

Report of: Chief Officer Human Resources

Report to: Director of Resources & Housing

Date: 28th September 2018

Subject: Teacher Pay Award 2018/19

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The HR Schools team have negotiated a local pay award for maintained school and centrally employed teachers which we expect to be collectively agreed with school trade union representatives on October 8th 2018.

Recommendations

2. The local teacher pay award for 2018/19 is recommended as follows:
 - 3.5% to all points within the unqualified pay range and main pay ranges.
 - 2% to all points within the upper pay range and the leading practitioner pay range and to all allowances across all pay ranges.
 - 1.5% to all points within the leadership pay ranges (including head teacher groups)
 - This recommendation reflects Option B as outlined below.

1 Purpose of this report

- 1.1 This report provides contextual and financial information in support of the recommendation above. The award needs to be agreed for November implementation under the 2018/19 Model Pay Policy for Schools and the 2018/19 Leeds City Council Teacher Pay Policy.

2 Background information

- 2.1 The School Teachers Review Body (STRB) are required annually to make national recommendations on what adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to promote recruitment and retention.
- 2.2 The STRB made the following recommendation for 2018/19:
- 3.5% increase to the minimum and maximum of all pay and allowance ranges.
- 2.3 The Department for Education (DfE) however rejected the STRB recommendation and instead proposed the following (less generous) award:
- 3.5 % to the minimum and maximum of the unqualified pay range and main pay range
 - 2 % to the minimum and maximum of the upper pay range, leading practitioner pay range and to all allowances across all pay ranges
 - 1.5 % to the minimum and maximum of the leadership pay ranges.
- 2.4 It is worth noting that in July the teaching unions jointly wrote to the Secretary of State for Education requesting a 5% increase to all teacher pay points.
- 2.5 The National Employer Organisation for School Teachers (NEOST) sought general views from local authorities on the STRB and DfE proposals and further consultation continued until 3rd September.
- 2.6 The DfE published its final announcement on Sept 14th to implement the pay award above.

3 Main issues

- 3.1 Since 2015, the DfE have only set the top and bottom (minima and maxima) of the teacher pay ranges and an annual pay award for the minima and maxima points. It is silent on the mid points within each pay range. Local authorities can use their discretion to locally agree the pay ranges and any award for the mid points. Since 2015 we have locally agreed a pay award that meets or exceeds the statutory requirement, and last year (2017/18) we took the same approach as recommended in this report, by awarding the mid points of each pay scale.
- 3.2 This year, if we applied the DfE award (2.2) in Leeds, only 51% of teachers would receive a pay increase (49% of teachers would receive no pay increase). Trade Unions (TUs) gave a strong indication that they would be opposed to this outcome. TUs, HR and Legal also highlighted that not awarding everyone a pay increase could exacerbate the gender pay gap issue since most teachers working in Leeds are female (approximately 80%).

3.3 A key consideration for the level of award in Leeds is the cost to the LA and schools. The government have committed £508m national funding, the local formula for which will be published in October. Please see section 5.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation with the recognised teacher trade union representatives has included initial discussions, a focus group meeting and final policy agreement via email.

4.1.2 The following stakeholders have been consulted and views of the draft proposals were supportive:

- Neil Evans, Director of Resources and Housing, Lorraine Hallam, Chief Officer of Human Resources, Steve Walker, Director Children and Families, Mary O'Shea, Head of Legal, Simon Criddle, Head of Finance, Councillor Pryor, Executive Member for Learning, Skills and Employment and Councillor Lewis, Executive Member of Resources & Sustainability.
- HR confirmed details of the proposed award and government funding to all 233 maintained school Head teachers on 20th September by email and have received no negative responses.
- NAHT took the proposal to a primary Head teacher forum group (approx. 120 HTs, half our maintained school leaders) on 19th September and the response was positive.
- Alex Watson, Head of HR and Simon Criddle, Head of Finance attended and engaged with school representatives at the Schools forum (finance) meeting on 24th September and feedback was positive.
- Discussions with neighbouring authorities, all of whom are following the same approach where they have the same pay scales already in place.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 As outlined above and in the enclosed Equality Impact Assessment, the recommended pay award goes above the statutory award, ensuring all groups receive the respective statutory increase on their scale point, not just those on the lowest and highest scale points in each pay range.

4.3 Council policies and the Best Council Plan

4.3.1 Continuing to improve educational attainment is a key focus area for the city. We want Leeds to maintain its profile as a destination for qualified and trainee teachers (Leeds has a good reputation for its Teaching Alliances), and pay plays a large part in attracting and recruiting strong candidates into the profession and to Leeds. Reward is a factor for retention, and through local consultation with Head teachers and stakeholders we know that parity of pay and equality across the piece is seen as a way of valuing all teachers despite challenging financial times.

4.4 Resources and value for money

4.4.1 Following publication of the School Teacher Review Body (STRB) and DfE proposals, HR with support from Finance, assessed the potential financial implications of various pay award scenarios:

- 4.4.2 Because Finance budgeted for a 2% pay award on all teacher pay points, the full year on-cost between the DfE award (Option A) and the negotiated local award is £407k, before a government pay grant is factored in. See table below:

Options	Full Year Implication	September 2018 to March 2019 Effect
A – Following the DfE proposals and only awarding min & max points of each range	£307,989	£179,660
B – Following the DfE proposals but applying the increase to the mid points also	£715,194	£417,197
C – Awarding 3.5% to everyone	£2,385,502	£1,391,543
D – Awarding 3.5% to the min and max of all pay ranges (STRB recommendation, rejected by DfE)	£1,035,352	£603,955

- 4.4.3 Government funding (the pay grant) will be allocated to the authority based on the number of pupils in each Leeds maintained school, based on a ‘per-pupil figure’ which is calculated by the DfE using the national teacher pay bill across each school sector (secondary, primary and special).

- 4.4.4 Finance have predicted that although we cannot accurately project the individual cost to schools, the local authority pay bill (407k) should be covered by the pay grant.

- 4.4.5 The recommendation to implement Option B above takes into account these costings and the factors contained within the rest of this report. We are therefore proposing the award outlined in ‘Recommendations’ above.

4.4.6 Impact on the Children’s and Families budget

- 4.4.7 As LCC employs a number of teaching staff in the Children’s and Families directorate, we have estimated the financial impact for the Council on the same range of options, outlined below.

Options	Full Year Implication			September 2018 to March 2019 Effect		
	Total	Funded from DSG	Funded C&F Base Budget	Total	Funded from DSG	Funded C&F Base Budget
	£000’s	£000’s	£000’s	£000’s	£000’s	£000’s
A – DfE proposals only	14	4	10	8	3	5
B – DfE proposals plus mid-points	19	8	11	11	5	6
C - 3.5% everyone	78	44	34	46	26	20
D - 3.5% min & max points (STRB)	57	29	32	33	15	18

- 4.4.8 DSG relates to Delegated Schools Grant funding therefore this element of the additional cost over the 2% budgeted pay award would be picked up by the grant and not impact the Children's and Families (C&F) base budget.
- 4.4.9 The figures above represent the worst case scenario. Most of the base budget figures are also substantially funded from a variety of other sources of income, e.g. traded income or other non-schools grants. Income charging models could be reviewed to cover the additional cost.
- 4.4.10 In summary, the impact on the C&F budget is minimal and the main impact is the affordability for schools.

4.5 Legal Implications, Access to Information and Call In

- 4.5.11 This decision is subject to call in and has been put on the forward plan. The Head of Legal has been informed of the proposals and confirmed there are no legal implications.

4.6 Risk Management

- 4.6.1 The main risk would be not awarding a pay rise to everyone, which has been negated. We have also prevented the potential for industrial action and equal pay issues by taking this approach.

5 Conclusions

- 5.1 The proposals are a result of detailed consultations, costing work and negotiations and balance the requirement to reward all employees in this group with managing the financial impact on Leeds schools.

6 Recommendations

- 6.2 The local teacher pay award for 2018/19 is recommended as follows:
- 3.5% to all points within the unqualified pay range and main pay ranges.
 - 2% to all points within the upper pay range and the leading practitioner pay range and to all allowances across all pay ranges.
 - 1.5% to all points within the leadership pay ranges (including head teacher groups)
 - This recommendation reflects Option B as outlined below.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.