

TEACHERS' PAY CLAIM 2017

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

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SECTION 1

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 P&R Committee will be considering the 2017 pay award for teachers in the context of a changing education landscape.

SECTION 2

CONTEXT

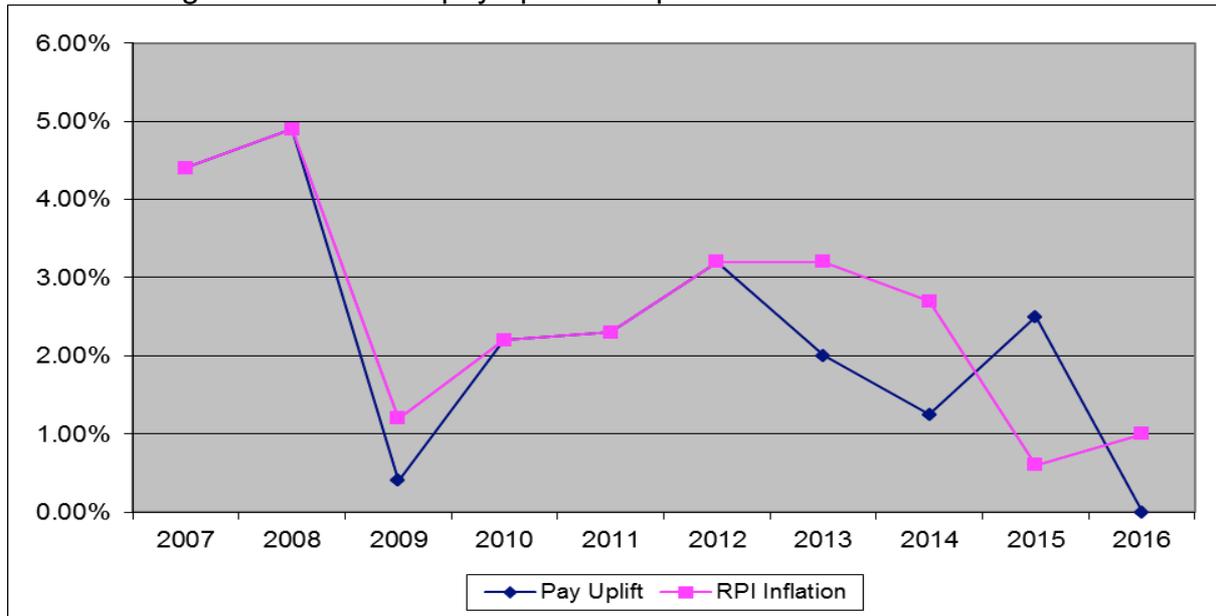
- 2.1 The pay award is being considered in the context of the Education Committee planning to reorganise secondary education, which is causing uncertainty and anxiety amongst the workforce across all sectors.
- 2.2 Teachers in Guernsey have faced change as a result of the UK Government's education reforms, specifically those involving changes to the examination systems. These have impacted on teachers in Guernsey through increased workload and a return to 'high stakes' terminal examinations. Workload in primary schools has also continued to increase year on year.
- 2.3 Although a pay uplift slightly above the Retail Prices Index (RPI) was applied in 2015 in respect of 2015 and 2016, this did little to address the erosion in pay which had taken place over the preceding decade.

SECTION 3

GUERNSEY TEACHERS' PAY SINCE 2007

- 3.1 Teachers' salaries have been eroded significantly, particularly when measured against increases in average earnings and 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 over the last decade.

Figure 1: Teachers' pay uplifts compared to RPI inflation 2007-2016



3.4 There was an increase in inflation, as measured by the RPI, of 27.3% from December 2006 to December 2016.

3.5 If inflation continues at the current rate, teachers' pay will have declined by around 4.2% since 2007.

3.6 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.

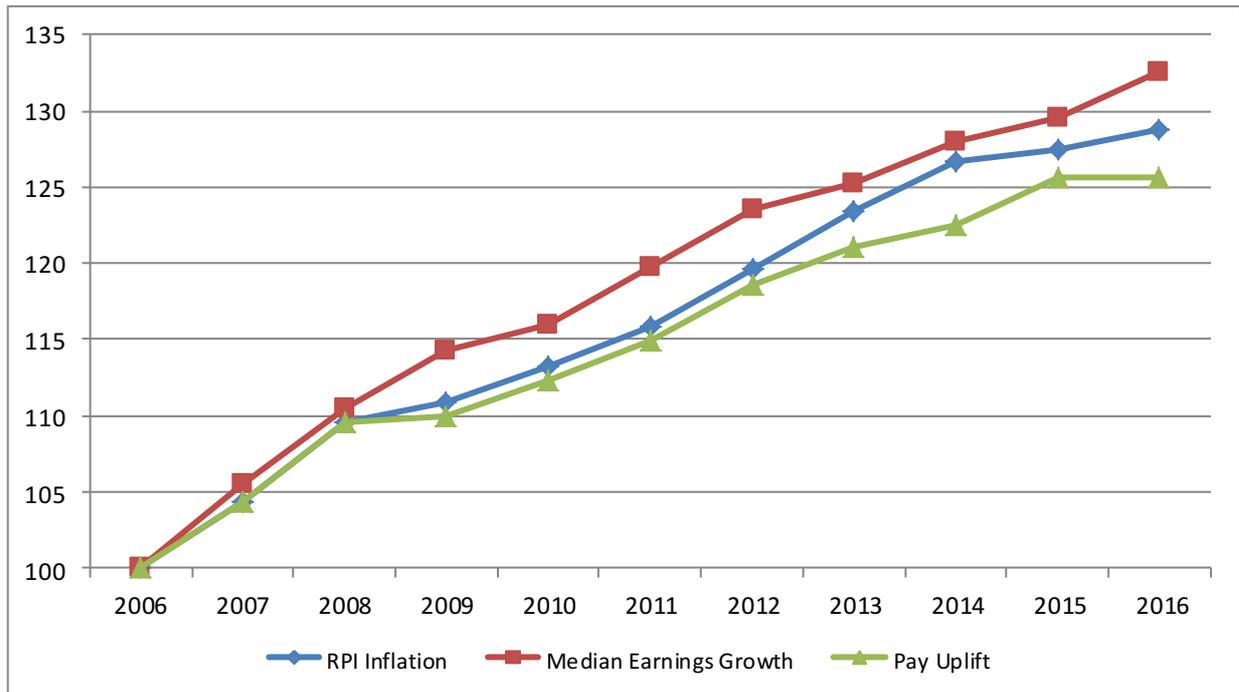
Scale point	2016 salary	2017 Target salary*	Shortfall p.a.	Cumulative shortfall since 2007
1	£28,534	£30,804	£1,557	£5,995
2	£30,676	£33,116	£1,673	£6,443
3	£32,975	£35,596	£1,797	£6,922
4	£35,453	£38,272	£1,933	£7,445
5	£38,111	£41,143	£2,079	£8,008
6	£40,972	£44,231	£2,235	£8,611
U1	£43,271	£46,712	£2,359	£9,087
U2	£44,864	£48,433	£2,447	£9,424
U3	£46,024	£49,683	£2,508	£9,661

* The 2017 target salary is the amount salaries would have been had they kept pace with inflation since 2007.

3.7 Data from the States Data and Analysis Services 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.

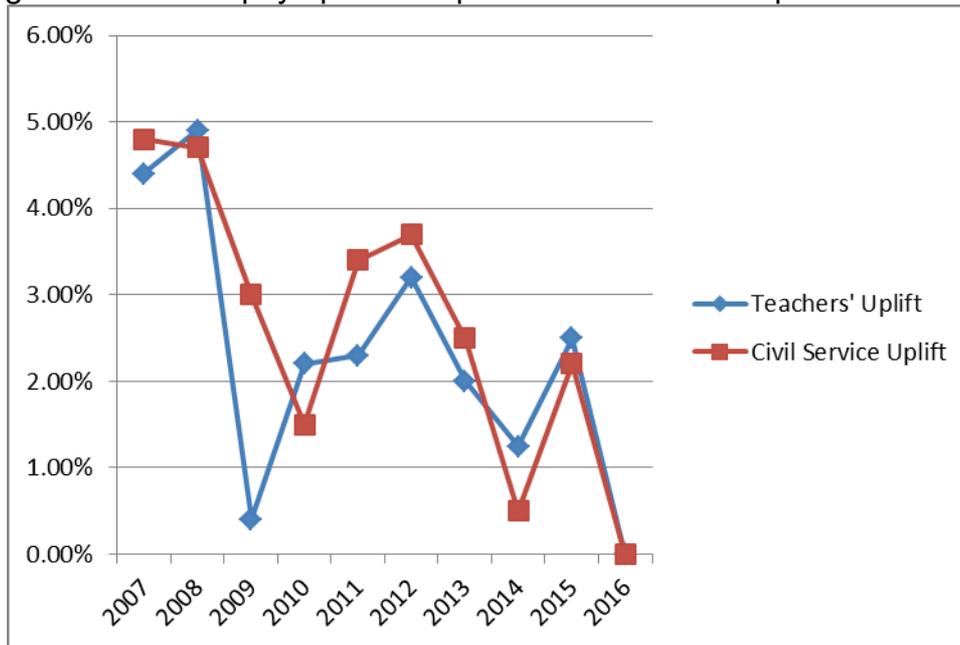
3.8 Figure 2 below shows teacher pay uplifts compared to RPI inflation and Guernsey earnings growth. This shows that average earnings as a whole have exceeded inflation between 2006 and 2016, the most recent year for which earnings data is available. Whilst teachers' pay has lagged significantly behind 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.

Figure 2: Teacher Pay Uplift compared to RPI inflation and median Guernsey earnings growth 2006-2016



3.9 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.

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



SECTION 4

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 recommendations on pay which demonstrate 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 States accounts for the years following the financial crisis shows that Guernsey has weathered the financial storm well, with a net revenue surplus of £64 million over the last five years. This is shown in Table B below.

Table B – Analysis of States accounts, 2009-2013

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	444	400	44
		Total surplus/deficit	156

- 4.4 The latest *Facts and Figures* Report published by the States Data and Analysis unit also shows the economy continuing to show growth, with GDP at its highest level.
- 4.5 Data from the latest Labour Market Bulletin shows that the unemployment rate as of 31 March 2017 stood at just 1.2%, down 0.3% from the same period in 2016 and substantially lower than that of both the UK and Jersey.¹
- 4.6 In the latest *Business Trends Survey*, a quarter of businesses reported substantially higher turnovers in 2016 compared to 2015, whilst less than a quarter reported decreased turnover. Only 14% reported a decrease in profitability.²
- 4.7 Business projections showed a more favourable outlook for 2017 than 2016, with 34% of businesses expecting substantially higher turnover and only 20% expecting a decrease. Fifty-six per cent of businesses are expecting higher or substantially higher profits, compared to 45% in the preceding period.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.

¹ Guernsey Quarterly Population, Employment and Earnings Bulletin, 4 August 2017

² Island Global Research, *2017 Business Trends Survey*.

³ Ibid

SECTION 5

TEACHER SUPPLY

- 5.1 Guernsey is very largely 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.
- 5.3 Applications for Initial Teacher Training (ITT) continue to decline. The most recent data from the Universities and Colleges Admissions Service (UCAS) End of Cycle Report 2016 confirms that there were approximately 46,000 applicants to postgraduate teacher training through the UCAS Teacher Training (UTT) scheme in 2016.⁴
- 5.4 This figure represents a 2% year-on-year decline in the number of applicants. The total number of applicants per year has fallen by over 21,000 since 2010.
- 5.5 Provisional in-year data published in March 2017 indicates that the crisis in teacher recruitment is intensifying. Compared to the same point in the cycle in 2016, the overall number of applicants has fallen by almost 8% from 33,540 to 30,890.⁵ Data for applicants in selected subjects are set out in the table below.

Subject	Applicants by March 2016	Applicants by March 2017	Percentage change
Art or Art and Design	1,760	1,430	-23%
Computer Studies	1,020	860	-16%
Chemistry	1,930	1,510	-22%
English	6,310	5,380	-15%
French	2,290	1,760	-23%
Physics	1,430	1,150	-20%

- 5.6 The Department for Education's (DfE's) data on teacher supply also indicates the profound shortage of entrants to the teaching profession. The DfE Statistical First Release (SFR) for the academic year 2015/16, which is the most recent dataset provided by the DfE, gives provisional data on the number of new entrants who have started, or expect to start, an ITT programme in England. The SFR confirms that the number of new entrants into training programmes only met 94% of the central target. Despite the slight increase in the overall proportion of applications accepted into ITT in 2015/16, many courses remain significantly undersubscribed. Overall recruitment into

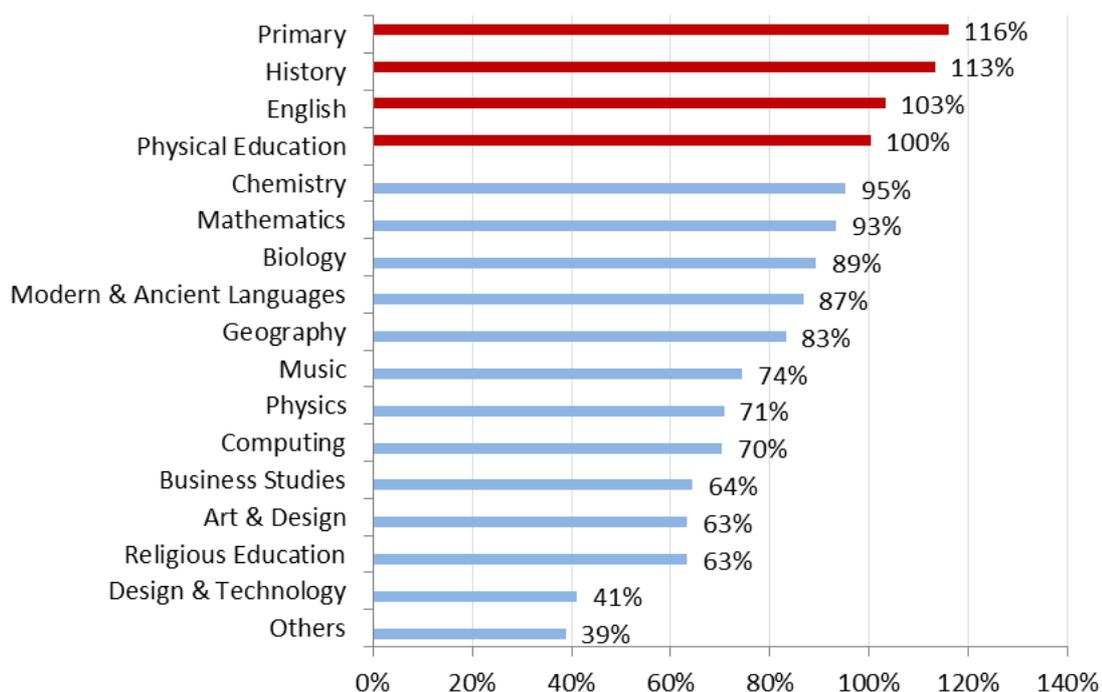
⁴ Universities and Colleges Admissions Service (UCAS) (2017). *End of Cycle Report 2016*. Available at (<https://www.ucas.com/file/98926/download?token=GuUTkV8>), accessed on 19.04.17.

⁵ UCAS (2017). *UCAS Teacher Training applicants at Monday 20 March 2017*. Available at; (<https://www.ucas.com/corporate/data-and-analysis/ucas-teacher-training-releases>), accessed on 19.04.17.

secondary programmes only met 82% of the number identified as necessary by the DfE.

- 5.7 The SFR data further confirms that the majority of subjects did not recruit sufficient trainee teachers to meet the targets set by the DfE.

Figure 4: New entrants to postgraduate initial teacher training by subject and phase, as a percentage of the Teacher Supply Model 2015/16.



Source: DfE: Initial Teacher Training Census 2015/16

- 5.8 The fact that recruitment targets have been missed for the fifth successive year was also noted in the School Teachers' Review Body's (STRB's) 27th report.
- 5.9 The STRB also stated that the extent of the pressures on teacher recruitment and retention are too significant to defer taking any action for another year. Indeed, the Review Body rejected the Westminster Government's 1% pay cap by awarding 2% to teachers on the Main Pay Range.
- 5.10 The STRB concluded that *'pupil achievements are largely dependent on schools maintaining a strong cadre of teachers. This will require school leaders and governing bodies to make best use of their people and give the necessary priority to teachers' pay within their schools' budgets' and 'we consider that the state of teacher recruitment and retention requires action this year to begin to make teachers' earnings more competitive'.*

- 5.11 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'.
- 5.12 The lack of available teachers compounds the problems caused by the salaries offered in the Isle of Man being uncompetitive with other jurisdictions. This is having a detrimental effect on Guernsey's ability to recruit high-quality teachers from a rapidly decreasing pool in the UK.
- 5.13 At least one large multi-academy trust, the Astrea Academy Trust, has already announced its intention to go beyond the STRB's recommendation and award 2% to all teachers. It is likely that other multi-academy trusts will follow suit.
- 5.14 This all indicates that the situation in England is rapidly worsening, and Guernsey will not be immune to these pressures.

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 never 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 average house price in Guernsey is around £417,962⁶, considerably higher than the UK average house price, which is around £217,000, and considerably higher than the average house price in Wales (£148,000), Scotland (£142,000), Northern Ireland (£125,000) and England (£236,000). The average house price in Guernsey is higher than in every region of England except for London.⁷
- 6.4 The average price of a three-bedroomed house (i.e. a normal family dwelling) in Guernsey stood at £445,000 in 2016.⁸
- 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. These high ratios make it exceedingly difficult for newly qualified teachers, often saddled with student debt (a position exacerbated in Guernsey by the inability of Guernsey-born students to access student loans), and/or

⁶ Guernsey Quarterly Residential Property Prices Bulletin, August 2017.

⁷ Office for National Statistics, *House Price Index, UK: Dec 2016*.

⁸ Guernsey Annual Supplementary Property Bulletin 2016.

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.

- 6.6 The average rental price of a three-bedroomed house stood at £1,775 per month in 2014,⁹ substantially higher than all of the UK apart from central London.¹⁰
- 6.7 Given that a significant number of teachers will be employed on five-year 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 non-native teachers would receive, thus discriminating against Guernsey teachers seeking to return to the island.
- 6.9 The comparison with Jersey is quite stark, as the Jersey teacher pay scales are, on average, over £2,300 higher than the equivalent Guernsey pay scale point, and more than £4,500 at the lower end of the main scale. This represents yet another barrier to the recruitment of high-quality teachers, particularly for less experienced teachers where the highest pay premium exists, and is coupled with lower housing costs, the average price of a one-bedroomed flat on Jersey being £15,000 less than on Guernsey.¹¹
- 6.10 A similar picture exists for essential commodities. In 2011, the *Guernsey Press* reported that households required 25% more than their counterparts in the UK.¹² Given that Guernsey inflation has not been significantly different to UK inflation since 2011, it is reasonable to assume a similar picture exists today. Furthermore, a study in 2014 reported in the *Jersey Evening Post* found that basic foodstuffs cost 32% more in Jersey than the UK, and when taxes and duties are stripped out, the actual cost is 50% higher.¹³ It is unlikely that the situation in Guernsey would be very different to this, as many of the drivers, such as increased transportation costs and limited local competition, are common to both islands.
- 6.11 Although teachers' pay rates are higher than the equivalent reference point in the UK, the cost of basic foodstuffs means that the purchasing power of Guernsey teachers is actually considerably less than that of their colleagues in the UK, again acting as a significant disincentive for teachers looking to relocate. This is especially true when combined with the substantially higher housing costs stated earlier.

⁹ Ibid.

¹⁰ Valuation Office Agency, *Private Rental Market Summary Statistics – April 2016 to March 2017*.

¹¹ States of Jersey Statistics Unit, *Jersey House Price Index First Quarter 2017*.

¹² <http://guernseypress.com/news/2011/09/13/revealed-the-25-higher-cost-of-living-in-guernsey/>

¹³ <http://jerseyeveningpost.com/news/2014/01/31/official-why-food-costs-so-much-more-in-jersey/>

- 6.12 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.
- 6.13 Furthermore, starting salaries for teachers are currently 20% lower than the average starting salary for other graduates.
- 6.14 High Fliers Research carries out an annual survey of graduate labour market trends, which includes researching employers' intentions in graduate recruitment. The Graduate Market in 2017 reveals that:
- the number of graduates hired by the UK's top 100 graduate employers increased by 1.6%;
 - 800 graduate positions remained unfilled this year because graduates turned down positions which they had previously accepted;
 - at least a sixth of places on the top graduate programmes now provide starting salaries of more than £40,000 and thirteen of the country's best-known graduate employers are paying salaries of at least £45,000 this year;
 - only eight of the UK's leading employers have opted to reduce their graduate recruitment targets for 2017 because of the uncertainty following the Brexit vote.¹⁴
- 6.15 This data indicates that competition in the market for graduates is intensifying and that the context is set to become much more challenging for schools to recruit and retain teachers. The High Fliers Research confirms that the UK's leading employers are increasing graduate recruitment and that there is more demand for graduate labour right across the board. Education, therefore, needs to compete with other postgraduate professions.
- 6.16 The evidence presented in the High Fliers Research confirms that median starting salaries at the UK's leading graduate employers will be £30,000. While this is less than the starting salary of teachers in Guernsey, it should be noted that the High Fliers Research has identified the immense challenge facing government and schools in competing for top graduates and that 'a sixth of top graduate programmes will pay new recruits more than £40,000 when they start work and thirteen organisations are offering more than £45,000 to this year's graduates', which is far in excess of the starting salary for teachers in Guernsey.
- 6.17 The above figures relate to the UK and not Guernsey, but as the Guernsey graduate market is going to be heavily skewed towards the financial services

¹⁴ High Fliers Research 2017, *The Graduate Market in 2017*.

industry, it is likely that the median salary for graduates in Guernsey is going to be considerably higher than that in the UK.

- 6.18 The High Fliers Research found the median starting salary in investment banks was £47,000, 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. Median figures for Guernsey do not exist, but it is reasonable to assume they will be higher than those for the UK.
- 6.19 It should also be noted that 21.1% of all employment in Guernsey is in financial institutions¹⁵, and the starting salaries greatly exceed that of teachers. Indeed, 47% of graduates returning to Guernsey work in finance or business and technical services.¹⁶
- 6.20 Given all the evidence above, there exist powerful disincentives for Guernsey-born graduates to return to the island to teach, and for non-native graduates and teachers to come to Guernsey.
- 6.21 In the case of Guernsey-born graduates, this constitutes a considerable 'brain-drain' off the island. In 2015, over a third of Guernsey-born graduates did not return after graduating. 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.

SECTION 7

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 and disabled teachers, who face additional barriers to promotion and pay progression.
- 7.3 Across the UK, women's pay already lags behind that of men as a result of gender bias, disadvantage and discrimination. Black and minority ethnic and disabled teachers also report high incidence of workplace discrimination. It is

¹⁵ *Guernsey Quarterly Population, Employment and Earning Report*, August 2017.

¹⁶ <http://careers.gg/CHttpHandler.ashx?id=100960&p=0>

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 extremely limited anti-discrimination legislation compared to the UK.
- 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 apparently a paucity of teacher workforce equalities data 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.

SECTION 8

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.
- 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 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.