

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN'S SERVICES

8 November 2016

Report of the Strategic Director for Children's Services

**PAY AWARDS – SCHOOL TEACHERS' PAY AWARD w.e.f.
1 September 2016**

1. Purpose of the Report

To inform the Cabinet Member of the details of the nationally agreed School Teachers' Pay Award payable from 1 September 2016 and associated costs.

To seek retrospective approval for the award of 1% uplift to all teachers employed by Derbyshire County Council (DCC), but not attached to schools across all pay points, within all ranges, Teaching and Learning Responsibility Payments (TLR) and Special Educational Needs (SEN) allowances.

To seek approval from the Cabinet Member to confirm the recommendation made to schools, that Governing Bodies agree to the payment of the 1% uplift across all pay points within all ranges, TLR payments and SEN allowances.

2. Information and Analysis

The Secretary of State for Education announced the Teachers' Pay Award, effective from 1 September 2016, to be a 1% uplift to the statutory minima and maxima of all pay ranges in the national pay framework, including allowances. The changes are contained in the School Teachers' Pay and Conditions Document (STPCD) 2016. This document governs the pay and conditions of teachers employed by a local authority or by the governing body of a foundation, voluntary aided or foundation special school.

The pay award provides for the salary of teachers paid on the minimum or maximum of their pay range to be uplifted to the new national minimum and maximum, as appropriate. The relevant body must determine whether and how to apply the 1% uplift to all interim pay points on the pay ranges.

This is the third year where it is not a statutory requirement for such a national pay award, negotiated in relation to the context of an annual cost of living increase, to be automatically awarded across all pay points within the pay scales and allowances. This situation results from the changes introduced in the 2013 STPCD, where national pay scales for classroom teachers were reduced to the provision of minimum and maximum points for each scale and relevant bodies were required to agree a pay policy which set the pay points in between.

DCC is the relevant body for teachers not attached to schools. A Teachers' Pay Policy was approved by Cabinet on 15 July 2014. It was agreed to replicate the same pay points that were previously set nationally, increased in line with any national pay award, as it was felt that that this structure continued to provide a sound and reasonable pay framework. It is recognised by the Department for Education that schools and local authorities (LAs) may wish to adopt this approach.

The STPCD was only laid before Parliament at the end of August 2016, yet the new pay ranges came into effect from 1 September 2016. It is desirable for an early decision to be made in relation to the payment of the 1% pay award to teachers employed by DCC and not attached to schools, where this is discretionary. Likewise, confirmation of the recommendation made to school Governing Bodies, on the potential payment of 1% uplift across all the pay ranges, would be beneficial. October's salary payment represents the earliest possible date for implementation of the award for those teachers for whom the award is statutory. In order to treat employees equally it is desirable to implement the payment to all teachers employed by the Council and not attached to schools at the same time, given that the approach to be taken continues the decisions and principles adopted in previous years.

In line with previous determinations, a 1% uplift to all pay points, across all pay ranges and allowances, is recommended for teachers employed by DCC and not attached to schools. In recommending this action and in consideration of the potential impact on recruitment and retention, the following has been taken into account:-

- This nationally determined pay award has been agreed within the

context of an annual cost of living increase. It is reasonable that all teachers should benefit.

- It would be inequitable for teachers on the minimum or maximum of a pay range to receive an automatic pay increase, which is not awarded to other teachers. There is no rationale to support awarding a pay uplift to only some teachers, when no performance criteria are to be applied.
- For some teachers employed by DCC not to receive a nationally agreed cost of living public sector pay award would treat them differently from other categories of DCC employees.
- If the 1% pay uplift is only added to the maximum and minimum of pay ranges, this would introduce an imbalance into each pay range.
- Not to apply the uplift equally across the pay ranges and allowances would be likely to have a negative impact on employee relations.

It is proposed to recommend to school Governing Bodies that they adopt the same approach and agree to increase all pay points within ranges by 1%, giving consideration to relevant factors outlined above and the benefits of a consistent approach across the Authority.

The proposal contained in this report continues the amendment made to the main pay range in 2015. An alternative point at the maximum of the main pay range at point 6, (M6a), was created which represented a 2% increase on the 2014 maximum of the range. This resulted from an additional 1% being awarded to the top of the main pay range in 2015, but guidance from the DfE, stating that the additional amount should only be awarded on the basis of performance. A report is submitted annually to the Cabinet Member seeking approval for the performance pay progression of teachers who have achieved a successful appraisal review and have not already reached the top of their pay range.

3. Financial Considerations

The cost of the Teacher's Pay Award at 1% for teacher's employed by the Local Authority in a central function is estimated at an annual cost of £85,402 including estimates for associated pensions and national insurance costs. Of this amount, £49,818 is anticipated to arise in the financial year 2016/17.

When the last performance management report on the salary progression of teachers employed by DCC, but not attached to schools, was approved, it showed that 23 of the 223 teachers employed were not already paid on either the maximum or the minimum of their pay

range, so a significant majority of teachers will receive the award on a statutory basis.

Most of the teachers that this would apply to are funded from the Dedicated Schools Grant (DSG) and the award of an increase therefore creates an additional charge to that grant in 2016/17. Overall, the DSG is anticipated to have the capacity to absorb this cost. The costs of the very small number of teachers centrally employed within the Music Partnership are met by the Arts Council grant which funds this work.

4. HR Considerations

There has been formal consultation at Schools' Joint Consultative Committee (SJCC) and agreement reached with the recognised unions and professional associations in relation to the application of the 1% national pay award to all teachers' pay ranges and allowances. It was not possible to reach a collective agreement on one issue, the continued inclusion of 2 points at the top of the main pay range. Point M6, £32,835, represents the next point to which a teacher previously paid at M5 would normally progress. Point M6(a), £33,160, is the range maximum and is achieved through successful appraisal review. The national position of two of the trade unions precluded agreement of the pay policy, while it includes 2 points at M6. The NASUWT has also indicated an intention to assert its right to be consulted at school level as not all elements of the model pay policy received collective agreement. There are plans to consult with head teachers during the 2016/17 academic year to seek views on a return in future to a single value at the top of the main pay range, at the statutory maximum.

5. Legal Considerations

The statutory requirement for teachers' pay and conditions for maintained schools in England and Wales are set out in the School Teachers' Pay and Conditions Document and accompanying statutory guidance. The STPCD imposes various duties on relevant bodies in relation to the determination of teachers' pay.

Local authorities must abide by the statutory requirements and must have regard to the guidance issued, as a court or tribunal may take any failure to do so into account in any legal proceedings. The changes introduced from September 2016 by the STPCD relate only to an uplift of 1% to the minimum and maximum of all classroom teacher pay ranges and allowances.

The current proposal to award all teachers, employed by the DCC and not attached to schools, a 1% uplift in pay across all current points on the teachers' pay ranges, adopted by the Council, goes beyond the statutory requirements contained within the STPCD. However, for classroom teachers and leadership group members who are not on the statutory minima or maxima of the pay ranges, it is for the relevant body to determine how to apply the uplift to individual salaries and pay ranges when implementing this national pay award. The local authority is the relevant body where the school does not have a delegated budget or where the teacher is an unattached teacher (Part 1 STPCD), therefore it may choose to determine that a 1% uplift across all pay points and allowances is appropriate.

The proposed uplift is compliant with the relevant provisions of anti-discrimination legislation contained in the Employment Relations Act 1999, the Equality Act 2010, the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002. It is also consistent with the principles of public life – objectivity, openness and accountability.

6. Social Value Considerations

This report does not involve the commissioning or procurement of services or goods so it is not possible to reference the consideration of social value in such a context. However the economic and social well-being of the communities served by the teachers who will be affected by the implementation of this pay award, should benefit from the positive effect on recruitment and retention of the Council adopting a fair and equitable approach to the freedoms available in determining teachers' pay.

7. Other Considerations

In preparing this report the relevance of the following factors has been considered – equality and diversity, health, environmental, transport, property and prevention of crime and disorder considerations.

8. Background Papers

Full details of the pay awards in the STPCD and the DfE guidance, 'Implementing your school's approach to pay', are available in the Children's Services Human Resources Section.

9. Key Decision

No

10. Strategic Director's Recommendations

That the Cabinet Member agrees to the award of a 1% increase in pay, and to classroom teacher allowances (Teaching and Learning Responsibility payments and Special Educational Needs allowances), backdated to 1 September 2016, to all teachers employed by Derbyshire County Council, but not attached to schools, across all pay points, the costs of which will be met from the Dedicated Schools Grant

That the Cabinet Member agrees to recommend to Governing Bodies that a 1% uplift in salary and to classroom teacher allowances (TLR payments and SEN allowances) is awarded to teachers employed in schools, across all pay points, backdated to 1 September 2016.

Jane Parfrement
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