. www.incomesdataresearch.co.uk

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.

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

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>

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

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 utilised within the Household Costs Indices (HCI), which inform the housing costs element of CPIH have traditionally made it an unreliable inflation measure that underestimates housing costs.⁶

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 August 2024, RPI stood at 3.5% and CPIH at 3.1%, whereas the CPI measure that excludes housing costs was just 2.2%.

Increased energy costs from October 2024, contributed to an 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 Scottish Government and COSLA 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 Scottish households pay for energy, which have risen by a further 1.2% on average from 1 January 2025.⁷

Westminster Government research shows that 'Under the October to December 2024 direct debit price cap the average annual bill for typical gas and electricity

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 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>

consumption is £1,717. This is well below the peak level of £2,380 level under the Energy Price Guarantee from October 2022 to June 2023, but still 41% higher than in Winter 2021-22.⁸

The NASUWT strongly recommends that the Government and employers both: utilise RPI as the most appropriate and accurate inflation measure suitable for determining teachers' pay awards; and utilise the Westminster Government's pre-announced increases to the Energy Price Cap to factor into any future pay award the known increases to UK household energy costs.

The real terms cut in teachers' pay since 2010

The Scottish Government implemented a pay award of 4.27% on 1 August 2024. This does not compare favourably to the 5.5% pay increase awarded to teachers in both England and Wales in September 2024.

The following 'Teachers' Salary Shortfall in 2024-2025' table shows the extent to which teachers' salaries have eroded in real terms, as measured by the Retail Prices Index (RPI), since 2010. The values of teachers' pay on the Main Grade Scale (MGS) are between £3,906 (11.6%) and £9,235 (18.3%) lower in 2024/25 than if teachers' salaries had increased in each year since 2010 to keep pace with RPI inflation.

If teachers' starting salaries had increased in line with RPI inflation since 2010, they would have been £37,500 on 1 August 2024. Similarly, if the salaries of teachers paid on MGS point 5, had increased in line with RPI inflation since 2010, they would have been £59,824 on 1 August 2024.

The salaries of teachers paid on the Chartered Teacher Spine (CTS) are between £9,508 (18.2%) and £11,315 (18.2%) lower in 2024/25 than if teachers' salaries had increased to keep pace with RPI inflation since 2010. Similarly, the salaries of school leaders paid on the Depute Headteachers and Headteachers Spine are between £12,993 (18.3%) and £28,848 (25%) lower by the same measure.

⁸ 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/>

Teachers' Salary Shortfall in 2024-2025

Scotland SNCT Salary Scale	Salary 2024/25	Shortfall in 2024/25 (£)	% shortfall in 2024/25	2010/11-2024/25 Cumulative shortfall (£)
Main Grade Scale				
0 (Probationer)	£33,594	-£3,906	11.6	-£38,306
1	£40,305	-£7,350	18.2	-£65,472
2	£42,591	-£7,777	18.3	-£69,275
3	£45,063	-£8,228	18.3	-£73,267
4	£47,922	-£8,743	18.2	-£77,871
5	£50,589	-£9,235	18.3	-£82,277
Chartered Teacher Spine				
CTS 1	£52,158	-£9,508	18.2	-£84,696
CTS 3	£55,155	-£10,064	18.2	-£89,647
CTS 6	£62,022	-£11,315	18.2	-£100,799
Depute Headteachers and Headteachers Spine				
5	£71,181	-£12,993	18.3	-£115,748
8	£77,358	-£14,110	18.2	-£125,727
11	£85,104	-£15,527	18.2	-£138,289
17	£106,785	-£25,112	23.5	-£203,098
19	£115,539	-£28,848	25.0	-£227,741

The 'Teachers' Salary Shortfall in 2024-2025' table above, shows the cumulative impact on teachers' salary scale values since 2010, as a result of successive and prolonged below-RPI-inflation salary increases. Teachers and school leaders who have remained in the profession since 2010 are, in effect, between £38,306 and £227,741 worse off in real terms since 2010 due to the cumulative shortfall in pay.

A restorative pay award

The cost-of-living as measured by expected increases to RPI inflation, is forecast by the Office for Budget Responsibility (OBR) to be 3.5% in 2025.⁹ The following table models the teachers' salary scales up to and including 2025-26, incorporating the level of increase that would be necessary to restore teachers' salaries in real-terms

⁹ RPI is forecast to increase by 3.5% in 2025. Table A.1: Economy forecast. Office for Budget Responsibility (OBR) Economic and Fiscal Outlook, October 2024. <https://obr.uk/efo/economic-and-fiscal-outlook-october-2024/>

to 2010 levels (RPI increase), if RPI inflation is 3.5% in 2025, as forecast by the OBR.

Salary increases necessary to restore teachers' pay to 2010 levels in real terms (RPI)

Scotland SNCT Salary Scale	1 August 2024 to 31 July 2025	1 August 2025 to 31 July 2026 (RPI increase)	% increase on 1 August 2025
Main Grade Scale	£pa	£pa	%
0 (Probationer)	£33,594	£38,739	15.3%
1	£40,305	£49,227	22.1%
2	£42,591	£52,029	22.2%
3	£45,063	£55,050	22.2%
4	£47,922	£58,536	22.1%
5	£50,589	£61,800	22.2%
Chartered Teacher Spine	£pa	£pa	%
CTS 1	£52,158	£63,702	22.1%
CTS 3	£55,155	£67,371	22.1%
CTS 6	£62,022	£75,756	22.1%
Depute Headteachers and Headteachers Spine			
5	£71,181	£86,952	22.2%
8	£77,358	£94,488	22.1%
11	£85,104	£103,953	22.1%
17	£106,785	£136,251	27.6%
19	£115,539	£149,151	29.1%

If teachers' starting salaries had increased in line with RPI inflation since 2010, and were to continue to rise in line with RPI inflation, as forecast by the OBR in 2025, then teachers' starting salaries would increase to £38,739 in August 2025. To restore teachers' starting salaries to the same level as 2010 in real terms by August 2025, a 15.3% increase to starting salaries would be necessary in August 2025.

Similarly, if the salaries of teachers paid on MGS point 5, were to increase as above, they would be £61,800 on 1 August 2024. To restore the salaries of teachers on MGS point 5 to the same level as 2010 in real terms by August 2025, a 22.2% increase to starting salaries would be necessary in August 2025.

Teachers in Scotland have endured nine years of pay freezes and below-inflation pay awards in the fourteen years since 2010. Teachers need a series of substantial and sustained above-RPI inflation pay increases in order to restore pay levels in real terms to the levels they were at in 2010.

The 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.

The disparity between public and private sector earnings growth since 2010

The latest data on growth in earnings for employees published by the Office for National Statistics (ONS) on 12 November 2024, shows that 'Annual average regular earnings growth was 4.8% for the private sector in July to September 2024, and 4.7% for the public sector.'¹⁰

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 to 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.

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.

The following chart illustrates the extent to which the pay of classroom teachers earning the maximum amount on the Main Grade Scale (MGS Point 5) has fallen

¹⁰ ONS, Average weekly earnings in Great Britain: November 2024.
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/november2024>

behind price increases, measured by both the Retail Prices Index (RPI) and Consumer Prices Index (CPI), since 2010. It also incorporates the ONS data to measure annual total pay growth in each year since 2010 for both private sector and public sector employees. The following chart illustrates that since 2010:

- the cost of living has increased by three-quarters (75%) as measured by RPI, and by more than half (51%) as measured by CPI;
- average total earnings in the private sector has risen by 60%;
- average total earnings in the public sector has risen by 45%;
- teachers' starting salaries (M0) have risen by 45%; and
- pay for teachers at the top of the main grade scale (M5) has risen by 43%.

The pay of classroom teachers who are paid at the top of the main grade scale (M5), has failed to keep pace with pay increases generally across the UK workforce in both the public and private sector 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.

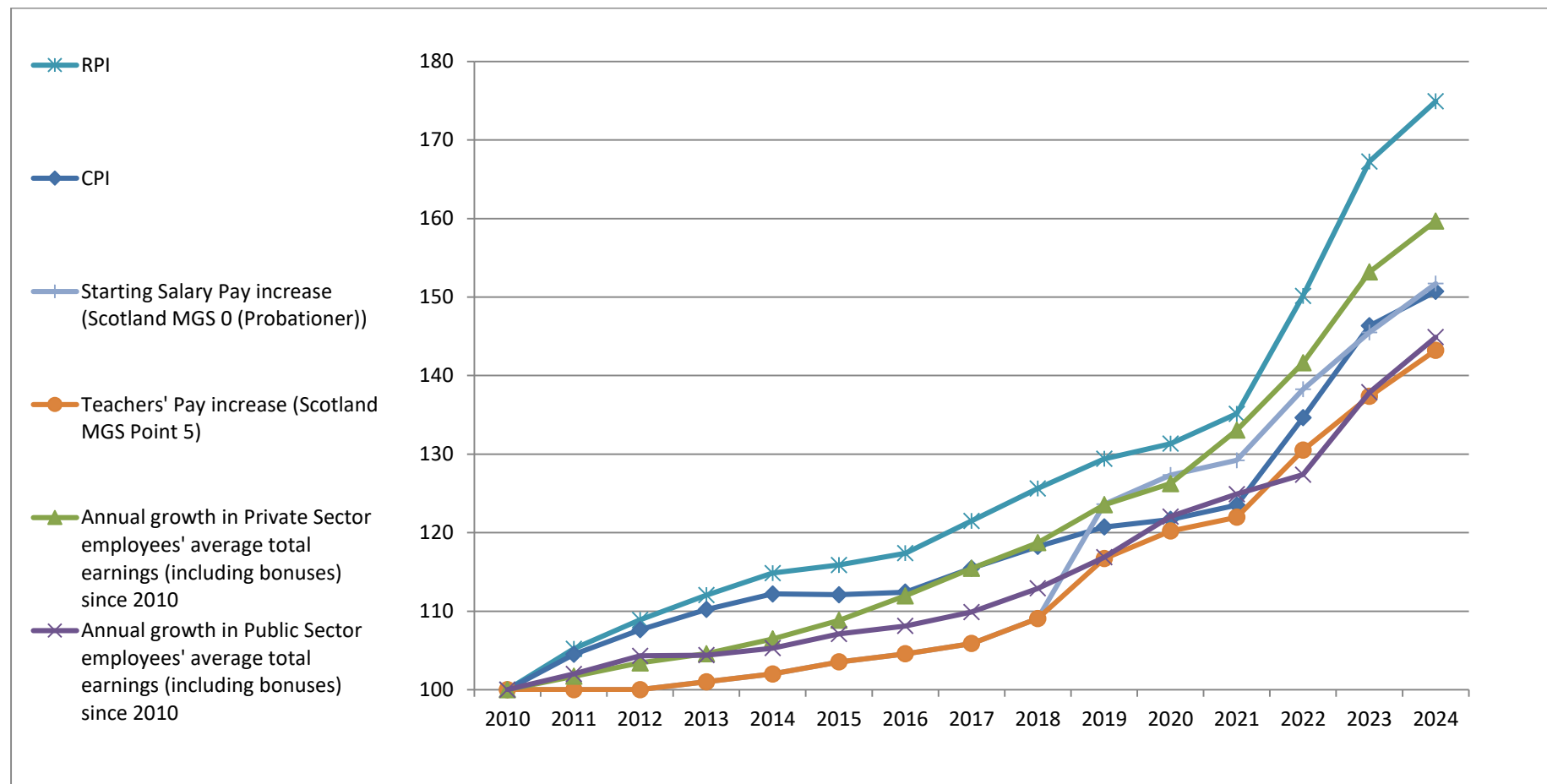
The significant improvements to Scottish teachers' pay made in 2019 and 2022, in particular, boosted teachers' starting salaries and enabled starting salaries (M0 Probationer) to keep pace with inflation, as measured by CPI. However, as explained in detail earlier in this evidence, CPI does not provide an adequate measure of inflation against which to measure cost-of-living increases in the context of pay awards, since it fails to include any estimation of owner/occupier housing costs.

The substantial disparity since 2010 between pay increases for teachers and workers in the private sector should not be underestimated, particularly in the context of teacher recruitment and retention.

The IDR's annual survey of employers' pay award intentions for 2025, revealed that the majority of employers (75%) intend to implement pay rises in excess of 3% in 2025, with almost a third (30%) implementing pay awards of 4% or more in 2025.¹¹

¹¹ Incomes Data Research (IDR), *Pay Climate*, Issue 38, September 2024.
www.incomesdataresearch.co.uk

Indexed price increases compared to teachers' main grade scale increases at M0 and M5, private sector and public sector average total pay increases 2010 to 2024



Note: Annual pay awards that were split and included separate increases in both April and the following January have been recalculated to produce an annual equivalent figure (2017-18 = 1.25%; 2021-22 = 1.47%; 2023-24 = 5.25%). The change in the annual pay uplift date from April in 2023 to August in 2024, has been incorporated in the inflation indices using standard ONS indexation (RPI 4.6%; CPI 3%).

Classroom teachers 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, and public sector workers generally, have consistently been significantly lower than pay increases in the private sector since 2010.

The wages of teachers compared to other workers, and specifically those in other graduate-level professions, must rise significantly for the teaching profession to once again become an attractive professional occupation. The extent to which the growth in teachers' earnings has fallen behind their counterparts, in both the public and private sectors, should act as a catalyst for the Scottish Government and employers to redress the damaging decline in teacher numbers.

The ONS data demonstrates the urgent need for sustained and significant above-RPI-inflation pay awards for the teaching profession, to put an end to the cycle of ever-deteriorating real-terms pay for teachers when compared to the pay of other workers in an increasingly competitive graduate market.

Funding a fair pay award

Teacher pay austerity was a political choice, made by the Conservative Government in Westminster, which the Scottish Government should firmly reject. The Scottish Parliament have revenue-raising powers, including to: set rates and bands for non-savings, non-dividend (NSND) income tax thresholds and rates on money earned, except for tax on savings and dividends.¹²

The Scottish Trades Union Congress (STUC), which includes NASUWT, has lobbied strongly for the Scottish Government to make more use of these revenue-raising powers, including 'increasing taxes on property and wealth, including replacing the council tax'.¹³

¹² The Scottish Parliament, *Income Tax in Scotland: using the powers*, August 2021. <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2021/8/12/a6cb9582-0b7e-11ea-9528-000d3a23af40>

¹³ <https://www.stuc.org.uk/resources/a-budget-for-communities-stuc-briefing-on-budget-november-2024.pdf>

Numerous other options remain available to both the Scottish Government and the Labour Government in Westminster to raise sufficient revenues to fund a fair pay rise for teachers and other public sector workers, including:

- i. sufficiently resourcing HMRC to enable the collection of an estimated £39.8 billion in unpaid tax in 2023-2024 (HMRC estimates that the tax gap – the difference between the amount of tax that should be paid to HMRC, and what was actually paid – has increased from £38.1 billion to £39.8 billion);¹⁴
- ii. ending fossil fuel subsidies for oil and gas companies to raise £2.2 billion a year;
- iii. introducing a *wealth tax* of 2% on assets worth over £10 million in order to support public services and help the poorest through the cost of living crisis. Research undertaken by Tax Justice UK shows that up to £24 billion could be raised by introducing the above tax, which would only impact on the richest 20,000 (0.04%) of the population.

In total, Tax Justice UK estimate that introducing a programme of ten tax reforms, including equalising capital gains tax with income tax and introducing a 2% tax on assets over £10m, has the potential to raise an additional £60 billion a year for the UK Government.¹⁵

It is time to address the fact that a career in teaching is no longer a financially attractive option compared to other graduate professions. NASUWT contend that a significant above-RPI inflation increase to all teachers' salaries and allowances should be applied in August 2025, to continue the process of restoring teachers' salaries back to the real-terms levels they were at in 2010.

International Comparisons

The comparably poor pay progression opportunities for Scottish teachers, when measured against international comparators, are demonstrated within the Organisation for Economic Co-operation and Development (OECD) *Education at a*

¹⁴ HMRC Annual Report and Accounts 2023 to 2024,

<https://www.gov.uk/government/publications/hmrc-annual-report-and-accounts-2023-to-2024>

¹⁵ Tax Justice UK, 'Ten tax reforms to raise £60 billion for public services and a fairer economy'

<https://taxjustice.uk/blog/ten-tax-reforms-to-raise-60-billion-for-public-services-and-a-fairer-economy/>

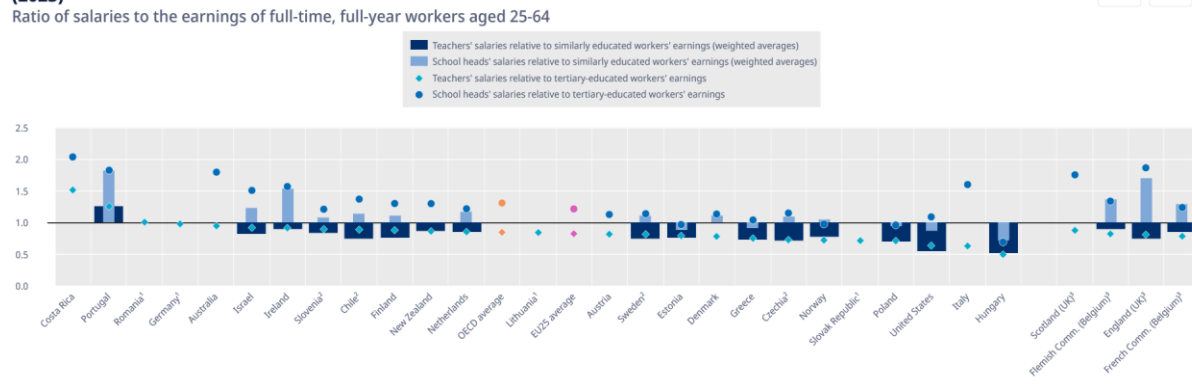
Glance 2024 research report.¹⁶ Table D3.1, on the following page, shows that in the 2022-23 school year, salaries for teachers at the top of the main grade scale in Scotland were lower than the OECD average in the Primary; Lower Secondary, general programmes; and Upper Secondary, general programmes; phases of Education.

Only teachers at the top of the main grade scale in Scotland in the Pre-Primary phase of education were able to earn marginally higher than the OECD average Salary at top of scale’.

¹⁶ OECD, *Education at a Glance 2024*. https://www.oecd.org/en/publications/education-at-a-glance-2024_c00cad36-en.html

workers aged 25-64 with tertiary education (i.e. similarly educated workers in the rest of the Scottish economy). (Figure D3.1)¹⁷

Figure D3.1. Actual salaries of lower secondary teachers and school heads relative to earnings of tertiary-educated workers (2023)



The OECD research not only demonstrates that experienced teachers in Scotland have significantly poorer pay than their international counterparts, but also that they are paid considerably less than similarly educated workers in the Scottish economy.

It is time for the Scottish Government to recognise and address the fact that a career in teaching is no longer a financially attractive option compared to other graduate professions.

The NASUWT strongly contend that to begin the process of restoring teachers' salaries back to the real-terms levels they were at in 2010, the Scottish Government should increase all teachers' salaries and allowances in August 2025, by an amount substantially above the rate of inflation, as measured by RPI.

Equalities Data

The Scottish government must provide a robust equality impact assessment of any proposals for a teachers' pay award, including the cumulative impact of the award.

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 would also impact disproportionately on

¹⁷ *Ibid.* Figure D3.1. <https://oecdch.art/938ae9fabb>

black and minority ethnic (BME) and disabled teachers, who face additional barriers to promotion and pay progression.

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 incidences of workplace discrimination. It is clear that teachers with these protected characteristics are disproportionately represented within the lowest grades. Any pay award must not exacerbate this situation.

The Scottish Government must, therefore, ensure that it now carries 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.

Regrettably, there is a paucity of teacher workforce equalities data in Scotland and the NASUWT believes the Scottish Government and COSLA must address this as a matter of urgency: data for all protected characteristics groups on all teachers' pay bands must be collated. The absence of comprehensive and robust equalities data does not eliminate the problem of workforce discrimination in access to employment, career development and promotion, all of which are illustrated by the following:

- (i) the cost-of-living crisis has had a disproportionate impact on older Black, Asian and other ethnic minorities. Existing inequalities place minority ethnic groups at heightened risk from the effects of high inflation and associated pressures;
- (ii) the gender pay gap is impacted by rising childcare costs. NASUWT has long argued that the Government must carry out research into women teachers' pay, with specific focus on teachers' pay experiences during maternity leave, and in supply, short term-contract and intermittent work. Sadly, to date, these calls have gone unheeded;

- (iii) the NASUWT's casework, organising and research indicates that teachers with protected characteristics have a disproportionately high presence in the supply teacher cohort, impacting both pay and job security.

Addressing, challenging and countering discrimination and inequality must form a key objective of the teachers' pay award, not simply become a tick box exercise after-the-fact. For example, publishing ethnicity and disability pay gap information would be an important first step, yet it is important we do not lose focus on increasing the under-representation of, for example, disabled or Black and minority ethnic (BME) staff within the workforce. Data collection on its own is meaningless unless it supports genuine and positive change in making our workplaces more equal and representative of wider society.