NASUWT
The Teachers' Union

EVIDENCE SUBMISSION

THE NASUWT SUPPLEMENTARY SUBMISSION TO THE SCHOOL TEACHERS' REVIEW BODY 25 MARCH 2022

The NASUWT is the teachers' union.

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

0121 453 6150
www.nasuwt.org.uk
nasuwt@mail.nasuwt.org.uk

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1. Introduction

One of the most important tests of the effectiveness of a pay review body is its ability to respond to unexpected and unforeseen events. When the School Teachers' Review Body's 32nd remit was issued, the UK economy was recovering strongly from the impact of the coronavirus pandemic, but a cost of living crisis was gripping teachers and other working people. The NASUWT believes that this must continue to be taken into account by the Review Body. However, since the issuing of the Review Body's 4th remit, wider international events have exacerbated the current cost of living crisis and it is vital that the Review Body considers the evidence from consultees in this context.

2. The Government's Submission

Teacher Supply

2.1 The NASUWT notes that the Department for Education's (DfE's) evidence now includes some acknowledgement of the pressures the education system currently faces in respect of teacher supply. However, it remains the case that the full extent of the deep-rooted and structural drivers of the teacher recruitment and retention crisis is not reflected sufficiently in the proposals that the DfE has advanced in its submission.

2.2 The declining impact of the COVID-19 pandemic continues to be reflected in teacher recruitment data. The most recent official monthly initial teacher training (ITT) application returns serve to emphasise this decline. By the February checkpoint, the total number of ITT applicants had reached 19,993.[1] The equivalent figure published by the former Universities and Colleges Admissions Service (UCAS) for the same stage of the cycle in 2020/21 was 25,540, a fall of almost 22% in a single year.[2]

2.3 The DfE's submission centres on the recruitment and retention of early career teachers (ECTs). While the importance of this aspect of teacher supply policy is beyond dispute, the DfE continues to underplay the significance of retention of more experienced teachers in securing adequate teacher supply. The DfE's submission reflects its misguided view that there is a less pressing case for addressing later career-stage teachers' pay than that of those who have joined the profession more recently. It continues to support this view by insisting that potential teachers are likely to place extra weight on the salary that applies to them in the short run, as opposed to longer term pay when assessing the attractiveness of salaries available in teaching.

2.4 However, there is no robust evidence to support this assertion in respect of graduates and serving teachers in England. It is the NASUWT's experience, supported by the outcomes of independent research commissioned by the Review Body, that potential entrants into teaching and those who have recently qualified as teachers are influenced not only by short-term pay considerations but also by the nature and availability of pay and career advancement opportunities later in their careers.[3] It has been established that, contrary to the position set out in the DfE's submission, more experienced teachers are likely to be particularly sensitive to changes in pay.[4] A failure to address the pay of later

[1] DfE. (2021a). *Monthly statistics on initial teacher training (ITT) recruitment.* Available at: (https://www.gov.uk/government/publications/monthly-statistics-on-initial-teacher-training-itt-recruitment#full-publication-update-history), accessed on 22.03.22.

[2] Universities and Colleges Admissions Service (UCAS) (2021). *Report A: Teacher Training applicants at 00:06 Monday 15 February 2021.* Available at: (https://www.ucas.com/file/428521/download?token=iKkjVBmG), accessed on 22.03.22.

[3] Burge, P.; Lu, H.; and Phillips, W. (2021). *Understanding Teacher Retention: Using a discrete choice experiment to measure teacher retention in England.* Available at: (https://www.gov.uk/government/publications/understanding-teacher-retention-a-discrete-choice-experiment), accessed on 22.03.22.

[4] Ibid.

career-stage teachers will not only fail to tackle retention problems among this segment of the workforce in the longer term, but will also continue to exert a powerful disincentive effect on recruitment into the profession, as well as early career-stage retention rates.

2.5 The DfE's submission reports that it is undertaking work to address other contributors to inadequate teacher recruitment and retention rates. Although the importance of these factors is not contended, it is by no means evident that the steps that the DfE states that it intends to take in these respects will be effective. In particular, the DfE asserts that the Schools White Paper, to be published in the spring of this year, will contain proposals to address factors including excessive and unnecessary workload levels, poor workforce morale and wellbeing, lack of opportunity to benefit from flexible working arrangements and barriers to accessing high-quality professional training and development (paras. 101 and 102).

2.6 However, in the absence of statutory regulatory measures or the inclusion of statutory measures in the School Teachers' Pay and Conditions Document (STPCD), it is by no means evident that the proposals to be included in the White Paper will secure these ends. The Review Body's reports over the past decade have noted the significance of all of these contributors to the teacher supply crisis. The NASUWT has repeatedly drawn them to the Government's attention and has set out the steps required to address these issues. Nevertheless, to date, the DfE has failed to take the action required in non-pay areas of policy to enhance recruitment and retention, despite repeatedly stating in its submissions to the Review Body that it would do so.

2.7 Other commitments on improving teacher supply articulated in the DfE's submission should be evaluated in this context. For example, the DfE makes reference to its work with the Timewise Flexible Working Consultancy to 'deliver' practical support on flexible working through a series of voluntary webinars for schools on how it can be managed in practice. It is accepted that addressing a lack of understanding of the ways in which barriers to flexible working can be overcome is potentially helpful as part of a broader package of measures. However, such programmes do not involve active steps to address circumstances in which schools refuse to develop an effective flexible working offer as a matter of choice rather than through genuine ignorance of the approaches open to them. The failure of some employers to elect to make flexible working more widely available continues to be reported by NASUWT members as a significant concern in this respect.

2.8 The DfE refers to its response to the ITT Market Review as one element of its wider strategy to address the under-recruitment of trainee teachers and the high rates of those who complete ITT yet decline to progress into service as qualified teachers. The Review Body will note that the Market Review did not have improving ITT recruitment and retention rates as a core element of its remit and that the DfE's submission offers little evidence of how future work in this area, if eventually progressed, would secure sustainable improvements.

The Pay Award

2.9 The NASUWT has outlined in detail the impact of the cost of living crisis on teachers in England in its initial evidence submission, but we ask the Review Body not to ignore the growing impact of the war in Ukraine on the cost of living crisis. The most tragic consequence of the invasion of Ukraine is the loss of life and the suffering of the Ukrainian population, but it has also stoked inflation, which was already running at the highest level for decades.

February 2022 inflation

2.10 The NASUWT's analysis does not take into account the ONS's February 2022 inflation release on 23 March 2022, as the deadline for the submission of this supplementary evidence meant that it was impossible to provide a detailed further analysis of the impact of this. However, the NASUWT asks the Review Body to take into account that twelve-month RPI inflation has risen from 7.8% in January 2022 to 8.2% in February 2022.[5]

The Chancellor of the Exchequer's Spring Statement

2.11 In his Spring Statement speech of 23 March 2022, the Chancellor of the Exchequer stated that CPI inflation could reach 7% during 2022, which means that RPI inflation could potentially reach double digit levels, the highest level since the 1980s. Given this possibility, the NASUWT asks the Review Body to request a pay remit from the Secretary of State for 2023/24 in addition to the two year pay award which is included in the current remit. This would enable the Review Body to address high and unpredictable levels of inflation during 2022/23 by a supplementary 2023/24 pay award.

2.12 The NASUWT has previously drawn the attention of the Review Body to the increase in National Insurance Contributions from 1 April onwards, which will add to the cost of living crisis which all working people, including teachers, are facing.

2.13 We ask the Review Body to take into further account the impact of the Chancellor's previously announced tax and National Insurance changes on teachers' living standards, irrespective of the measures to raise National Insurance thresholds announced by the Chancellor in the Spring Statement. This is because of the impact of high and unexpected levels of inflation which were not forecast when tax thresholds were initially frozen. The Institute of Fiscal Studies (IFS) has carried out the following analysis:[6]

- *For the coming year as a whole (2022-23), those earning between around £10,000 (the current NICs threshold) and £25,000 will pay less tax on their earnings as a result of these changes. Those earning more than £25,000 will pay more, due to the combined effect of freezing income tax thresholds and increasing the NICs rate.*

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[5] ONS, Consumer Price Inflation, UK, February 2022: https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest

[6] https://ifs.org.uk/spring-statement-2022

- *By 2025-26 - after the cut to the basic rate of income tax has been implemented and thresholds have continued to be frozen - virtually all workers will be paying more tax on their earnings than they would have paid without these changes to rates and thresholds. This is because freezing thresholds for four years is now set to have such a large impact, given the rise in expected inflation over this period.*
- *Bringing together the expected changes in earnings, the reforms to taxes, and the energy measures announced in February, a median (middle) earner on £27,500 per year can expect to be about £360 worse off this year than they were last.'*

2.14 In general terms, the NASUWT asks the Review Body to ensure that the pay award which it recommends for 2022/3 and 2023/4 compensates for these effects.

2.15 The detrimental impact of this inflation on teachers' pay levels is profound, including if the DfE's proposed 2022/23 and 2023/24 pay award for teachers is implemented.

2.16 The Government's proposals provide a mix of pay increases for teachers on the main pay scale, with teachers on the lower pay points on the main pay range (MPR) receiving higher percentage rewards over the next two years - between 4% (M6) and 8.9% (M1) in 2022, and between 2% (M6) and 7.1% (M1) in 2023. For teachers on the upper pay range (UPR) and leadership pay ranges (LPRs), the Government proposes a 3% pay award in 2022/23 and 2% in 2023/24.

2.17 The Government's proposed pay scales for 2022/23 and 2023/24 are shown in the table below, together with both the cash and percentage increase when compared to the previous year.

England (excluding London & Fringe)							
	2021/22	**2022/23**			**2023/24**		
		UPR & LPR 3%	**£ increase**	**% increase**	**UPR 2%**	**£ increase**	**% increase**
Main Pay Range							
M1 (Minimum)	£25,714	£28,000	£2,286	8.9%	£30,000	£2,000	7.1%
M2	£27,600	£29,800	£2,200	8.0%	£31,650	£1,850	6.2%
M3	£29,664	£31,750	£2,086	7.0%	£33,391	£1,641	5.2%
M4	£31,778	£33,850	£2,072	6.5%	£35,227	£1,377	4.1%
M5	£34,100	£35,989	£1,889	5.5%	£37,165	£1,176	3.3%
M6 (Maximum)	£36,961	£38,440	£1,479	4.0%	£39,209	£769	2.0%
Upper Pay Range							
UPS1	£38,690	£39,851	£1,161	3.0%	£40,648	£797	2.0%
UPS2	£40,124	£41,328	£1,204	3.0%	£42,154	£827	2.0%
UPS3	£41,604	£42,852	£1,248	3.0%	£43,709	£857	2.0%

2.18 The most important detail for the Review Body to note is that this model would deliver a significant real-terms pay cut to teachers over the next two years. The

NASUWT has carried out an analysis using the Retail Prices Index (RPI) inflation factor which demonstrates this.

2.19 The £30,000 starting salary has been presented by the Government as a significant improvement to teachers' pay. However, this is not the full story. If teachers' starting salaries had increased in line with RPI inflation since 2010, and continued to rise in line with RPI inflation in 2022, as forecast by HM Treasury in October 2021, then those starting salaries would increase to £30,658 in September 2022 in any case. A £30k teachers' starting salary only takes starting salaries back to where they should have been had the teaching profession not endured a decade of real-terms pay cuts. Further, we remind the Review Body of the commitment given by the Government in 2019 to introduce £30,000 starting salaries for teachers by September 2022.

2.20 The damaging impact of the teachers' pay freeze has also become clear in view of the level of pay awards across the wider economy. The latest estimate of growth in earnings for employees, published by the Office for National Statistics (ONS) on 15 March 2022, shows that 'Average total pay growth for the private sector was 5.3% in November 2021 to January 2022.'[7]

2.21 The latest independent average of new inflation forecasts, published by HM Treasury in March 2022,[8] predict that inflation will rise to 8% in 2022, more than double the 3.6% forecast made in October 2021. The latest forecast figures are the first set of inflation forecast data published by HM Treasury (HMT) since Russia's invasion of Ukraine, and take into account the potential inflationary pressures of the war, such as further increased energy costs and food shortages.

The Government's Pay Proposals for 2023-24

2.22 Since the NASUWT carried out its analysis of the shortfall in teachers' real-terms pay levels for the purposes of its initial evidence submission to the Review Body, inflation has continued to climb steeply. Utilising the new RPI inflation forecast figures published by HM Treasury in March 2022 – 8% in 2022, and 3.7% in 2023 – the NASUWT has modelled the real-terms shortfall in teachers' pay if the Government's recommended pay proposals were implemented.

2.23 The NASUWT's analysis does not take into account the ONS's inflation release on 23 March 2022, as the deadline for the submission of this supplementary evidence meant that it was impossible to provide a detailed further analysis of the impact of this. However, the NASUWT asks the Review Body to take into account that 12-month RPI inflation has risen from 7.8% in January 2022 to 8.2% in February 2022.[9]

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[7] ONS, Average weekly earnings in Great Britain: March 2022. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/march2022

[8] HM Treasury, *Forecasts for the UK Economy*, 16 March 2022. https://www.gov.uk/government/statistics/forecasts-for-the-uk-economy-march-2022

[9] ONS, Consumer Price Inflation, UK, February 2022: https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest

2.24 In the following table, the NASUWT has modelled the Government's pay proposals for all salaries and allowances in 2022-23 against the real-terms salary that teachers would have achieved if pay increases had matched RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, in line with the new HMT inflation forecast.

2.25 The salary shortfall in 2022-23 represents the difference, in both cash (£) and percentage (%) terms, between:

i. the Government's pay proposals for 2022-23; and

ii. the real-terms salary that teachers would have achieved in 2022-23 if pay increases had matched RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, in line with the new HMT inflation forecast.

2.26 The cumulative shortfall represents the total shortfall in salary suffered by teachers as a result of the pay freezes and successive below-RPI inflation pay increases endured by teachers in England since 2010.

England	**Government-recommended salary 2022/23**	**Shortfall in 2022/23 (£)**	**% shortfall in 2022/23**	**2010/11-2022/23 cumulative shortfall (£)**
Main Pay Range				
Minimum	£28,000	-£3,960	14.1	-£34,440
M2	£29,800	-£4,687	15.7	-£37,878
M3	£31,750	-£5,510	17.4	-£41,679
M4	£33,850	-£6,276	18.5	-£45,560
M5	£35,989	-£7,299	20.3	-£50,045
Maximum	£38,440	-£8,271	21.5	-£52,400
Upper Pay Range				
UPS1	£39,851	-£10,752	27.0	-£65,269
UPS2	£41,328	-£11,149	27.0	-£67,679
UPS3	£42,853	-£11,562	27.0	-£70,190
Leadership Pay Range				
L6	£49,168	-£13,572	27.6	-£82,083
L8	£51,656	-£14,261	27.6	-£86,248
L11	£55,714	-£15,383	27.6	-£93,030
L28	£84,401	-£23,305	27.6	-£140,943
L43	£120,713	-£34,878	28.9	-£212,680

2.27 The table above shows the cumulative impact on teachers' pay range values since 2010, as a result of successive and prolonged below-RPI inflation salary increases, and shows the extent to which the Government's pay proposals for 2022/23 fail to address the real-terms loss in pay (the shortfall) that teachers would suffer in 2022/23, as a cumulative total since 2010, if the Government's pay proposals are enacted by the Review Body.

2.28 Teachers and school leaders who have remained in the profession since 2010 would, in effect, be between £34,440 and £212,680 worse off in real terms since 2010 due to the cumulative shortfall in pay (if salaries had kept pace with RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, in line with the new HMT inflation forecast).

2.29 The impact of the public sector pay freeze, 1% pay cap and below-RPI inflation pay increases have had a significant detrimental impact on the salary levels of teachers and their finances. Under the Government's proposals, the vast majority of teachers would receive another below-RPI salary increase in 2022/23. This would result in teachers' salaries being between £3,960 (14.1%) and £34,878 (28.9%) lower in 2022/23 than if they had kept pace with RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, in line with the new HMT inflation forecast.

2.30 The effect of the Government's pay proposals in 2022/23, would be that over two-thirds (67.4%) of teachers, those paid on either M6 or the UPR, will receive a significant real-terms pay cut. Under the Government's pay proposals for 2022-23, in real terms, teachers' salaries at M6 would be worth more than one-fifth (21.5%) less than in 2010, and UPS teachers' salaries would be worth more than one-quarter (27%) less than in 2010 (if salaries had kept-pace with RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, in line with the new HMT inflation forecast).

2.31 The cumulative shortfall represents the total shortfall in salary suffered by teachers as a result of the pay freezes and successive below-RPI inflation pay increases endured by teachers in England since 2010:

England	Government-recommended salary 2023/24	Shortfall in 2023/24 (£)	% shortfall in 2023/24	2010/11-2023/24 cumulative shortfall (£)
Main Pay Range				
Minimum	£30,000	-£3,142	10.5	-£37,582
M2	£31,650	-£4,113	13.0	-£41,991
M3	£33,391	-£5,248	15.7	-£46,926
M4	£35,227	-£6,384	18.1	-£51,943
M5	£37,165	-£7,725	20.8	-£57,770
Maximum	£39,209	-£9,230	23.5	-£61,631
Upper Pay Range				
UPS1	£40,649	-£11,827	29.1	-£77,096
UPS2	£42,155	-£12,264	29.1	-£79,943
UPS3	£43,711	-£12,718	29.1	-£82,908
Leadership Pay Range				
L6	£50,152	-£14,909	29.7	-£96,992
L8	£52,690	-£15,666	29.7	-£101,913
L11	£56,829	-£16,899	29.7	-£109,929
L28	£86,090	-£25,601	29.7	-£166,544
L43	£123,128	-£38,220	31.0	-£250,900

2.32 Under the Government's proposals for 2022-23, the new £30,000 minimum starting salary would be £3,142, or one-tenth (10.5%) lower in real terms for beginning teachers, and £38,220, almost one-third (31%) lower for L43 headteachers, in real terms (if teachers' pay had kept pace with RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, and 3.7% in 2023, in line with the new HMT inflation forecast).

2.33 The effect of the Government's pay proposals in 2023-24, would be that over two-thirds (67.4%) of teachers, those paid on either M6 or the UPR, will have received a significant real-terms pay cut in ten out of 14 years, since 2010. Under the Government's pay proposals, in 2023-24, teachers' salaries at M6 would be worth more than one-fifth (23.5%) less than in 2010, and UPS teachers' salaries would be worth significantly more than one-quarter (29.1%) less than in 2010 (if salaries had kept pace with RPI inflation since 2010, and if RPI is set to increase to 8% in 2022, in line with the new HMT inflation forecast).

2.34 The same effect can be seen if the Consumer Prices Index (CPI) inflation factor is used to carry out the analysis.

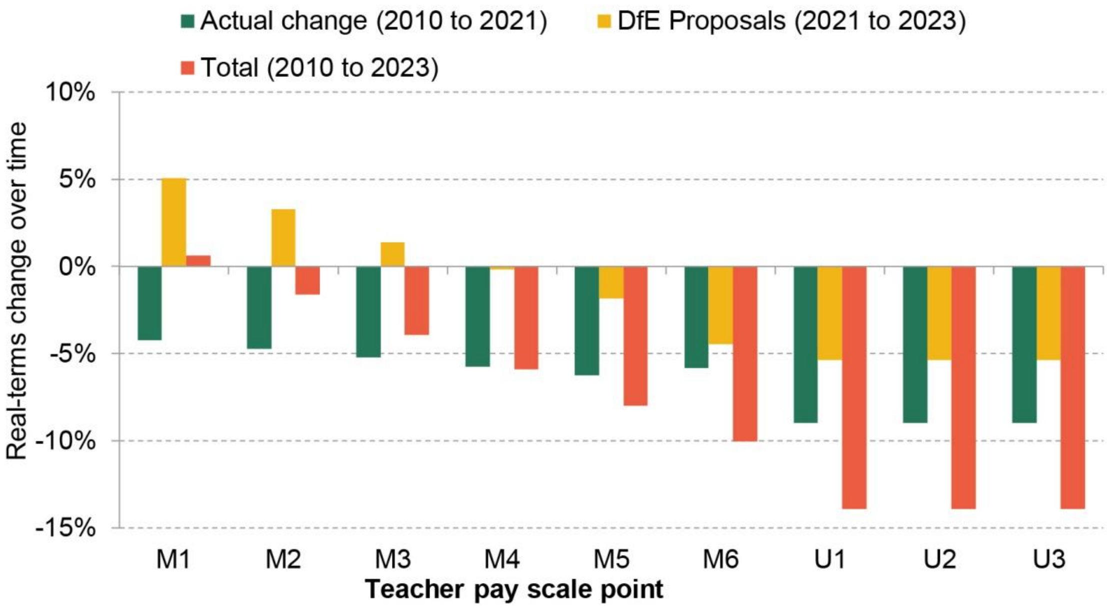
2.35 The Institute for Fiscal Studies (IFS) has analysed the DfE's proposal and has concluded:

'With inflation rapidly rising, the government's proposals for teacher pay in 2022 and 2023 would be forecast to deliver a 5% real-terms cut in salaries for more experienced teachers between 2021 and 2023.' [10]

'Following on from more than a decade of overall real-terms cuts, this would lead to a 14% real-terms pay cut for more experienced teachers between 2010 and 2023. In today's prices, this is the equivalent of a pay cut from £46,000 to £39,000 for classroom teachers at the top of the pay scale between 2010 and 2023.'

2.36 The following IFS chart shows the extent to which the teachers' pay points have fallen in value since 2010, both up to 2021, and how large the real-terms falls in value would be once the DfE's current proposals are taken into account.

Figure 1 Real-terms changes over time in teacher salary points: actual and government proposals, actual and forecast CPI inflation



2.37 These real-terms cuts would be even greater if IFS had used RPI as the inflation factor in their analysis, or had used the most recent inflation forecasts and the February 2022 inflation data.

Flattening the Pay Structure

2.38 Pay progression between pay points on the main pay range (MPR) and upper pay range (UPR) is significantly slowed under the Government's proposed pay

[10] https://ifs.org.uk/publications/15989

structure, from over 7% on the current MPR to just 5.5% in 2023 with their proposed changes.

Table 3: 'Resultant progression between pay points, M1-U3, Rest of England', in the Government's evidence (page 38), shows the precise nature of the 'flattening' of incremental pay progression between pay points under its proposals:

Table 3: Resultant progression between pay points, M1-U3, Rest of England

	Progression between each point		
	Existing	22/23	23/24
M1 to M2	7.3%	6.4%	5.5%
M2 to M3	7.5%	6.5%	5.5%
M3 to M4	7.1%	6.6%	5.5%
M4 to M5	7.3%	6.3%	5.5%
M5 to M6	8.4%	6.8%	5.5%
M6 to U1	4.7%	3.7%	3.7%
U1 to U2	3.7%	3.7%	3.7%
U2 to U3	3.7%	3.7%	3.7%

2.39 The NASUWT remains opposed to the flattening of the pay structure in this way. The practical effect of this is to award a differentiated pay increase to the teaching profession, with more experienced teachers receiving a lower pay award.

2.40 The Government's evidence indicates that over two-thirds (67.4%) of teachers are paid on either M6 or the UPR (page 99), and will therefore only be eligible for the lower rates of pay award. In addition to two-thirds of teachers receiving a highly inadequate pay award, the Review Body should be aware of the anger across the teaching profession which differentiated pay awards in previous years have led to. Teachers feel strongly that pay awards should be given to the whole profession, with 80% of NASUWT members responding to the Union's 2022 pay survey agreeing that all teachers should receive the same percentage pay rise, irrespective of experience or length of service. This is likely to include many teachers in the early years of their careers.

2.41 In addition, the NASUWT cannot see that it is an improvement to the ability of the teachers' pay framework to retain teachers in the profession to reduce the gaps between the national pay points on the main and upper pay ranges. This has the impact of reducing the financial benefit of pay progression, which is a key factor in retaining teachers.

2.42 As an alternative to the DfE's proposals, the NASUWT has therefore proposed to the Review Body a single six-point classroom teachers' pay scale. The following table shows both the guaranteed cash-value and percentage incremental increases between pay points for classroom teachers under the NASUWT-proposed pay system.

2022 (12%)		£ increase	% increase	2023 (10%)		£ increase	% increase	2024 (8%)		£ increase	% increase
M1	£30,000			**M1**	£33,000			**M1**	£35,640		
M2	£33,319	£3,319	11.06	**M2**	£36,651	£3,651	11.06	**M2**	£39,583	£3,943	11.06
M3	£36,639	£3,319	9.96	**M3**	£40,303	£3,651	9.96	**M3**	£43,527	£3,943	9.96
M4	£39,958	£3,319	9.06	**M4**	£43,954	£3,651	9.06	**M4**	£47,470	£3,943	9.06
M5	£43,278	£3,319	8.31	**M5**	£47,605	£3,651	8.31	**M5**	£51,414	£3,943	8.31
M6	£46,597	£3,319	7.67	**M6**	£51,257	£3,651	7.67	**M6**	£55,357	£3,943	7.67

2.43 The NASUWT asks the Review Body to establish evenly distributed cash-value gaps between pay points on the single six-point classroom teacher pay scale, which incorporates the NASUWT-recommended increases to teachers' salaries and allowances of 12% in 2022, 10% in 2023, and 8% in 2024, in order to reverse the real-terms reduction in pay suffered by teachers in England since 2010.

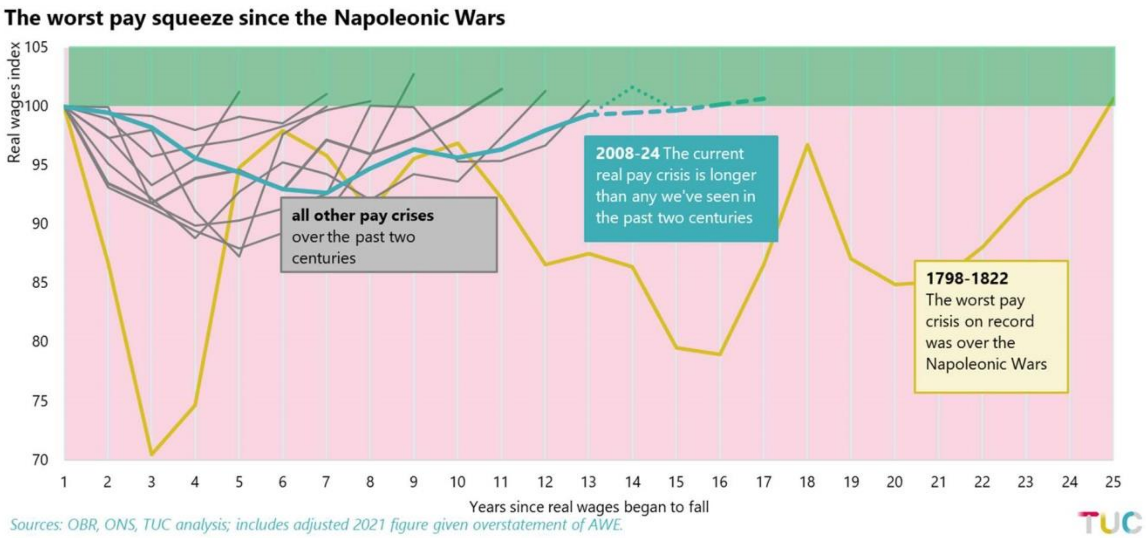
London Teachers' Pay

2.44 The DfE's proposed pay award for London teachers gives a lower percentage increase for starting salaries in London and lower percentage increases for some of the lower pay points. The pay progression structures in the London pay scales are generally flatter than for the rest of England, with the exception of the large jump from M6 to the UPR in Inner London.

2.45 The NASUWT asks the Review Body to reject this entirely and to recommend that the two-year pay award is not implemented detrimentally in London, once an adjustment to take into account London pay scales is made.

2.46 The DfE's proposed pay award for London is already angering London teachers, against a background of widespread disappointment and frustration across the whole profession.

2.47 In addition to this, the NASUWT wishes to draw the Review Body's attention to the underlying context of falling public sector pay which the TUC accurately describes as a 'pay crisis'. The TUC has published a statement in advance of the Chancellor of the Exchequer's Spring Statement, which is appended to this supplementary evidence as an annex and which states that, '*workers are now being asked to bear the brunt of rising global prices, having already borne the* *brunt of a decade of austerity, the hardship of the pandemic, and the longest pay squeeze since the Napoleonic Wars (as illustrated on the chart below).'*



2.48 It is therefore vital that the Review Body rejects both of these models and recommends far higher levels of pay award. As the TUC has stated:

'Public sector workers have endured pay freezes and pay restraint since the coalition took office in May 2010. Reduced pay meant reduced spending by public sector workers, this damaged the economy and so meant reduced private sector pay. Over the fourteen years since before the global financial crisis, public and private sector pay have moved together and have ended up virtually no different from their relative starting points. Real public sector pay is down 1.6 per cent and real private sector down -0.2 per cent (on the basis of RPI real pay on both measures if down by about 10 per cent):' [11]

2.49 The TUC has made very clear the need for higher pay for working people and that the whole economy suffers when the pay of public sector workers falls.[12]

2.50 It is therefore vital that the Review Body rejects both of these models and recommends far higher levels of pay award. As the TUC has stated:

'Public sector workers have endured pay freezes and pay restraint since the coalition took office in May 2010. Reduced pay meant reduced spending by public sector workers, this damaged the economy and so meant reduced private sector pay. Over the fourteen years since before the global financial crisis, public and private sector pay have moved together and have ended up virtually no different from their relative starting points. Real public sector pay is down 1.6 per

[11] Ending the pay crisis, TUC Statement ahead of HM Treasury's Spring Statement on 23 March, page 15,
[12] Ibid, pages 27 and 28.

cent and real private sector down -0.2 per cent (on the basis of RPI real pay on both measures if down by about 10 per cent):' [13]

2.51 The TUC has made very clear the need for higher pay for working people and that the whole economy suffers when the pay of public sector workers falls.[14]

'Building back better

The promises to 'build back better' after the pandemic must not be forgotten. Beyond the immediate challenges of rising prices and falling real pay, government needs a strategy to deliver a better economy for working people. Any such approach must recognise that the economy has for too long served the interests of the wealthy ahead of labour. As a result there is vastly excessive money in the hands of the few, and too little in the hands of the many.

Looking at the inflation debate in this broader context, former US Secretary of Labour Robert Reich warned last year: "Here's the thing. The wealthy spend only a small percentage of their income – not enough to keep the economy churning. Lower-income people, on the other hand, spend almost everything they have – which is becoming very little. Most workers aren't earning nearly enough to buy what the economy is capable of producing".

Funding of the Pay Award

2.52 The NASUWT has previously urged the Review Body to take the view that funding the pay award in the way it recommends is the Government's responsibility. It is not the Review Body's responsibility to find this funding. Nonetheless, the NASUWT will comment on the DfE's statements about school funding.

2.53 The DfE's proposed overall increase in the pay bill over two years can be broken down into a 3.9% average pay award in Academic Year 2022/23 and a 2.6% average pay award in Academic Year 2023/24 (paragraph E19, page 102). This equates to a cost of approximately £1.75bn to fund the Government's proposed pay increases for all teaching staff over the next two years.[15]

2.54 However, as the NASUWT observed in its initial evidence, the Government has written-off £4bn of fraudulent COVID-19 support payments.[16] If the Government chose to sufficiently resource recouping all £6bn of fraudulent COVID-19 support payments, rather than the £2bn estimated by HMRC, it would support its ability to pay teachers significantly more than the DfE proposes.

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[13] Ending the pay crisis, TUC Statement ahead of HM Treasury's Spring Statement on 23 March, page 15.

[14] Ibid, pages 27 and 28.
[15] Schools' costs: technical note, https://www.gov.uk/government/publications/schools-costs-technical-note
[16] HMRC Annual Report and Accounts 2020 to 2021, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1035552/HMRC_Annual_Report_and_Accounts_2020_to_2021_Web.pdf

2.55 Austerity is a political choice that the Review Body should reject. Numerous options remain available to the Westminster Government to raise sufficient revenues to fund a fair pay rise for teachers and other public sector workers, including:

i. pursuing all £6bn of fraudulent COVID-19 support payments, rather than the £2bn estimated by HMRC;

ii. introducing a one-off 'windfall tax' on oil and gas companies, whose profits have rocketed over the last year; and

iii. levying a financial transactions tax, which could raise around £5 billion a year in additional income.[17]

Equality in Pay and Progression

2.56 In Annex F, the DfE has provided an equality analysis of performance-related pay progression and specifically referenced concerns expressed by the NASUWT and other consultees of '*an increase in the vulnerability of the pay and progression system to systematic biases.'* To be clear, the NASUWT's concern is about systematic biases against teachers in equality groups in the pay progression system.

2.57 The DfE has provided an analysis of four teacher groups with protected characteristics under the Equality Act 2010: sex, ethnicity, disability and age. This is therefore not a fully comprehensive analysis of all the teacher groups with protected characteristics under the Equality Act 2010.

2.58 In general terms, it is important that the DfE makes the Schools Workforce Census (SWC) and Teachers' Pension Scheme (TPS) data, used for its analysis, available so that its analysis can be peer reviewed. The NASUWT makes the following initial observations about the analysis.

Sex

2.59 The progression rate analysis (for example, figure F2) does capture the key impact of the 2013 introduction of performance-related pay progression on the main pay scale, which is that automatic incremental progression on this scale was ended and that this reduced pay progression rates considerably. There is a fall in pay progression from 2013 onwards from all pay points and this increases as teachers move up the MPR.

2.60 Prior to 2013, pay progression to the UPR was related to the previous two years' performance, and progression to UPS1 was already running at slightly more than 50% for men in 2012, with a slightly lower percentage (50%) of women progressing. However, by 2018, pay progression for women to UPS1 had fallen to 40%, a lower percentage than for men, and the gap between women and men's pay progression to the UPR had grown.

[17] Robin Hood Tax https://www.robinhoodtax.org.uk/labour-pledges-introduce-robin-hood-tax

2.61 In terms of pay progression from UPS1 to UPS2 and UPS2 to UPS3, rates of pay progression have remained at around 50%, or just below, from 2010 to 2018, but rates have been consistently lower for women than for men.

2.62 Figures F5 and F6 and F7 show a marked reduction in pay progression for part-time teachers from all pay points which occurred when performance-related pay progression was introduced for the MPR (it is particularly marked for teachers progressing from M1).

2.63 The DfE is therefore right to conclude in its evidence: *'Since 2014, the proportion of both genders progressing each year on the main pay range declined from nearly 100%, to about 75%. The drop was especially marked for part-time teachers.'*[18] However, the Review Body should be clear that the decline has been more pronounced for women than men.

2.64 Figure F8 shows that the pay progression rate for women school leaders has fallen behind that of male school leaders since the 2014 leadership pay reforms were introduced (the NASUWT will make the observation that reforms to leadership pay were made in 2014, not 2013).

Ethnicity

2.65 Figure F13 demonstrates clearly that pay progression rates for Black/Black British and Asian/Asian British full-time teachers are lower than for white teachers. In respect of movement to the UPR, this was also the case before 2013, indicating concerns about the discriminatory nature of threshold progression from 2010 onwards.

Disability

2.66 Figure F18 demonstrates that, in most years since 2013, the pay progression rate for teachers with disabilities is lower than for teachers without disabilities. However, this is most strikingly the case for progression from M3 to M4 and M6 to UPS1.

Age

2.67 The DfE defines age 40 as the cut-off point for the definition of younger and older teachers. The DfE should take no comfort from the data indicating that older teachers progress more rapidly through the classroom teacher pay range.[19] This means that younger teachers progress less rapidly, which indicates a discriminatory impact.

2.68 Figure F21 indicates that success rates for both older and younger teachers in terms of movement to the UPR have been falling since 2013. However, success

[18] DfE Evidence to the STRB, March 2022, F23
[19] Ibid, F44

rates for older teachers were running at approximately 40% in 2018, compared with approximately 50% for younger teachers.

2.69 However, one of the most striking aspects of the data relates to progression rates to the UPR for part-time teachers. This is running at 25% for younger part-time teachers with an even lower progression rate for older part-time teachers.

2.70 In general terms, the equalities analysis provided by the DfE of the performance-related pay system does provide evidence of systematic bias leading to discrimination, together with the failure of the performance-related pay system as a framework which rewards teachers appropriately. The DfE analysis also supports the NASUWT's case for a single classroom teacher pay scale, with automatic incremental progression and without a 'threshold' to higher classroom teacher pay levels. In addition, there is compelling evidence supporting the need for more robust equality pay gap reporting to be undertaken and published annually by the DfE, employers and schools, with reference to teachers by gender, ethnicity, disability and age.

3. The NEOST Submission

3.1 NEOST has identified the extent of the teacher and school leader shortage crisis in its evidence to the Review Body. It has also identified the impact of the teachers' pay freeze on morale and motivation:

'The pay freeze is likely to have had a significant negative impact on qualified teachers both in terms of the competitiveness of teachers' pay in the graduate marketplace and their morale, bearing in mind the vital role and volume of additional tasks, discretionary hard work and effort that teachers and leaders have and continue to undertake throughout the COVID-19 pandemic.' [20]

3.2 NEOST has also identified that employers as well as teachers oppose a differentiated pay award:

'This position is informed by 70 per cent of responses to our survey (Chart 1) indicating that any two-year pay award should be applied equally both in terms of fairness and to support the ongoing recruitment and retention of good teachers and school leaders.' [21]

3.3 The NASUWT asks the Review Body to reject NEOST's request to ask the Secretary of State to include the worsening of salary safeguarding provisions, and the introduction of provisions whereby teachers can be moved from the UPR to the MPR, in a future remit. These matters have been considered by the Review Body very recently and the Review Body has advised against their introduction. The introduction of such provisions would deteriorate teachers' national terms and conditions and would have a devastating impact on teacher morale, motivation and retention, when this has already been damaged severely by the workload impact of the coronavirus pandemic and the teachers' pay freeze.

[20] NEOST evidence to the STRB, March 2022, Paragraph 15.
[21] Ibid, Paragraph 16.

4. Annexes

4.1 Ending the pay crisis: TUC Statement ahead of HM Treasury's Spring Statement on 23 March 2022.