

TEACHERS' PAY CLAIM 2019/20

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:

Ms Chris Keates
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	3
SECTION 3	
Guernsey Teachers' Pay Since 2007	3
SECTION 4	
Affordability	6
SECTION 5	
Teacher Supply	8
SECTION 6	
Wider Economic and Labour Market Conditions	10
SECTION 7	
Equality Impact	13
SECTION 8	
Conclusion	14

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 2019 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 ongoing reorganisation of secondary education, which is causing uncertainty and anxiety amongst the workforce across all sectors. It should be noted that whilst the roadmap for pupils is well defined, no such plans for teachers currently exist.
- 2.2 Teachers in Guernsey will also potentially face changes to working practices through the 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.

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 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 32.4% from December 2006 to December 2018.
- 3.5 If inflation continues at the current rate, teachers' pay will have declined by around 6% 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	2018 salary	2019 target salary*	Shortfall p.a.	Cumulative shortfall since 2007
1	£30,249	£32,299	£2,051	£8,989
2	£32,520	£34,724	£2,204	£9,660
3	£34,958	£37,325	£2,368	£10,379
4	£37,584	£40,131	£2,547	£11,163
5	£40,403	£43,141	£2,739	£12,005
6	£43,435	£46,380	£2,945	£12,910
U1	£45,872	£48,981	£3,108	£13,624
U2	£47,562	£50,785	£3,224	£14,129
U3	£48,791	£52,096	£3,305	£14,484

* The 2019 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 2018. 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.
- 3.9 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, 2006-2018

- 3.10 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 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 States accounts for the years following the financial crisis shows that Guernsey has weathered the financial storm well, with a net revenue surplus of £240 million over the last nine years. This is shown in Table B below.

Table B – Analysis of States accounts, 2009-2017

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
		Total surplus/deficit	240

- 4.4 Additionally, the provisional 2018 year-end figures show another healthy £10m surplus, significantly higher than expected, with a substantial £2m underspend in revenue expenditure.¹
- 4.5 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, enjoying its fifth consecutive year of growth.
- 4.6 The latest Guernsey Economic and Financial Stability Overview reports that growth is expected to continue in 2019, with all other indicators showing positive expectations.²
- 4.7 The report also shows that the population has begun to expand again, after a period of contraction, with growth being driven by immigration. If this trend continues, it is likely to lead to an increase in school-age children in the future. The States will need to attract higher numbers of teachers to educate these children.³
- 4.8 Data from the latest Guernsey Annual Electronic Census Report shows that the unemployment rate as of 31 March 2018 stood at just 0.9%, substantially lower than that of both the UK and Jersey.⁴
- 4.9 These figures clearly indicate that the Guernsey economy is increasingly strong. The States, therefore, are able to afford substantial pay uplifts for teachers.

¹ <https://gov.gg/article/170521/Statement-by-the-President-of-the-Policy--Resources-Committee>

² Guernsey Economic and Financial Stability Overview, December 2018.

³ Ibid.

⁴ Guernsey Annual Electronic Census Report, 31 January 2019.

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 The most recent data from the Universities and Colleges Admissions Service (UCAS) End of Cycle Analysis Report confirms that approximately 46,205 people applied for an initial teacher training place through the UCAS Teacher Training (UTT) application scheme in 2017.⁵
- 5.4 This figure represents a 14% decline in the number of UTT applicants since 2014. Between 2010, when 67,289 applicants entered the formal initial teacher training (ITT) recruitment process, and 2017, the number of applicants has fallen by 31%.
- 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 19 November 2018, 7,440 applicants had entered the UCAS UTT process.⁶ Recorded levels of entry at this stage of the cycle prior to 2017/18 were significantly higher, emphasising the recent severe deterioration in the teacher recruitment environment.
- 5.6 Department for Education (DfE) provisional data on the number of new entrants who have started, or expect to start, an ITT programme in England confirms that the number of new entrants into training programmes only reached 91% of the central target set for 2017/18, a decline from the 94% of target figure achieved in 2016/17.⁷ Official data show that overall teacher recruitment was above target in each year from 2006/07 to 2011/12 but has been below target in each subsequent year.⁸ In this context, it is essential to recognise legitimate concerns that the targets based on the DfE's Teacher

⁵ Universities and Colleges Admissions Service (UCAS) (2018a). UCAS Teacher Training End of Cycle 2017 Data Resources: UTT1_001_02: Applicants by domicile. Available at: (<https://www.ucas.com/file/162286/download?token=Y4x2lyjO>), accessed on 02.01.19. The equivalent figure for 2016 was 46,000 applicants.

⁶ UCAS (2018b). *Report A: UCAS Teacher Training applicants at Monday 19 November 2018*. Available at: (<https://www.ucas.com/file/196346/download?token=fMsMIZy9>), accessed on 02.01.19. The number of applicants recorded at the equivalent stage of the 2017/18 cycle was 7,310, a decline of 43% in the number of applicants (12,840) recorded in November 2016.

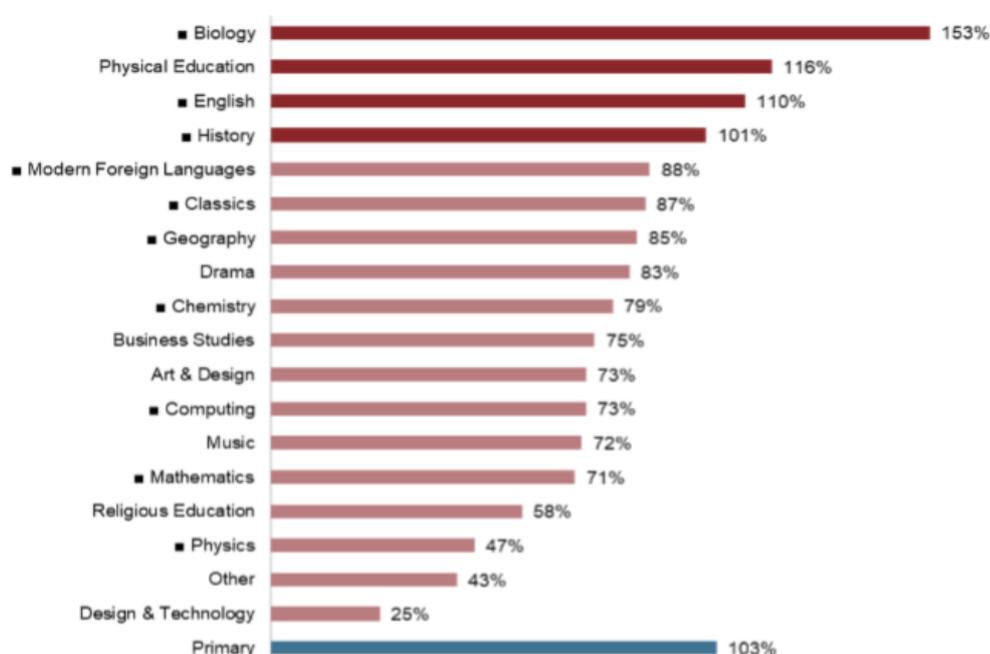
⁷ Department for Education (DfE) (2018a). *Initial Teacher Training (ITT) Census for the academic year 2018 to 2019, England*. Available at (<https://www.gov.uk/government/statistics/initial-teacher-training-trainee-number-census-2018-to-2019>), accessed on 30.12.18.

⁸ Foster, D. (2018). *Teacher recruitment and retention in England*. House of Commons Library Briefing Paper No. 7222. Available at (<http://researchbriefings.files.parliament.uk/documents/CBP-7222/CBP-7222.pdf>), accessed on 02.01.19.

Supply Model may significantly underestimate the number of teachers required to sustain adequate levels of workforce supply.⁹

- 5.7 Many ITT courses remain significantly undersubscribed. Overall recruitment into secondary programmes only met 83% of the total number of applicants identified as necessary by the DfE, down from 115% in 2010/11.¹⁰
- 5.8 The Statistical First Release (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).

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

- 5.9 At the same time as teacher recruitment has plummeted, levels of wastage from the teaching profession, other than for reasons of retirement or death-in-service, have risen significantly. The School Workforce Census (SWC) confirms that between 2011 and 2017 the number of teachers leaving teaching for reasons other than retirement or death-in-service rose from 24,750 to 35,800, the highest recorded annual wastage rate.¹¹

⁹ National Audit Office (2016). *Training new teachers*. Available at: (<https://www.nao.org.uk/wp-content/uploads/2016/02/Training-new-teachers.pdf>), accessed on 29.12.18.

¹⁰ DfE (2018a). *op. cit.*

¹¹ DfE (2018c). *School Workforce in England: November 2017*. Available at: (<https://www.gov.uk/government/statistics/school-workforce-in-england-november-2017>), accessed on 02.01.19.

- 5.10 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 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 £437,909 in the fourth quarter of 2018, 4.3% higher than the previous quarter and 4.0% higher than the fourth quarter of 2017.¹² This is considerably higher than the UK average house price, which is around £231,000, and considerably higher than the average house price in Wales (£162,000), Scotland (£149,000), Northern Ireland (£137,000) and England (£248,000). The average house price in Guernsey is higher than in every region of England except for London.¹³
- 6.4 The average price of a three-bedroomed house (i.e. a normal family dwelling) in Guernsey stood at £420,000 in 2017, the most recent year for which data is available.¹⁴
- 6.5 The price of a three-bedroomed house in Guernsey is almost nine 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 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 £1,600 per month in 2017,¹⁵ substantially higher than all of the UK apart from central London.¹⁶

¹² Guernsey Quarterly Residential Property Prices Bulletin, February 2019.

¹³ Office for National Statistics, *House Price Index, UK: Dec 2018*.

¹⁴ Guernsey Annual Supplementary Property Bulletin 2018.

¹⁵ *Ibid.*

¹⁶ Valuation Office Agency, *Private Rental Market Summary Statistics – April 2017 to March 2018*.

- 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 non-native 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 teacher pay scales are, on average, £2,660 higher than the equivalent Guernsey pay scale point, and more than £5,000 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 £3,000 less than on Guernsey.¹⁷
- 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 the Isle of Man was 129.2p,¹⁸ whereas the average cost of unleaded petrol in the UK was 119.5p per litre, with supermarkets selling at 116.3p per litre.¹⁹ This represents a Guernsey premium of 8.1% in general fuel costs and 11% 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 9.07p per kWh, whereas there are many UK tariffs charging around 3p per kWh. This represents a Guernsey premium of around 300%.
- 6.13 A similar situation exists for electricity, with the standard tariff offered by Guernsey Electricity being 17.68p per kWh, whilst there are numerous UK tariffs charging less than 14p per kWh.
- 6.14 Given that teachers' pay rates are equivalent to those in the UK, 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.

¹⁷ States of Jersey Statistics Unit, *Jersey House Price Index 4th Quarter 2017*.

¹⁸

<https://www.facebook.com/GuernseyFuelWatch/photos/p.791732297867914/791732297867914/?type=1&theater> accessed 06 March 2019

¹⁹ The Automobile Association, *February 2019 Fuel Price Report*.

- 6.16 Furthermore, teacher salaries are becoming less competitive when compared to other graduate professions.
- 6.17 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 2019* reveals that:
- the number of graduates hired by the UK's top 100 graduate employers increased by 4.3% in 2018;
 - graduate recruitment at the country's leading employers is expected to rise substantially in 2019, with employers in 11 out of 15 key industries and business sectors planning to recruit more new graduates this year;
 - the UK's top employers are increasing their graduate vacancies by 9.1% in 2019, the highest annual rise in graduate recruitment since 2010;
 - 700 graduate positions remained unfilled this year because either employers failed to receive sufficient applications or 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 nine of the country's best-known graduate employers are paying salaries of at least £45,000 this year.²⁰
- 6.18 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.
- 6.19 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 equivalent to 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 nine 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.
- 6.20 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

²⁰ High Fliers Research 2019, *The Graduate Market in 2019*.

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

- 6.21 The High Fliers Research found the median starting salary in investment banks was £47,000, whilst the median starting salary for Consulting and Law were £45,000. For banking as a whole, this figure stood at £32,000, 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 significantly higher than those for the UK.
- 6.22 It should also be noted that 21.2% of all employment in Guernsey is in financial institutions²¹, and the starting salaries greatly exceed that of teachers. Indeed, 47% of graduates returning to Guernsey work in finance or business and technical services.
- 6.23 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.
- 6.24 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.²² 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

²¹ States of Guernsey Data And Analysis; *Guernsey Facts and Figures 2018*, September 2018.

²² <http://www.careers.gg/CHttpHandler.ashx?id=115261&p=0>

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 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 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.

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 Furthermore, an award for 2019/20 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.

NASUWT

The largest teachers' union in Guernsey

- 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 2019/20 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.