17July2017

Your Ref: Our Ref: 170717/TRUSS, E/CK/EJ

> Rt Hon Elizabeth Truss MP Chief Secretary to the Treasury House of Commons London SW1A 0M



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Dear Chief Secretary,

Public Sector Pay Cap – the impact on teachers in England and Wales

I am writing with regard to the statements you made about teachers' pay when answering an urgent question from the Shadow Chancellor of the Exchequer on the public sector pay cap in a Parliamentary debate on 5 July 2017.

When delivering the Treasury Statement you made a series of claims about public sector pay and the impact of the public sector pay cap, which the NASUWT believes to be highly misleading. The claims about which the NASUWT takes issue in your statement include, in particular, that teachers had an average pay rise of 3.3% in 2015/16 and that in 2015/16 teachers got 3.3% worth of progression pay.

The claim that teachers' had a 3.3% average pay rise makes the assumption that, in 2015/16, all teachers received an annual pay increase and also achieved pay progression, moving up to the next increment on the teachers' pay scale.

The Treasury appears to be unaware that in 2013 the Government removed the pay values from teachers' national pay scales and converted the scales into pay ranges.

In 2015/16, only teachers on the maxima and minima of the pay ranges and those in receipt of allowances were eligible to receive the annual pay award of 1%. 2% was recommended for those on the maximum of the main pay range.

Thousands of teachers are not on either the maxima or the minima of the pay ranges and, therefore, the award is discretionary.

As a result of the excessive freedoms, flexibilities and discretions the Government has given schools over teachers' pay many schools did not pay 1%, even to those on the maxima and minima of the ranges, including the 2% on the top of the main pay range. This withholding of the annual pay award was compounded by many schools deliberately increasing the barriers to pay progression for eligible teachers (not all teachers are eligible for progression.) The reality is that many thousands of

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teachers were denied, in 2015/16 and in previous years, both the 1% award and pay progression.

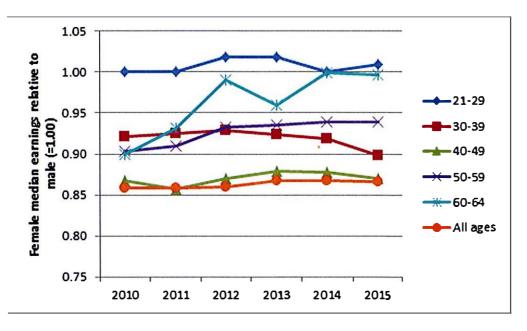
Research carried out in December 2016 by the NASUWT indicated that 59% of teachers (62% of women teachers) had not received the 1% pay award for the 2016/17 School Year.^[1] These figures reflected the pay research carried out at the same time the previous year.

Therefore, to state, or even to imply, that teachers generally had 3.3% is incorrect and deeply misleading.

The NASUWT has commissioned independent, longitudinal research from the University of Warwick Institute of Employment Research (IER), which includes a data analysis of trends in teachers' pay shown by the Department for Education (DfE)'s School Workforce Census (SWC). In this research into the pay of all teachers in England, the University of Warwick has demonstrated that teachers' average wages fell between 2010 and 2015 and that women teachers' wages declined relative to men during that period.^[2]

Not only did teachers' wages not increase on average by 3.3% in one year, as you claim, but they had not increased over 5 years, according to the DfE's own data.

Moreover, women teachers have suffered particularly badly under the public sector pay cap. The following chart, produced by the University of Warwick, illustrates the gap between the salaries of women and men, with the gender pay gap being particularly great for older women teachers. For women teachers as a whole, pay in 2015 is 86% that of men.



In real terms, teachers' pay has fallen by over 15% since 2010, and pay stagnation has also been accompanied by substantial increases in teachers' pension and National Insurance contributions during this time.

^[1] Pay and pay progression survey, NASUWT, December 2016

^[2] The impact of teachers' pay on equality in schools in England, University of Warwick May 2017

In your statement you said that more people are being attracted into our public services, yet even the DfE regards teacher supply as a 'challenge'. In fact, teacher supply is now in crisis.

The latest DfE School Workforce Census (SWC), published in June 2017 which is the latest dataset publicly available, confirms that between 2011 and 2016, the number of teachers leaving the profession, for reasons other than retirement, rose from 27,910 to 42,830.

Comparable figures were reported in a recent independent ComRes poll which found that:

- almost six in ten teachers (59%) state that they had seriously considered leaving their current job in the last 12 months;
- over half (52%) had seriously considered leaving the teaching profession over the past year; and
- well over half (56%) disagreed with the statement '*I* would recommend a career as a teacher to a friend.'

According to research carried out by the NASUWT in March 2017, 70% of teachers surveyed believe that prospective teachers are being deterred from a career in teaching because of uncompetitive levels of pay.

82% say teachers' salaries are not competitive with other occupations and as a result, 72% say they would not recommend a career in teaching to a friend or relative.

69% of teachers who responded to an NASUWT online survey say they are not paid at a level commensurate with their skills and level of experience.

The teacher supply crisis was recognised by the School Teachers' Review Body in its 26th Report, published in July 2016, which stated: *'there is a case for an uplift higher than 1% to the national pay framework to strengthen the competitive position of the teaching profession.*

The DfE's SWC data, published last month, confirms that following an upward trend between 2010 and 2015 there has been a further increase in the percentage of schools which have at least one advertised vacancy or temporarily-filled post.

You also claimed in your statement that at the moment public sector and private sector salaries are roughly comparable. Again this is incorrect in relation to teachers. If the Government is comparing the highest paid chief executive headteacher of an academy school, now receiving over £420,000, with CEOs in the private sector then you may be correct. However, for the generality of teachers their salaries are deeply uncompetitive.

Evidence from Incomes Data Research (IDR) into teachers' pay in England, compared teachers' pay with comparator graduate professionals. The IDR

research indicates the extent to which teachers' earnings are lagging behind other comparator graduate professions.^[3]

IDR concluded that: 'An examination of official evidence on pay movements demonstrates clearly that teachers have not had significant real-terms pay increases since before the recession. In addition, pay increases for teachers have mostly trailed those received by other occupational groups since 2011.'^[4]

IDR further concluded that: '*In 2015 average gross earnings for all comparator professions were 20.2% above those of secondary school teachers and 32.4% ahead of average earnings for primary school teachers.*'^[5]

IDR ranked secondary education and primary teachers' pay against ten other graduate professions. In 2015, using mean average earnings, secondary teachers were tenth out of twelve professions and primary and nursery teachers were the lowest paid, twelfth out of twelve.^[6]

On 10th July the Secretary of State for Education published the 27th School Teachers' Review Body Report. Once again the Review Body has made strong statements to the Government about the state of teacher supply and the impact on educational provision.

The Review Body repeated its recommendation that a higher than 1% uplift is necessary to reduce the pay gap between teaching and other graduate professions.

The Review Body said 'If recruitment and retention pressures continue at their current levels, we expect that an uplift significantly higher than 1% will be required.' We therefore advised the Department and other consultees that they should help schools to prepare for this. Our analysis of the evidence for the current pay round shows that the trends in recruitment and retention evident last year have continued – teacher retention rates continued to fall, particularly for those in the early stages of their career, and targets for ITT recruitment continue to be missed. We are deeply concerned about the cumulative effect of these trends on teacher supply. We consider that this presents a substantial risk to the functioning of an effective education system.^[1]

However, it also made clear that it is not expecting schools to wait to do this:

We have weighed the competing arguments very carefully. Overall, we believe that the extent of the pressures on teacher recruitment and retention is too significant to defer taking any action for another year^{{2}]</sup>.

The Review Body has made clear that the link between educational standards and teachers' pay and conditions is a key consideration for schools. 'Pupil achievements are largely dependent on schools maintaining a strong cadre of

^[3] A review of school teachers' pay in England compared with other graduate professions, IDR/NASUWT, December 2016.

^[4] Ibid, Section 1.3, page 7.

^(s) Ibid, Section 1.6, page 10.

^[6] Ibid, Section 1.4, Table 2, page 9.

^[1] School Teachers' Review Body 27th Report, 2017, paragraph 5.23

^[2] Ibid, paragraph 5.28

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.'

You have also claimed that academy freedoms have led to higher pay levels for teachers, again the evidence does not bear out this statement.

The DfE's SWC data demonstrates that teachers' pay is lower in primary academies than in primary schools maintained by local authorities, and in secondary academies than in secondary schools maintained by local authorities.^[7]

Evidence obtained by the NASUWT indicates that many academy trusts put substantial obstacles in the way of teachers' pay progression and that teachers with protected characteristics as defined by the Equality Act 2010, including those who are pregnant or on maternity leave, fare particularly badly in academy trusts.

The public sector pay freezes and caps since 2011 have had severe consequences for some teachers, with many, particularly young teachers and teachers' with disabilities, facing hardship. Teachers are facing escalating financial difficulties, unmanageable credit debts and urgent problems with rent and mortgage repayments. Young teachers, for example, are finding they cannot afford their rent and are having to move back home with their parents.

Last year the NASUWT paid out from its hardship fund over £290,000 to assist teachers with rent or mortgage payments or to aid them during a time of work related illness. Young teachers and late entrants to the profession suffer from particularly low pay levels, including low levels of occupational sick pay.

On the basis of the evidence it is inappropriate and unacceptable for the Government to claim that teachers are well paid. The NASUWT requests that the claims made in the Treasury Statement of 5 July 2017 are corrected.

The Union looks forward to the Treasury recognising that all children and young people are entitled to be taught by those who are recognised and rewarded as highly skilled professionals and that the continuation of the public sector pay cap and the unacceptable constraints placed on pay review bodies is denying them this entitlement.

Yours sincerely

Chris Keates (Ms) General Secretary

CC: Secretary of State for Education

¹⁷¹ School Workforce in England, DfE, June 2017, Table 9a