

Staff and Pensions Committee

13 October 2020

Pay award for Warwickshire County Council Employees on School Teachers' Pay and Conditions

Recommendation

That Members approve the application of the national pay award to WCC staff employed on School Teachers' Pay and Conditions Document in line with the approach set out at section 4 of the report.

1.0 Introduction

- 1.1 The following paper outlines the position regarding the 2020 pay award to employees paid on the school teachers' pay and conditions document (known as STPCD) which applies to teachers based in maintained schools and those employed centrally.

2.0 2020 Pay Award to STPCD

- 2.1 The Secretary of State for Education has accepted the recommendations of the 30th report of the School Teachers' Review Body (STRB) and the draft School Teachers Pay and Conditions Document that was published on 21 July for consultation until 14 September 2020.
- 2.2 The revised School Teachers Pay and Conditions Document outlines the following September 2020 pay award:-
- Minimum pay point of the main pay range is increased by 5.5 per cent.
 - Maximum pay point of the main pay range and the minima and maxima of all other pay and allowance ranges for teachers and school leaders are uplifted by 2.75 per cent.
 - Advisory pay points are reintroduced on the main pay range and upper pay range from September 2020.
 - Except for teachers and leaders on the minima of their respective ranges or group ranges, schools must determine – in accordance with their own pay policy – how to take account of the uplift to the national framework in making individual pay progression decisions.

3.0 Considerations and potential risks of inconsistently applying the pay award

3.1 In response to the pay discretions offered to schools, each year the Staff and Pensions Committee have approved a proposal that the nationally determined pay uplift that is applied to the minima and maxima of the pay ranges will be applied equally to all pay points in between (known as the pay reference points). This approach has provided the basis for a consistent application of the pay award and therefore helped to minimise equal pay risks. This agreement has then been incorporated into the school teachers pay policy for centrally employed staff and the model pay policy for teaching staff in schools. Although schools have discretion over how they apply the pay discretions there remains no evidence that they have moved away from the position recommended within the model policy.

3.2 The 2020 School Teachers Pay and Conditions Document (STPCD) has reintroduced advisory pay points on the main pay range and upper pay range from September 2020. Warwickshire's school teachers pay policy already incorporates pay reference points on the main pay range and upper pay range which align, in the main, to the reintroduced advisory pay points. The difference is the proposed advisory pay points, as set out in the STPCD, do not include the structure of points M6a and M6b, which are currently used by Warwickshire, and have been a feature of the LGA modelled pay scales. The draft STPCD does not contain guidance on how assimilation onto the proposed advisory pay points should be managed in these cases. The options available are:

- Option 1 - Assimilate to a single pay point 6 as set out in the STPCD advisory pay points.
- Option 2 - Retain reference pay point 6a and 6b and defer a decision on assimilation to a single pay point 6 following a full review of the financial impact, allowing time to confer with Schools and neighbouring Local Authorities to determine Warwickshire's approach, in consultation with unions.

Estimates suggest the cost to assimilate to a single point 6 would be an additional 0.2% across all schools. The Government is not providing additional funding to support these pay increases which must be funded from existing school budgets. Given the increased financial strain option 1 would cause to schools, it is proposed Warwickshire retain pay points 6a and 6b for the 2020/21 pay year and defer a decision on assimilation following a full review.

3.3 Implementing the approach applied historically and continuing to align to the advisory pay points as set out in the STPCD would mean presenting pay

policies for central and school based staff requiring a 5.5% uplift to the minima of the main pay range at pay reference point 1, decreasing on a tapering scale to a 2.75% uplift at the maxima of the main pay range at pay reference point 6 and an uplift to all other pay points of 2.75%. This is based on the retention of reference point 6a and 6b for the purpose of the 2020/21 pay year. Full details on the application of the tapering on the main pay range is set out in 4.1.

- 3.4 The final recommendations set out in the 2020 STPCD are equivalent to an average 3.1% increase in the overall pay bill nationally. The Government's response states; "this pay award will be affordable, on average, nationally for schools thanks to this Government's three-year investment package announced at the 2019 Spending Round. We are increasing core schools funding by £2.6 billion this year, £4.8 billion in 2021-22 and £7.1 billion in 2022-23, compared to 2019-20. As previously set out, from 2021-22 the funding schools currently receive through the teachers' pay and pension grants will be part of schools' core funding allocations, as determined by the schools national funding formula, and there will be no increase to these grants in respect of this year's pay award".
- 3.5 Warwickshire schools have budgeted for a 2% increase in teachers' pay from September 2020. Estimates suggest the proposed pay award will add 3% to the pay bill and assimilation to a single point 6 would add 3.2% to the pay bill for Warwickshire maintained schools. In terms of affordability, individual schools will face different financial challenges to balance their budget, depending on their staffing profile, pupil numbers and other factors. Schools who cannot fund the pay awards from existing resources will have to find savings from within existing budgets or find ways of generating additional income to balance budgets in future years. Income generation opportunities may be limited due to the effect of the pandemic.
- 3.6 As well as teachers in schools, the local authority also employs teachers directly in services that are traded with schools. The full year cost of the pay award equates to approximately £85,000 (2.86%) of additional salary costs above existing pay levels.
- 3.7 There are implications of not taking a consistent approach, in relation to the potential negative impact on the recruitment and retention of teaching staff, the associated wage drift over time and potential employee relations tensions.
- 3.8 The Local Government Association has been proactive in its representation of the concerns of the vast majority of local authorities, that equal pay risks may arise if schools choose not to apply the pay award consistently across all schools where there is a common employer. The Council has obtained legal advice that confirms that there is a potential equal pay risk in not applying the pay award consistently in all schools. The DfE has not dispelled these

concerns but has highlighted the caution employers must take in these matters.

4.0 Proposed application of the increase

4.1 In order to maximise the consistency of approach and mitigate against future equal pay risks, it is proposed that the following should be incorporated into teacher pay policies for schools and centrally employed staff for 2020/21:

- Main Pay Range:
 - 5.5% uplift to the minima at pay point 1
 - 4.95% uplift to pay point 2
 - 4.4% uplift to pay point 3
 - 3.85% uplift to pay point 4
 - 3.3% uplift to pay point 5
 - 2.75% uplift to pay point 6a
 - 2.75% uplift to pay point 6b
- 2.75% uplift to be applied to the minima and maxima, and all of the pay reference points in between, of all other pay ranges in the national framework - to include upper pay range, unqualified teacher range, leading practitioner pay range, Headteacher pay range, Deputy Head Teacher Pay Range, Assistant Headteacher Pay Range, Leadership Group Pay Range.
- 2.75% increase to be applied to the minima and maxima and all of the pay reference points in-between (where these exist) of all allowances across all pay ranges, including Teaching and Learning Responsibility Payments and Special Education Needs Allowances.
- 2.75% uplift to the minima and maxima, and all of the pay reference points in between, of the Warwickshire Music Service Instrumental Pay Range.

4.2 As set out in 3.2 it is not proposed to move to a single pay point 6 on the main pay range for the 2020/21 pay year. We propose to carry out a full review to further understand the financial impact and confer with Schools and neighbouring Local Authorities to determine Warwickshire's approach, in consultation with unions.

4.3 In adopting this approach there remains a risk that some schools may wish to exercise their discretion not to apply the pay award as recommended within the model policy which could theoretically create the potential for an equal pay risk for the Council. However, legal advice is that there would be the potential to run a legal defence (known as a material factor defence) due to schools being responsible for setting their own pay decisions according to local budget considerations, and this is unconnected to gender.

- 4.4 Ultimately schools have discretion on this matter, however as there is a risk that their actions could generate a liability for the Council, it is proposed that the pay recommendation to our schools should again be accompanied by a notification to Governing Bodies, that any legal costs associated with equal pay claims as a result of not following the Local Authority advice would fall to the school's budget share. This message would be consistent with Section 6.2.11 of the Scheme for the Financing of Schools (Section 48 of the School Standards and Framework Act 1998) that the Council publishes each year.

5.0 Financial Implications

- 5.1 Financial implications are based on the proposed application of the 2020/21 Teachers Pay Award as set out in section 4 of this report.
- 5.2 Warwickshire schools have budgeted for a 2% increase in teachers' pay from September 2020. Estimates suggest the proposed pay award will add 3% to the pay bill and assimilation to a single point 6 would add 3.2% to the pay bill for Warwickshire maintained schools. In terms of affordability, individual schools will face different financial challenges to balance their budget, depending on their staffing profile, pupil numbers and other factors.
- 5.3 For teachers employed directly by the local authority the full year cost of the pay award equates to approximately £85,000 (2.86%) of additional salary costs above existing pay levels.

6.0 Environmental Implications

None

Background papers

None other than published documents:

School Teachers' Review Body 30th Report 2020
 School Teacher's Pay and Conditions Document 2020

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