



Department
for Education

Evidence to the STRB: The 2013 Pay Award

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Introduction

1. The Secretary of State's remit letter to the School Teachers' Review Body (STRB), on 17th January 2013, requested recommendations on how to apply the 2013 pay award. As first announced by the Chancellor of the Exchequer in his Autumn Statement in November 2011, the Government's policy is for public sector pay awards to average 1% in each of the two years following the pay freeze. The Secretary of State asked the STRB for recommendations on how the average 1% pay uplift should be applied in 2013. Specifically he asked the STRB to make recommendations about:
 - What adjustments should be made to the salary scales for classroom teachers and unqualified teachers to reflect the average 1% pay award for public sector workers;
 - How the average 1% pay award should apply to the leadership pay scales;
 - How the average 1% pay award should apply to teacher allowances.
2. In his response to the STRB's 21st report, the Secretary of State proposed that the minima and maxima for classroom teachers' pay be updated in each year 2013-14 and 2014-15. The response to the STRB's 21st report also said: "Schools are free to determine the extent of pay uplifts to teachers within the minima and maxima, and will be able to provide an uplift of 1%, in line with any overall uplift in pay in the public sector, if they so choose".
3. This document provides the Secretary of State's evidence to support the STRB's consideration of how the 2013 pay award should apply to teachers and school leaders.

The case for pay restraint at the national level

4. The Government believes that there remains a strong case for continued pay restraint in the public sector. Returning the UK to sustainable, balanced growth is the Government's overriding priority. The UK was one of the hardest hit by the financial crisis of 2008 and 2009. Between the first quarter of 2008 and the second quarter of 2009, Gross Domestic Product (GDP) fell by 6.3 per cent. In 2010 and 2011, the UK economy was hit by a series of further shocks: the lasting effect of the financial crisis, the euro area sovereign debt crisis and commodity price driven inflation.
5. Further detailed evidence about the state of the economy and the labour market in England and Wales is provided in Annex A.
6. This is the context for the Government's public sector pay policy and the Chancellor of the Exchequer's announcement that public sector pay awards should average 1% in each of the two years 2013-14 and 2014-15.

Affordability in schools

7. Investment in education is one of the Government's key priorities for driving long term economic growth.
8. The overall schools' budget in England is protected and will stay at the same level on a per pupil basis until the end of this Spending Review period and will rise as the pupil population grows. The Pupil Premium is additional to this and is targeted at those pupils who need it most. In 2012/13 Dedicated Schools Grant allocations, before recoupment of funding for academies, total £36.855 billion. The Pupil Premium is an additional £1.250 billion in 2012/13 and is set to rise to £1.875 billion in 2013/14.
9. Individual school budgets vary from year to year due to changes in local funding formulae. To protect schools from significant reductions, in England we have put in place a Minimum Funding Guarantee to the end of this Spending Review period which ensures that no school sees more than a 1.5% per pupil reduction in their budgets (excluding sixth form funding) compared to the previous year and before the Pupil Premium is added. The Government is committed to moving to a national funding formula that will be more transparent, encourage better quality education and give pupils greater choice over where they go to school.
10. In Wales the education budget in 2011/12 was approximately £2.598 billion of which £2.235 billion was in the schools budget and £363 million was in the LEA budget. The funding delegated to schools in 2011/12 was £2.021 billion.
11. Teachers in England and Wales have been subject to a pay freeze since September 2011. In 2011/12 the estimated pay bill for all teachers in England and Wales was £21.990 billion. Under current arrangements, assuming constant teacher numbers, even in a pay freeze we would expect the pay bill to rise each year as a consequence of progression and changes in the profile of the teacher workforce.
12. Maintained schools spend over three quarters of their budgets on staffing costs. We estimate that a 1% average pay uplift could add up to an additional £220m to the pay bill of schools in England and Wales. This includes academies who are not bound by the provisions of the School Teachers' Pay and Conditions Document (STPCD). There is no additional funding for schools to cover the implementation of the 2013 pay award. The costs of the 2013 pay award will need to be met from within school budgets. This makes affordability a key consideration for the 2013 pay award.
13. The recommendations in the STRB's 21st report represent a significant step towards a system where schools have the freedom to spend their money as they see fit to meet their pupils' needs and get the best value for money from their budgets. Current arrangements – where pay progression is automatically awarded to most teachers - limit a school's ability to use its total salary budget to reward the best teachers. The STRB's recommendations will allow schools to use those

funds to reward excellent performance rather than continue to be locked into statutory pay arrangements that mean year on year pay bill pressures that are beyond their control. They will provide schools with more autonomy over the management of their budgets, so that they are free to make choices between their relative priorities and meet their school's unique set of needs more effectively.

14. Subject to the outcomes of consultation on a revised STPCD, reformed arrangements for teachers pay will be implemented from September 2013.
15. Further evidence about affordability in schools is provided in Annex B.

Maintaining a supply of high quality teachers and leaders

16. The most important factors in raising standards in schools are the quality of teaching and the quality of school leadership.
17. The state of the current teacher labour market in England and Wales is broadly positive. Teacher vacancies are low and there is a strong supply of high quality graduates into teaching. The proportion of graduates with degree classifications of 2:1 or higher is increasing. Rates of recruitment to the key shortage subjects – mathematics, sciences and modern foreign languages – are improving and a record number of men are applying to train as primary school teachers.
18. The recommendations in the STRB's 21st report give schools increased flexibilities that will support head teachers in addressing teacher shortages in specific subjects and in certain areas of the country. It will be particularly important to schools in disadvantaged areas, empowering them to attract and recruit the teachers that they need to deliver outstanding education in the most challenging circumstances.
19. Evidence shows that high-performing teachers generate five to six more months of student learning each year than poor performing teachers. This could drastically improve the life chances of children attending these schools. In England schools in the most challenging circumstances, that often struggle to retain good teachers, will be able to deploy their pupil premium, which will be worth £1.875 billion in total in the financial year 2013-14, amounting to £900 per eligible pupil, to attract and keep those teachers that are most able to improve the educational attainment of the most disadvantaged pupils.
20. The state of the current labour market for school leaders is more mixed. In both England and Wales there have been some recent reductions in the number of entrants to headship but vacancy rates are very low. In England 0.2% of leadership posts and 0.1% of head teacher posts are unfilled in November 2011.
21. Further information about the labour market for teachers and school leaders in England and Wales is provided on Annexes C-E.

Applying the 2013 pay award

22. The Government's response to the STRB's 21st report set out the Government's position in relation to the application of the average 1% pay award to the salary scales for teachers as follows:

"The statutory minima and maxima for classroom teachers' pay will be updated by 1% in each year 2013-14 and 2014-15."

23. The effect of uplifting the minima and maxima for each of the classroom teacher pay ranges is shown in the table below.

Reformed classroom teacher pay ranges with statutory minima and maxima uplifted by 1%

Pay ranges				
	England and Wales	Inner London	Outer London	London Fringe
Main Scale				
Min	£21,804	£27,270	£25,368	£22,852
Max	£31,868	£36,751	£35,467	£32,914
Upper Pay Scale				
Min	£34,523	£41,912	£37,975	£35,570
Max	£37,124	£45,450	£40,837	£38,173
Discretion for higher level specific posts				
Min	£37,836	£44,985	£40,837	£38,878
Max	£57,520	£64,676	£60,524	£58,565
Unqualified Teacher Scale				
Min	£15,975	£20,092	£18,977	£17,025
Max	£25,266	£29,379	£28,272	£26,313

24. The STRB's 21st report recommended that the pay points between minima and maxima for classroom teachers become discretionary reference points. The impact of this, as stated in the Government response to the STRB's 21st report, is as follows:

"Schools are free to determine the extent of pay uplifts to teachers within the statutory minima and maxima and will be able to provide an uplift of 1% in line with any overall uplift in pay in the public sector, if they so choose."

25. We are currently consulting on plans for the implementation of the STRB's recommendations and propose to publish discretionary reference points in non-statutory guidance alongside a revised STPCD. The STRB may wish to suggest that the discretionary references points should be uplifted.
26. The STPCD provides statutory minima and maxima for teacher allowances. It also provides a statutory leadership pay spine which has 43 points for each of the four regional pay bands. The STRB will want to consider how the average 1% pay

award should apply across the statutory provisions for leadership pay and allowances in the STPCD.

27. This evidence provides details of the national labour market and local variations. Schools already have a number of pay flexibilities that they can use if they wish to differentiate the remuneration they offer to teachers according to reflect various factors, including local recruitment and retention; roles and responsibilities; and specialist qualifications.
28. As indicated in the Secretary of State's letter of 17 January 2013, the STRB will want to also consider whether differentiation could make the implementation of the pay award more difficult or onerous for schools and how it might impact on individual school budgets. If the STRB proposed a larger pay award to some teachers than to others, some schools may see a disproportionate increase in their pay bill as a result.

Annex A: The evidence for pay restraint

Economic context and outlook for the economy

Growth

- A1** The UK was amongst the hardest hit by the financial crisis of 2008 and 2009. Between the first quarter of 2008 and the second quarter of 2009, Gross Domestic Product (GDP) fell by 6.3 per cent. The crisis also reduced the UK's growth potential relative to the pre-crisis trend. The UK has since been hit by a series of shocks: the lasting effect of the financial crisis, the euro area sovereign debt crisis and commodity price driven inflation in 2011. The Office for Budget Responsibility's (OBR) October 2012 Forecast Evaluation Report showed that by the second quarter of 2012 the GDP was 4.7 percentage points lower than had been forecast at Budget 2010.
- A2** The Government's comprehensive strategy for achieving strong, sustainable and balanced growth has been based on four pillars: monetary activism supporting the recovery; financial sector reform building the resilience of the system and reducing risks; returning the public finances to a sustainable position, and a comprehensive package of microeconomic reforms to strengthen the economy.
- A3** Compared with Budget 2012, the OBR's December Economic and fiscal outlook revised down its forecast for UK GDP growth across the forecast horizon, reflecting the scale and persistence of the challenges facing the economy. GDP growth is projected to pick up every year of the forecast as factors weighing on the recovery ease.
- A4** In September the Government unveiled a major housing and planning package to boost jobs and growth, including: conditionally removing affordable housing restrictions to help unlock 75,000 homes; guarantees for up to £10bn of new homes; temporarily cutting red tape so it's easier for businesses and families to improve their properties; a £280m extension of the NewBuy Scheme to help 16,500 more first time buyers; and more affordable homes.
- A5** The Autumn Statement 2012 also set out additional measures to equip the UK to compete in the global race, by switching from current spending to £5.5bn of capital investment in science, roads and education, and offering support for business and enterprise.
- A6** However, the UK's open economy and large financial sector means it is not immune to global risks from deteriorating global confidence and nervous financial markets. Conditions remain challenging given that Europe remains the UK's major trading partner, accounting for over 40% of all UK exports. The ongoing intensity of the euro area crisis has created uncertainty, undermined confidence and fed through to tighter credit conditions for household and firms. The International Monetary Fund (IMF) forecast the euro area economy to contract by 0.4 per cent in 2012.
- A7** Output contracted by 0.3 per cent in Q4 following growth of 0.9 per cent in Q3. The figure remains heavily distorted by special factors.

Table 1A: Forecasts for GDP growth 2012 to 2014

Forecasts for GDP growth (per cent)	2012	2013	2014
OBR (December 2012 Autumn Statement)	-0.1	1.2	2.0
Bank of England mode projection (November 2012)	0.1	0.8	1.6
Avg. of independent forecasters (January 2013)	0.0	1.0	1.7

Inflation

- A8** Despite the difficult current conditions, inflation has more than halved since its peak in September 2011. CPI inflation peaked at 5.2 per cent in September 2011 but fell back sharply in 2012 as past rises in commodity and energy prices and VAT dropped out of the twelve month comparison. In the third quarter of 2012 falling energy prices and broader-based weakness in price pressures caused inflation to fall faster than the OBR forecast in March. CPI inflation in the fourth quarter of 2012 was 2.7 per cent.
- A9** CPI inflation was 2.7 per cent in December, unchanged from November and October. Upward pressure from utility bills and clothing was offset by downward pressure from airfares and motor fuels.
- A10** The Bank of England's November Inflation Report forecasts higher inflation in the near term relative to the August report due to 'idiosyncratic' factors including tuition fees, food prices and rises in household energy bills. The Committee notes that rises in these prices are largely unconnected with domestic capacity pressures, with few long-run inflationary implications. They are judged instead to have a transient impact on inflation, causing it to remain a little above target for the first part of the forecast period, remaining above target at the end of 2013 but close to target by the end of 2014. Table 2A sets out the latest forecasts for inflation from the OBR, Bank of England and the average of independent forecasters.

Table 2A: Forecasts for CPI Inflation 2012 to 2014

Forecasts for CPI Inflation (per cent change on a year earlier)	Q4 2012	Q4 2013	Q4 2014
OBR (December 2012 Autumn Statement)	2.6	2.3	2.1
Bank of England mode (November 2012)	2.6	2.3	1.8
Avg. of independent forecasters (January 2013)	2.6	2.3	2.1

Affordability

- A11** The Government has clear and credible fiscal consolidation plans which are essential for maintaining stability in the face of an uncertain global outlook. The deficit has been reduced by a quarter over the two years since 2009-10. Cumulative debt interest payments from 2010-11 to 2015-16 are forecast to be £33bn lower than expected at the June Budget 2010 forecast.

- A12** However rebalancing is taking longer than expected as exports and investment remains subdued because of weak global growth and uncertainty. The persistent effects of the financial crisis, the impact of the euro zone crisis and the commodity price driven inflation in 2011 have weighed on recovery.
- A13** As a result, the outlook for the public finances has deteriorated. Cyclically-adjusted borrowing is forecast to approach balance over the five-year forecast horizon and the OBR concludes that the Government also remains on track to meet the fiscal mandate to achieve balance in the cyclically-adjusted current budget by the end of the rolling, five-year forecast period. The Government's judgement is that it is neither necessary nor justified to undertake additional consolidation in the short term in response to the cyclical deterioration in the public finances set out by the OBR. Instead the Government is not overriding the operation of the automatic stabilisers, in support of the economy. Autumn Statement 2012 is therefore fiscally neutral over this Parliament to 2015-16.
- A14** As a result, the OBR's assessment is that public sector net debt as a percentage of GDP will be falling in 2016-17, a year later than set out in the supplementary debt target. The Government's response has been recommended by international organisations, such as the IMF and OECD, and the Governor of the Bank of England.
- A15** At this time of rising debt, the Government will restore debt to a sustainable, downward path and will retain the existing supplementary debt target and continue to be measured against it. As set out in the June Budget 2010, the Government will set a new target once the exceptional rise in debt has been addressed.
- A16** Illustrating the implications of the consolidation for departmental spending levels, Table 3A shows the resource DEL Budgets for each department, as set at the 2010 Spending Review. An estimated £171 billion in 2011-12 was spent on public sector pay, representing around 50 per cent departmental resource spending.¹
- A17** The Government's fiscal consolidation strategy has been effective in providing protection against uncertainty from the global economy. As shown by Figure 1A and noted by the Organisation for Economic Cooperation and Development (OECD), *"the Government's fiscal policy stance and strong institutions have secured the confidence of financial markets, as evidenced by the near-record low government bond yields"*.²

¹ PESA, Table 5.3 on pay and PESA 2009/10, HM Government. Available at: http://www.hm-treasury.gov.uk/d/pesa_july_2011_chapter5.xlsx. Public sector pay outturn: £168 bn. Public sector Total Managed Expenditure, £691.7bn, RDEL: £346 bn (July 2011)

² OECD, *OECD Economic Outlook*, (November 2012)

Table 3A: Resource DEL Budgets for each Department (Excluding Depreciation)

	£ billion			
	Estimate 2011–12	Plans		
		2012–13	2013–14	2014–15
Departmental Programme and Administration Budgets (Resource DEL excluding depreciation¹)				
Education	51.2	52.5	53.1	54.2
NHS (Health)	101.1	104.3	106.9	109.8
Transport	4.8	5.1	4.9	4.5
CLG Communities	1.8	1.8	2.0	1.4
CLG Local Government	26.6	23.9	23.8	22.2
Business, Innovation and Skills	16.3	15.9	14.9	13.9
Home Office	8.7	8.6	8.0	7.7
Justice	8.5	7.7	7.3	7.0
Law Officers' Departments	0.6	0.6	0.6	0.5
Defence ²	28.6	27.6	24.7	24.5
Foreign and Commonwealth Office	2.1	1.8	1.4	1.2
International Development	6.2	6.8	9.1	8.9
Energy and Climate Change	1.1	1.4	1.4	1.0
Environment, Food and Rural Affairs	2.0	2.0	1.9	1.8
Culture, Media and Sport ³	1.5	2.0	1.2	1.1
Work and Pensions	7.4	7.8	7.7	7.8
Scotland	24.9	25.2	25.4	25.5
Wales	13.2	13.4	13.5	13.5
Northern Ireland	9.5	9.5	9.5	9.6
Chancellor's Departments	3.6	3.7	3.6	3.4
Cabinet Office	2.1	2.1	2.0	2.2
Small and Independent Bodies	1.7	1.5	1.4	1.3
Reserve ⁴	0.0	1.9	2.3	2.4
Special Reserve ⁵	0.0	0.6	2.5	1.8
Green Investment Bank	0.0	0.0	1.0	0.0
Adjustment for Budget Exchange ⁶	0.0	-0.6	0.0	0.0
OBR allowance for shortfall	-1.0	0.0	0.0	0.0
Total Resource DEL excluding depreciation¹	322.5	327.2	330.2	327.0

¹ Resource DEL excluding ring-fenced depreciation is the Treasury's primary control within resource budgets and the basis on which Spending Review 2010 settlements were agreed.

² The Defence budget for 2012–13 reflects the likely initial allocation of funding from the Special Reserve for the net additional cost of military operations. No such allocation has yet been made for 2013–14 onwards; the funding remains within the Special Reserve for these years.

³ Includes the Olympics budget which falls to £0 billion after 2012–13.

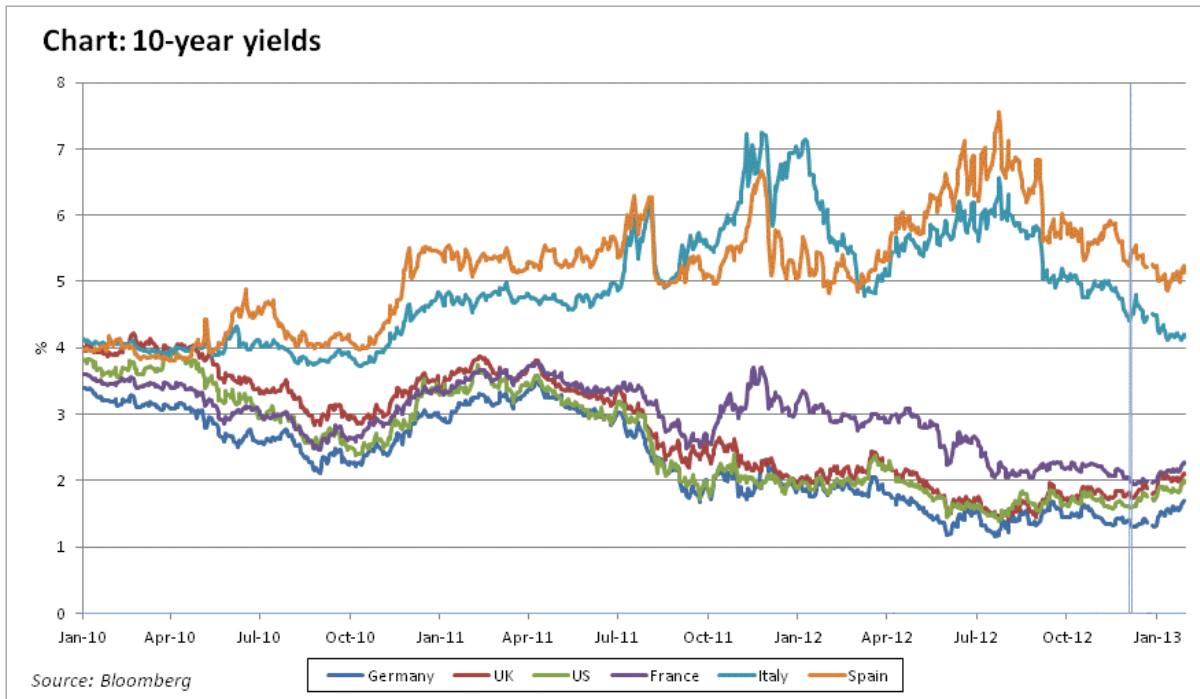
⁴ The Reserve has been reduced by £0.2 billion per annum to offset the costs of bringing the Royal Mail Pension Plan into the public sector.

⁵ The Special Reserve has been reduced by £2.4 billion over the spending review period to reflect the reduction in the net additional costs of military operations in Afghanistan.

⁶ Departmental budgets in 2012–13 include £0.6 billion RDEL excluding depreciation and £0.2 billion capital DEL carried forward from 2011–12 through the system of Budget Exchange, which will be voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

Source: Budget 2012, HM Treasury, March 2012

Figure 1A: 10-year government bond yields



A18 As the euro area debt crisis has intensified, global developments have shown that the consequences of losing market confidence can be sudden and severe. In May 2010, UK long-term interest rates were around the same level as those of Italy and Spain. Spain currently faces long-term interest rates above 5 per cent and Italy above 4 per cent, compared with below 2 per cent for the UK.

A19 There remains substantial uncertainty over the medium term. Public sector net borrowing was £15.4 billion in December 2012; this is £0.6 billion higher net borrowing than in December 2011, when net borrowing was £14.8 billion. The experience of countries in the euro area shows that market confidence can be lost rapidly and unexpectedly and, once lost, is difficult to restore. A sharp rise in interest rates would be particularly damaging to an economy with the UK's high levels of public and private sector debt. A one percentage point increase in government bond yields would add around £7.8 billion to annual debt interest payments by 2017-18. A 1 percentage point rise in effective mortgage rates would add £12 billion a year to households' mortgage interest payments. Therefore, the UK must remain focused on restoring fiscal sustainability.

Labour market

A20 Having worsened in the second half of 2011, headline labour market indicators have been more positive since the beginning of 2012. The level of employment increased for the fourth consecutive quarter in the third quarter of 2012, leaving employment up 513,000 over the year. Having reached 8.4 per cent in the final quarter of 2011, ILO unemployment fell to 7.8 per cent in the third quarter of 2012 – its lowest rate since the three months to May 2011.

A21 In the third quarter of 2012, the overall level of Labour Force Survey (LFS) employment was 4,000 above its pre-recession peak in the three months to May 2008, but the employment rate remained 1.8 percentage points lower than its

pre-recession peak. While the level has recovered, the composition of employment has changed along a number of dimensions; part-time employment rose by 626,000 (compared to a fall in full-time employment of 621,000) and self-employment rose by 355,000 (compared to a 396,000 fall in the number of employees) over the same period.

- A22** Many labour market indicators have a long way to go to recover to their pre-recession conditions and some indicators (such as the level of vacancies and subdued average earnings growth) suggest that underlying labour demand remains tentative. There is still some uncertainty surrounding the labour market outlook.

Employment and unemployment

- A23** Private sector employment increased by 65,000 in the third quarter of 2012, more than offsetting a 24,000 reduction in public sector employment. Following upward revisions to the public sector employment figures and excluding the impact of the reclassification of 196,000 employees of education corporations in the second quarter of 2012, private sector employment increased by 1.146 million between the first quarter of 2010 and third quarter of 2012, more than offsetting a reduction in public sector employment of 387,000.
- A24** Over the year to the third quarter of 2012, the 513,000 increase in employment has largely been driven by an increase in part-time employment which has increased by 316,000 over the year compared to a 197,000 increase in full-time employment. While 'involuntary' part-time employment declined by 11,000 in the third quarter of 2012, it increased by 143,000 over the year and remains widespread; accounting for 17.8 per cent of part-time employment in the third quarter of 2012 (around 1.4 million people).
- A25** The ILO unemployment rate, which rose from a trough at 5.2 per cent in the first quarter of 2008 and peaked at 8.4 per cent (2.66m people) in the final quarter of 2011, has subsequently fallen to 7.8 per cent in the third quarter of 2012.
- A26** Youth unemployment (16 to 24) reached its highest level since comparable records began in the three months to November 2011, peaking at 1.044m or 22.3 per cent of all active young people. In the third quarter of 2012, youth unemployment fell by 47,000 to 963,000 (20.7 per cent). However, this includes around 300,000 young people in full-time education. Excluding people in full-time education, there were 648,000 unemployed 16 to 24 year olds in the third quarter of 2012.
- A27** Long-term unemployment (unemployment spells of 12 months and over) has more than doubled since the start of 2008, but the incidence of long-term unemployment remains below the peaks experienced following previous recessions. The level of long-term unemployment has increased for three consecutive quarters. Over a third (35.5 per cent) of all unemployed people (894,000 people) had been unemployed for more than 12 months in the third quarter of 2012.
- A28** The claimant count (number of people claiming Jobseeker's Allowance) rose consistently from the end of 2010 to the beginning of this year. Since November 2011 it has remained around 1.6 million, standing at 1.6 million in the three months to June 2012 – around 820,000 above its level in February 2008. In October 2012, the number of claimants rose for second consecutive month (up 10,100). Table 4A summarises these statistics.

Table 4A: Labour market statistics summary (Levels in 1,000s, rates in %)

	2008	2009	2010	2011	Latest ³
Employment level (All aged 16 and over)	29,440	28,960	29,035	29,176	29,576
Employment rate (All aged 16-64)	72.6	70.9	70.5	70.5	71.2
Unemployment level (All aged 16 and over)	1,783	2,394	2,479	2,560	2,514
Unemployment rate (All aged 16 and over)	5.7	7.7	7.8	8.1	7.8
Youth unemployment level (All aged 16-24)	742	920	934	981	963
Youth unemployment rate (All aged 16-24)	15.1	19.3	19.8	21.0	20.7
Claimant Count	906	1,528	1,496	1,534	1,582

Recruitment and retention

A29 Recruitment potential has remained strong in the economy as a whole, reducing some of the upward pressure on pay. Having hit a low of 430,000 in mid-2009, vacancy levels published by the Office of National Statistics (ONS) have recovered marginally, and were at 476,000 in the three months to September 2012, although the number of vacancies remains well below its long-run average prior to the recession of around 620,000. The number of unemployed for each vacancy has remained above five since the first half of 2009, more than twice the pre-recession average, standing at 5.2 in the third quarter of 2012.

A30 CIPD data shows that turnover rates increased or remained flat in most sectors, although public sector voluntary turnover rates have fallen over the past few years⁴. For voluntary leavers, the median leaving rate is lower in the public sector than all sectors surveyed, although sample sizes are small (table 5A). This has continued to fall despite the public sector pay freeze announced in 2010.

A31 All sectors reported a pickup in recruitment difficulties compared with last year. Part of this increase can be explained by an increase in difficulties filling vacancies for senior managers/directors where reported recruitment difficulties have doubled compared to last year (10% to 19%). Retention challenges increased for the public sector (38% had no difficulties in 2012 compared with 49% in 2011). This was particularly true for managers and professionals, although as mentioned earlier this is also an issue in the private sector. Recruitment in the public sector is likely to remain subdued over the coming years as Departments continue to come under pressure to reduce their staffing numbers and costs.

³ Latest data: three months to September 2012, October 2012 for Claimant Count.

⁴ CIPD annual survey report 2012. *Resourcing and Talent Planning*: Bracketed is ppt change from previous year.

Table 5A: Median turnover rates by industry (%)

	All Leavers			Voluntary Leavers		
	2012	2011	2010	2012	2011	2010
Private Sector Services	16.1 (+2.3)	13.8 (-0.8)	14.6 (-2.2)	8.9 (+0.2)	8.7 (+1.3)	7.4 (-3.0)
Public Services	10.1 (+1.6)	8.5 (-0.1)	8.6 (-4)	1.9 (-1.5)	3.4 (-2.4)	5.8 (-1.8)
Manufacturing and production	9.5 (0.0)	9.5 (-2.9)	12.4 (-2.9)	4.5 (+0.8)	3.7 (+1.0)	2.7 (-5)
Voluntary, Community and not-for profit	13 (-0.1)	13.1 (-2.8)	15.9 (-0.5)	7.6 (+0.6)	7 (-3.2)	10.2 (-0.8)

Public and private sector earnings

A32 Pay in the public sector continues to be, on average, above that of the private sector. A 2012 study by the Institute of Fiscal Studies estimated that the average difference between public and private sector pay in 2011 was 8.3%, controlling for the type and characteristic of employees⁵. A similar study by the ONS estimates the premium to be between 2.2% and 7.3%.⁶

Changes in average earnings

A33 Regular pay (which is total pay excluding bonuses) growth for the whole economy fell from above 4 per cent in the years preceding the recession, to one per cent at the end of 2009.

A34 Average private sector regular pay grew by 1.4 per cent in 2010 and although it has gained some strength in 2011 and at the beginning of 2012, with growth of around 2 per cent for the past year, it remains below its pre-recession average. In the public sector (excluding financial services) average regular pay growth was 2.3 per cent in 2010 and 1.8 per cent in 2011.⁷ The percentage of all employees reporting a pay freeze, as recorded in settlements data by IDS, fell from over 20 per cent of all employees in 2010 to 14 per cent in 2011. However, this remains high compared to a pre-recession average of around 1 per cent.⁸

A35 The sharp drop in bonuses seen in 2009 put more downward pressure on total pay (pay including bonuses), with pay growth in the whole economy turning negative through the start of 2009. Growth in bonuses has been weak across broadly all private sector industries over the past few months (although construction and manufacturing have experienced stronger growth in the last quarter). Total private

⁵ The IFS Green Budget, February 2012, <http://www.ifs.org.uk/budgets/gb2012/gb2012.pdf>

⁶ ONS, *Estimating differences in public and private sector pay at the national and regional level*. http://www.ons.gov.uk/ons/dcp171776_288081.pdf, (2012)

⁷ ONS, 'Average Weekly Earnings'

⁸ IDS, Online pay settlements database

sector pay has recovered somewhat but remains weak, growing by just 2 per cent in 2010 and 2.5 per cent in 2011, compared to above 4 per cent prior to the recession. Public sector total pay grew by 2.1 per cent in 2010 but fell to 1.5 per cent in 2011.

A36 Total public sector pay growth has been weaker since 2011, although it was higher before 2011. Table 6A sets out the differences in regular and total pay growth across years in the public and private sector.

A37 Despite the pay freeze, average earnings in the public sector (as measured by the ONS) still display positive growth for a number of reasons: the provision of £250 to those earning £21,000 or less, upwards pay drift due to constrained recruitment, and the fact that some three year pay deals only ended in September 2011.

Table 6A: regular pay (excluding bonuses) and total pay growth⁹

	Total Pay, annual growth			Regular pay, annual growth		
	All	Private	Public ¹⁰	All	Private	Public ¹⁰
2009	-0.1%	-1.0%	2.8%	1.7%	1.2%	3.0%
2010	2.3%	2.0%	2.1%	1.9%	1.4%	2.3%
2011	2.5%	2.5%	1.5%	2.0%	2.0%	1.8%
<i>Three months to September 2012</i>	1.8%	1.7%	2.3%	1.9%	1.9%	2.5%

Public sector pensions

A38 When considering changes to remuneration, it is important to consider the overall value of the public sector reward package. As set out above, pay in the public sector continues to be above that of the private sector on average. However, there are many reasons aside from pay that may drive an individual's decision as to whether they will work in the public or private sector.

A39 One major factor in the overall reward package is pension provision. In the last few decades pension provision in the public and private sectors has diverged, in response to pressures around longevity, changes in the business environment and investment risk. This has led to a sharp decrease in the provision of defined benefit schemes. Around 85% of public sector employees are members of employer sponsored pension schemes, compared to only 35% in the private sector.

A40 The interim report of the Independent Public Service Pensions Commission, chaired by Lord Hutton, was published on 7 October 2010. It said that there was a clear rationale for increasing member pension contributions to ensure a fairer distribution of costs between taxpayers and members. In response, Spending Review 2010 set out an average 3.2 percentage point increase in contributions to be phased in progressively over three years from April 2012. However, the Government made clear that lower earners will be protected – there should be no increase in member contributions for those earning under £15,000, and no more than a 1.5 percentage point increase in total (before tax relief) for those earning up

⁹ ONS, AWE; HMT calculations.

¹⁰ Public Sector excluding financial services

to £21,000. In April 2012, contributions increased by an average of 1.3 percentage points, and will increase by a further 1.3 percentage points in April 2013. The Government will review the impact of the April 2013 contribution increases, including the number of people opting out of pension schemes, before taking final decisions on how final increases in April 2014 will be delivered. There has been discernible change in opt-out as a result of the April 2012 increases.

- A41** The Commission's final report was published on 10 March 2011. The Government accepted its recommendations as a basis for consultation, and on 2 November 2011 published '*Public Service Pensions: Good pensions that last*' that set out its preferred pension scheme design as the framework for further discussion with trades unions and member representatives. As a result of these discussions, Final Proposed Scheme Designs for all of the major public service schemes were reached in spring and summer 2012. These will be provided for under the Public Service Pensions Bill, which was introduced to Parliament in September 2012, and subsequent scheme regulations made under powers in this Bill. The new schemes come into effect in 2015, and will remain amongst the very best available in the UK.
- A42** Putting together the evidence on pension provision and pay levels – and recognising that there will be significant variation between and within individual workforces – the overall remuneration of public sector employees is above that of the market. The Government is therefore clear that any changes to public service pensions, including the progressive increase in contributions from 2012-13, do not justify upward pressure on pay.

Annex B: Affordability in schools

Funding for schools in England

- B1** Investment in education is one of this Government's key policies for driving long term economic growth so it is especially important that we protect schools' funding at a time of economic difficulty. It is for this reason that the overall schools budget is protected at flat cash per pupil to the end of this spending review period and will rise as the pupil population grows. The Pupil Premium is additional to this and is targeted at those pupils who need it most.
- B2** Although the overall schools budget will stay at the same level on a per pupil basis before the addition of the Pupil Premium, individual school budgets will vary from year to year due to changes in local funding formulae. To protect schools from significant budget reductions, we have put in place a Minimum Funding Guarantee (MFG) to the end of this spending review period which ensures no school sees more than a 1.5% per pupil reduction in their budgets (excluding sixth form funding) compared to the previous year and before the Pupil Premium is added.
- B3** The Government has committed to moving towards a national funding formula that will be more transparent, encourage better quality education and give pupils greater choice over where they go to school. The first step is to simplify the local funding arrangements so that schools are funded on a much simpler and more consistent basis and so that when we do come to address the national system, there is far less complexity for us to untangle. More funding now goes directly to schools and we have significantly reduced the number of factors that local authorities can use in their formulae for allocating funding to schools.

The schools budget and school spending

- B4** In 2012/13 Dedicated Schools Grant allocations, before recoupment of funding for Academies, total £36.855 billion. The Pupil Premium is an additional £1.250 billion in 2012/13, and is set to rise to £1.875 billion in 2013/14. Individual schools budgets can vary significantly. They reflect both the distribution of funding across the country as well as historic and current decisions that local authorities have taken when allocating funding between schools in the same area.

Spending in schools

- B5** In the financial year 2011-12¹¹ LA maintained schools in England spent a total of £32.3 billion. During the same period they generated an income of £1.9 billion, resulting in a total net expenditure of £30.4 billion. Of the total expenditure:
- £260.6 million (0.8%) was spent by LA maintained nursery schools
 - £17.4 billion (53.9%) was spent by primary schools (which included a number of primary schools with nursery classes);
 - £12.7 billion (39.2%) was spent by secondary schools; and
 - £2.0 billion (6.1%) was spent by special schools.
- B6** Maintained schools spent £24.9 billion, or 76.9% of their total expenditure, on

¹¹ SFR07/2013. Available at: <http://www.education.gov.uk/researchandstatistics/statistics/statistics-by-topic/a00219238/expenditure-education-services-social-care-2011/12>

staffing costs. Of which:

- £16.6 billion (51.4% of total expenditure) was spent on permanent and supply teaching staff (excluding agency supply teachers and supply teacher insurance costs);
- £4.8 billion (14.7%) on education support staff; and
- £3.5 billion (10.8%) on other school staff.

B7 Academies spent approximately £3.85 billion on teachers in the 2011/12 academic year. Overall spending data for 2011/12 is not yet available, and due to the rapid expansion of the Academies programme since 2010 it would not be possible to draw meaningful conclusions from 2010/11 data. Data on spending in Academies is not directly comparable with the data collected for local authority maintained schools. Academies receive additional funding to reflect the wider responsibilities that are carried out by the local authority for maintained schools.

The pay freeze and the cost of a 1% pay uplift

B8 Teachers have been subject to a pay freeze since September 2011. In the academic year 2011/12 the estimated pay bill for all teachers in publicly funded schools in England and Wales was £21.990 billion. Based on teacher numbers remaining constant the bill would be expected to grow by approximately £170m (0.8%) between 2011/12 and 2012/13 despite the pay-freeze. This is partly accounted for by the net effect of progression within the profession, wastage from the profession and entry and re-entry into the profession.

B9 The overall cost of applying an average 1% pay uplift to all teachers in England and Wales would be approximately £220 million. (This includes teachers in academies who are not covered by the STPCD.) Using current models of rates of progression, recruitment and wastage in the teacher labour market we would expect this to contribute to a £300 million (1.4%), increase in the size of the teacher pay bill in 2013/14 when compared to 2012/13. Schools would need to meet this cost from within their existing budgets. If the recommendations of the STRB proposed a larger award to some teachers than to others there may be schools that saw disproportionate increases in their staffing budget as a result. This would have the potential to create a risk to their financial security.

School budgets in Wales

B10 Responsibility for school funding in Wales sits with the Welsh Government. The education budget in 2011/12 was approximately £2.598 billion. Of this £2.235 billion was in the schools budget and £363 million in the LEA budget. The funding delegated to schools in 2011/12 was £2.021 billion. The amount of funding that local authorities in Wales delegate directly to schools ranges from 77% and 84% of overall gross schools budgeted expenditure. Overall gross schools expenditure per pupil is budgeted to be £5,520 per pupil, of which £1,049 per pupil is retained for centrally funded school services.

Annex C: The teacher labour market¹²

C1 In November 2011 there were approximately 438,000 FTE teachers. Table 1C shows the FTE numbers of teachers in England split by grade and phase. The majority of teachers are classroom teachers (over 350,000 FTE). There are approximately 58,500 leadership teachers and 14,500 unqualified teachers.

Table 1C: Full-time equivalent teachers (FTE) by grade and phase (England, November 2011)

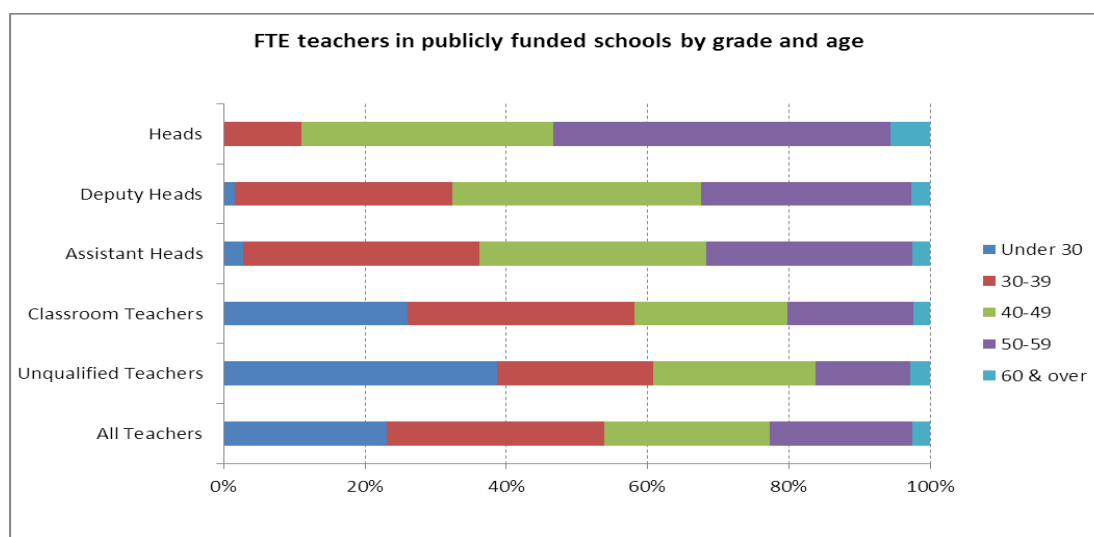
	Nursery	Primary	Secondary	Special	Total
Head	360	15,780	3,170	900	20,590
Deputy Head	140	11,410	5,230	900	17,970
Assistant Head	70	7,090	11,460	1,040	19,930
Classroom teachers	710	154,120	177,470	11,040	351,680
Unqualified teachers	30	4,050	8,380	980	14,500

Source: School Workforce Census, November 2011

The teaching workforce

C2 23% of all FTE teachers in publicly funded schools were aged 50 and over, whilst 23% per cent of teachers were aged under 30. 52% of head teachers were aged 50 and over. Overall, just 1% of leadership teachers (heads, deputy and assistant heads) were aged under 30. Unqualified teachers held the largest proportion of teachers under 30 at 39%. Age distributions by grade are shown in Figure 1C. School leaders are discussed in more detail in Annex E.

Figure 1C: Full-time equivalent teachers (FTE) in publicly funded schools by grade and age (England, November 2011)

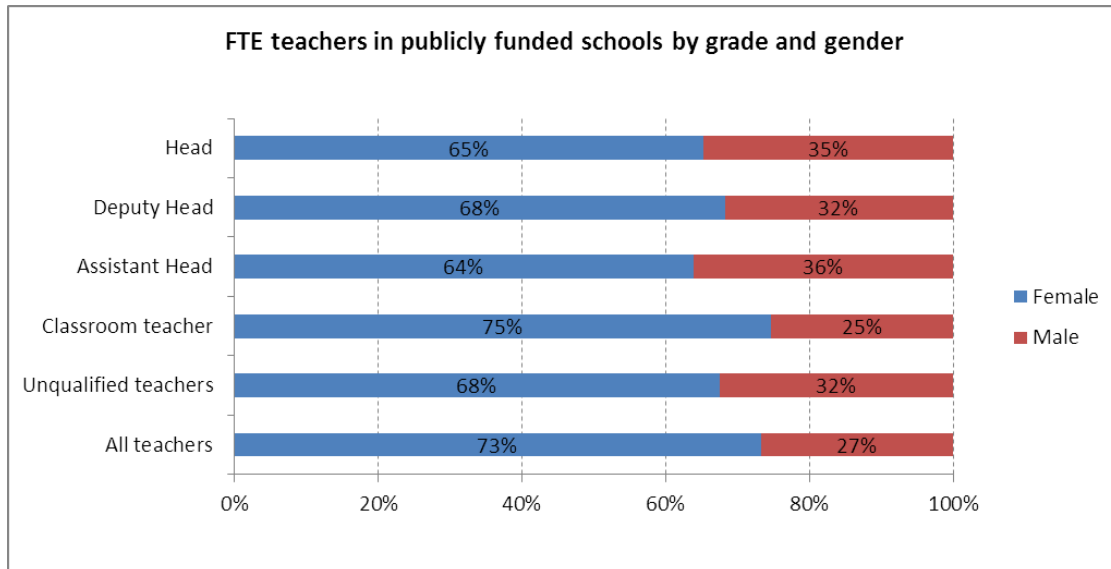


Source: School Workforce Census, November 2011

¹² All figures taken from the School Workforce Census 2011 and are England only unless otherwise stated.

C3 Across the whole teaching profession, 73% of teachers are female. For classroom teachers this is slightly higher at 75%. For the leadership group and unqualified teachers, the percentage of female teachers is less than 70%. Figure 2C shows the proportions of females and males for each grade.

Figure 2C: Full-time equivalent teachers (FTE) in publicly funded schools by grade and gender (England, November 2011)



Source: School Workforce Census, November 2011

- C4** Additional analysis shows that the gender distribution also varies quite significantly by phase of school. In primary schools there are a significantly higher proportion of female teachers across all grades than in secondary schools. For example, approximately 70% of primary head teachers are female, whereas less than 40% of secondary head teachers are female. For classroom teachers the gender difference between phases is smaller than for heads but is still markedly different, with lower proportions of female classroom teachers in secondary than primary schools.
- C5** Table 2C shows the ethnic background of teachers in England by grade. The percentage of teachers with a non-white ethnic background decreases as grade increases.

Table 2C: Distribution of full-time equivalent teachers (FTE) by grade and ethnicity (England, November 2011)

	Head	Deputy Head	Assistant Head	Classroom teacher	Unqualified teachers	Total
White	97.5%	96.6%	95.1%	92.9%	89.5%	93.3%
White British	94.5%	93.3%	91.6%	88.0%	78.1%	88.4%
White Irish	1.8%	1.7%	1.5%	1.6%	1.5%	1.6%
Any Other White Background	1.2%	1.5%	2.0%	3.3%	9.9%	3.3%
Black	0.8%	1.2%	1.6%	2.0%	3.3%	2.0%
Black African	0.1%	0.3%	0.4%	0.8%	1.1%	0.7%
Black Caribbean	0.6%	0.8%	1.0%	1.0%	1.8%	1.0%
Any Other Black Background	0.1%	0.1%	0.2%	0.2%	0.5%	0.2%
Asian	1.0%	1.4%	2.3%	3.4%	4.1%	3.2%
Bangladeshi	0.1%	0.1%	0.1%	0.4%	0.5%	0.3%
Indian	0.6%	0.8%	1.3%	1.7%	2.0%	1.6%
Pakistani	0.2%	0.3%	0.6%	0.9%	1.2%	0.8%
Any Other Asian Background	0.1%	0.2%	0.3%	0.5%	0.5%	0.5%
Mixed	0.5%	0.6%	0.6%	0.9%	1.6%	0.9%
White and Black African	0.0%	0.0%	0.1%	0.1%	0.2%	0.1%
White and Black Caribbean	0.1%	0.2%	0.1%	0.2%	0.5%	0.2%
White and Asian	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
Any Other Mixed Background	0.2%	0.2%	0.2%	0.4%	0.6%	0.3%
Chinese	0.0%	0.1%	0.1%	0.2%	0.3%	0.2%
Any Other Ethnic Group	0.1%	0.3%	0.3%	0.5%	1.2%	0.5%
All teachers	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: School Workforce Census, November 2011

Classroom teacher salaries

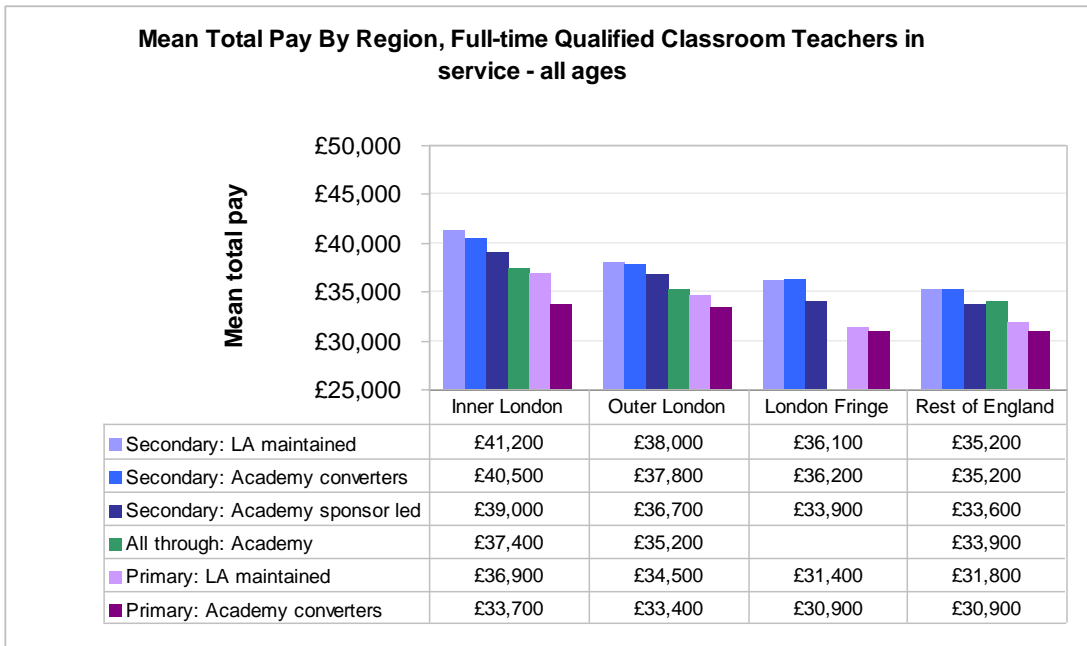
- C6** The starting salaries for classroom teachers on the Rest of England and Wales pay band (the lowest of the four regional pay bands) are £21,588 for a qualified teacher and £15,817 for an unqualified teacher. As stated in the School Workforce Census Statistical Release¹³ (SWC), the average salary of a full-time qualified classroom teacher in a publicly funded school in November 2011 was £34,700.
- C7** Teachers' salaries are largely driven by the location of the school they work in. However, analysis of the November 2011 SWC¹⁴ also shows that the overall level of pay varies between phase and sector. Figure 3C shows that average salaries for full-time, qualified classroom teachers¹⁵ are higher in secondary schools than in primary schools, across both the maintained and academy sectors.

¹³ SFR 06/2012.

¹⁴ This analysis excludes the pay data of those teachers where an unexpected regional pay spine (referring to one of the four area pay bands) has been recorded on the School Workforce Census. This may lead to results differing from that published in the School Workforce Census Statistical First Release.

¹⁵ Classroom teachers in this chart exclude Advanced Skills Teachers (ASTs) and Excellent Teachers (ETs).

Figure 3C: Mean total pay of full-time qualified classroom teachers by region and school type



Source: School Workforce Census, November 2011

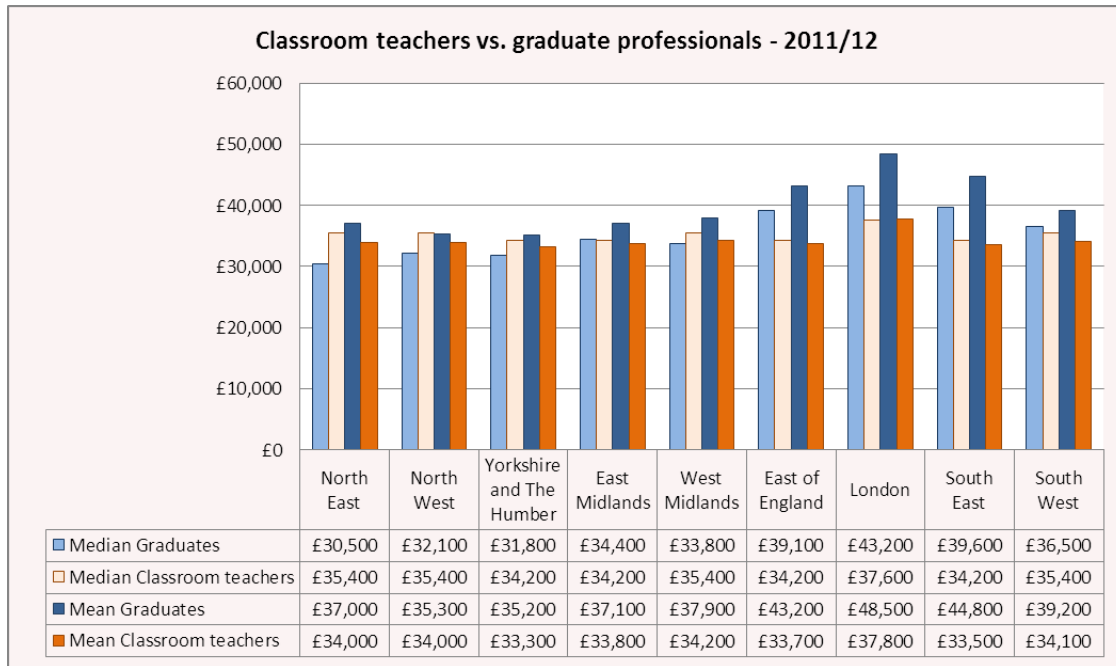
- C8** Figure 4C shows that classroom teacher¹⁶ median salaries are higher than private sector graduate professionals¹⁷ in the North East, North West, Yorkshire and the Humber and the West Midlands. The median salaries are similar in the East Midlands, whereas in the East of England, London, South East and South West median salaries of classroom teachers are lower than that of graduate professionals. For all regions the graduate professionals' mean salaries are higher than those for classroom teachers. This is due to the fact that there are some graduate professionals earning very high salaries, which are inflating the value of the mean, but have little effect on the median.
- C9** In the ten year period leading up to the pay freeze the pay of teachers in local authority (LA) maintained schools saw real terms increases. The real terms earnings of classroom teachers in LA maintained schools in England grew by 7% from March 2001 to November 2010. In the same period the average earnings of all teachers¹⁸ in LA maintained schools in England grew by 10% in real terms.

¹⁶ In this pay comparisons analysis classroom teachers include ASTs and ETs

¹⁷ In this pay comparisons analysis graduate professionals refer to those in occupations that are classified as "professional occupations" and "associate professional and technical occupations"

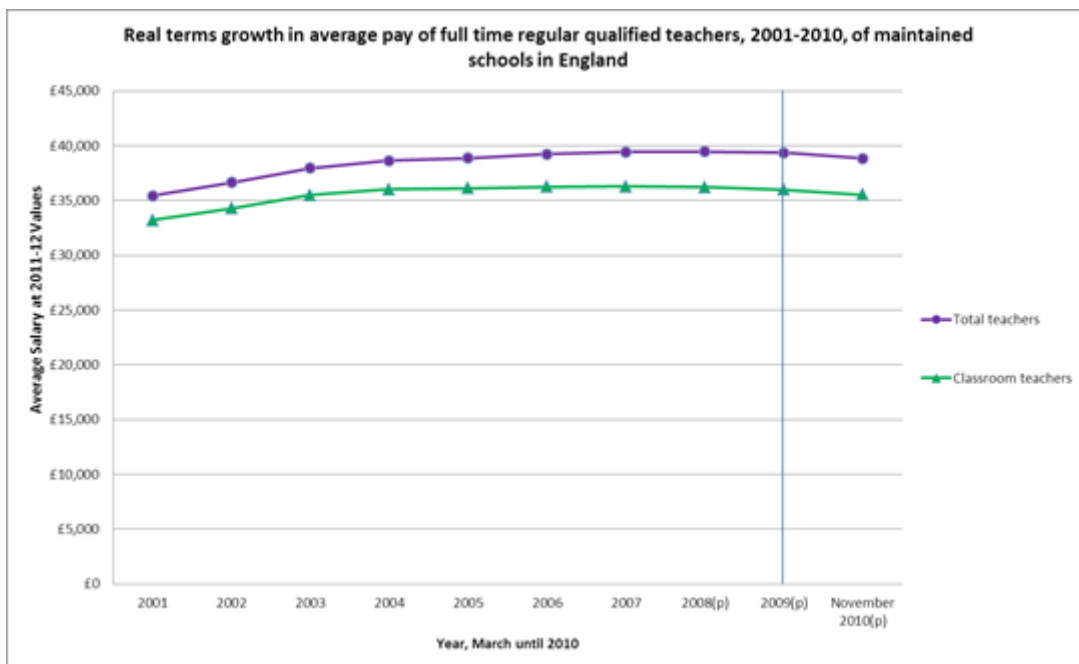
¹⁸ Including leadership grades

Figure 4C: Classroom teachers' salaries vs graduate professional salaries 2011/12



Source: School Workforce Census November 2011 (teachers), Labour Force Survey (graduate professionals)

Figure 5C: Classroom teachers' salaries vs graduate professional salaries 2011/12¹⁹



Source: Database of Teacher Records (prior to 2010) and School Workforce Census (from 2010)

C10 The SWC collects data on the use of pay flexibilities by schools. Departmental analysis of the November 2011 SWC data found that Outer London schools made

¹⁹ Vertical line represents the last point produced using DTR data. For all years prior to 2011 salaries are presented at 2011-12 values

the greatest use of pay flexibilities – with 82% of Outer London schools using at least one type of pay flexibility in 2011. Conversely, half (49%) of schools in the South West made use of pay flexibilities, much lower than the average of 66%. Inner London schools were the most likely to use Recruitment and Retention (RAR) and Special Education Need (SEN) allowances and Outer London schools were the most likely to use Teaching and Learning Responsibility payments (TLR). South West schools were least likely to use RAR allowances and TLR payments and West Midlands were least likely to use SEN allowances. Inner and Outer London schools were most likely to place NQTs above M1 and the North West the least likely. Table 3C below shows the percentage of schools and academies in each region that used each type of pay flexibility.

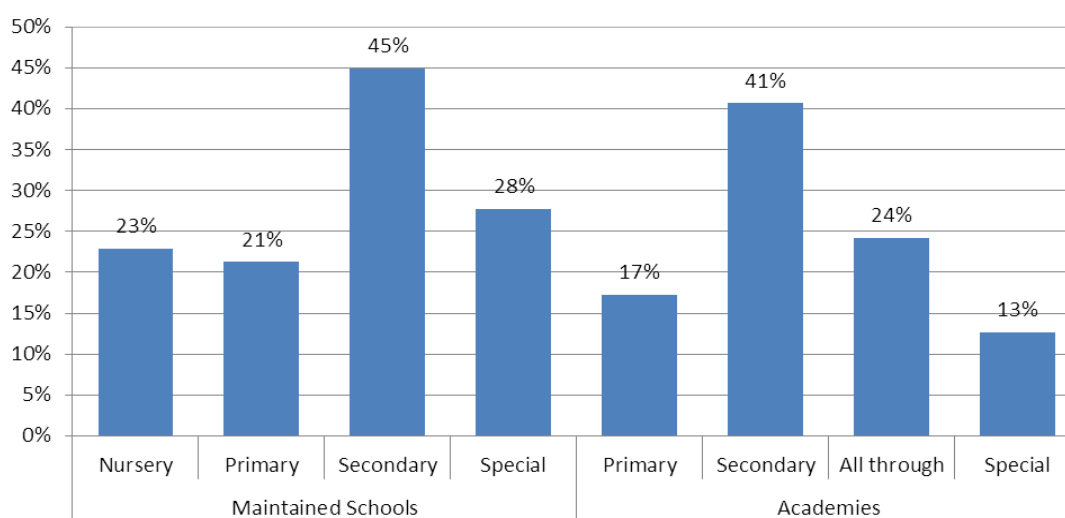
Table 3C: Use of pay flexibilities²⁰ by region (England, November 2011)

	Total Number of Schools in region	Schools using RAR payments		Schools using TLR payments		Schools using SEN payments		Schools placing NQTs above M1		Schools using any of the pay	
		Number	As % of schools in region	Number	As % of schools in region	Number	As % of schools in region	Number	As % of schools in region	Number	As % of schools in region
North East	1,128	155	13.7%	777	68.9%	125	11.1%	58	5.1%	812	72.0%
North West	2,850	199	7.0%	1,824	64.0%	397	13.9%	71	2.5%	1,972	69.2%
Yorkshire and The Humber	2,103	180	8.6%	1,240	59.0%	159	7.6%	118	5.6%	1,349	64.1%
East Midlands	1,995	145	7.3%	1,306	65.5%	257	12.9%	86	4.3%	1,398	70.1%
West Midlands	2,221	241	10.9%	1,507	67.9%	156	7.0%	108	4.9%	1,588	71.5%
East of England	2,479	264	10.6%	1,118	45.1%	227	9.2%	155	6.3%	1,312	52.9%
Inner London	905	186	20.6%	616	68.1%	148	16.4%	107	11.8%	648	71.6%
Outer London	1,471	178	12.1%	1,141	77.6%	215	14.6%	207	14.1%	1,201	81.6%
South East	3,262	380	11.6%	1,928	59.1%	461	14.1%	292	9.0%	2,168	66.5%
South West	2,198	84	3.8%	956	43.5%	218	9.9%	89	4.0%	1,084	49.3%
Total	20,612	2,012	9.8%	12,413	60.2%	2,363	11.5%	1,291	6.3%	13,532	65.7%

Source: School Workforce Census, November 2011

Coverage: Full-time qualified classroom teachers in publicly funded schools for whom data is provided

Figure 6C: Proportion of full-time qualified classroom teachers who receive TLR payments by phase and sector



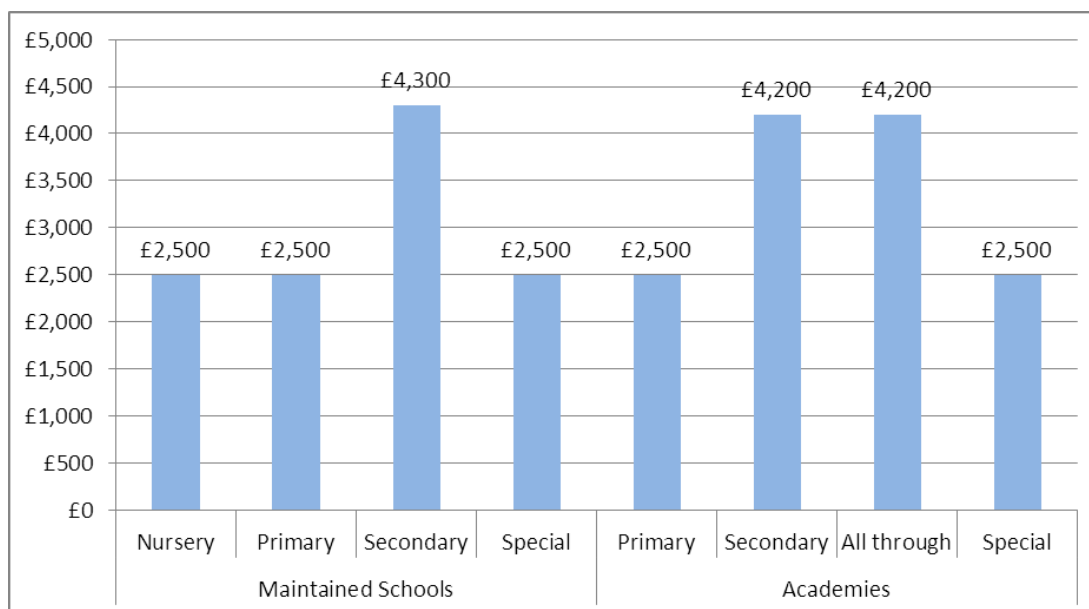
Source: School Workforce Census, November 2011

Coverage: Full-time qualified classroom teachers in publicly funded schools for whom data is provided

²⁰ A school is counted if they are paying a pay flexibility to at least one full-time qualified classroom teacher

C11 The most commonly used pay flexibility is TLR payments. These are more widely used in the secondary phase and the maintained sector. Figure 6C shows the proportion of teachers who receive TLR payments by phase and sector. The average value of TLR payments varies significantly by phase, with secondary teachers receiving higher average payments than primary teachers. Figure 7C shows median annual TLR payments by phase and sector.

Figure 7C: Median annual TLR payments to full-time teachers by phase and sector



Source: School Workforce Census, November 2011

Coverage: Full-time qualified classroom teachers in publicly funded schools for whom pay data is provided.

Vacancies and demand

C12 Table 4C shows vacancy rates by English regions between 2001 and 2011. The dotted line indicates a change in data source prior to the final two years in the series. From November 2010, vacancy rates are based on a census date in November (prior rates were based on a census date in January, a time of the year in which schools would be expected to have more vacancies than in November). A general decline in vacancy rates and the change in census date accounts for the large drop between January 2010 and November 2010.

Table 4C: Vacancy rates in publicly funded schools by region (England, November 2011)

GOR	Vacancy rate (as a percentage of teachers in post)										Nov 2010	Nov 2011
	Jan 2001	Jan 2002	Jan 2003	Jan 2004	Jan 2005	Jan 2006	Jan 2007	Jan 2008	Jan 2009	Jan 2010		
North East	0.8	0.6	0.7	0.5	0.4	0.4	0.4	0.5	0.4	0.5	0.2	0.1
North West	0.5	0.6	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3	0.1	0.1
Yorkshire and the Humber	0.5	0.9	0.6	0.5	0.6	0.5	0.5	0.7	0.5	0.4	0.1	0.1
East Midlands	0.7	0.9	0.5	0.4	0.4	0.4	0.3	0.5	0.5	0.3	0.1	0.1
West Midlands	0.9	1.1	0.8	0.7	0.7	0.6	0.6	0.9	0.9	0.6	0.1	0.1
East of England	1.7	1.7	1.2	0.9	0.8	0.8	0.7	0.8	0.9	0.5	0.1	0.1
London	3.5	2.7	2.1	1.4	1.3	1.2	1.0	1.1	0.9	0.6	0.1	0.1
South East	2.0	1.4	1.2	0.8	0.7	0.7	0.6	0.8	0.6	0.4	0.1	0.1
South West	0.6	0.5	0.4	0.3	0.4	0.3	0.3	0.4	0.3	0.2	0.1	0.1
England	1.4	1.2	0.9	0.7	0.7	0.6	0.6	0.7	0.6	0.4	0.1	0.1
England (excl. London)	1.0	1.0	0.8	0.6	0.6	0.5	0.5	0.6	0.6	0.4		

Source: 618g Survey and School Workforce Census

- C13** The latest two years of data also show little variation across regions. Prior to these years, despite being almost in constant decline, vacancy rates in London have been at least 40% higher than the average between 2001 and 2010. This does however mask the variation that is known to exist between and within local authorities. In the East of England, vacancy rates have been a minimum of 15% higher across the time series up to January 2010. With a few exceptions, vacancy rates in the South East have also been higher than the national average, as have rates for the three years up to and including January 2010 in the West Midlands.
- C14** As London has had persistently higher than average vacancy rates, a notional national average excluding London has been used to examine whether any of the regions have persistently low vacancy rates, perhaps indicating an over-supply of teachers in that region. For each year between 2001 and 2010, vacancy rates in the South West have been at least 30% lower than the national average (excluding London); for the North West, rates have been at least 14% lower, and for the East Midlands at least 11% lower.
- C15** The Local Government Workforce Survey (2010/11) reports a median average annual vacancy rate on 1st April 2011 of 2% across all English authorities (based on a 55% response rate), suggesting teacher vacancy rates compare favourably to those in other publicly funded professions. Table 5C shows the occupations most frequently reported with retention difficulties in English authorities between 2006 and 2009. In 2009, teaching features as the fourth highest profession, but by 2010 teaching no longer appears as one of the top ten occupations most frequently reported with retention difficulties.

Table 5C: The occupations most frequently reported with retention difficulties: percentages of authorities for 2006, 2008 and 2009

	2006	2008	2009
Children's social workers	49	39	60
Adult social workers	43	24	28
Mental Health social workers	33	12	17
Teachers	23	12	15
Planning officers	39	31	14
Environmental health officers	30	20	13
Engineering professionals	11	6	13
Occupational therapists (adults)	27	5	11
Building control officers	26	22	11
Legal professionals	15	11	11
Chartered surveyors	16	9	11

Source: Local Government Workforce Survey 2009 and 2008, Local Government Pay and Workforce Strategy Survey 2006

Base: varies depending on the occupation, as not all occupation types are employed by each type of authority

- C16** In publicly funded secondary schools in November 2011 both the total number of vacancies (520) and all vacancies as a percentage of teachers in post (0.3%) are lower than those in November 2010 (values were 630 and 0.4% respectively in 2010).
- C17** Table 6C uses data from the SWC in 2010 and 2011 to illustrate national vacancy rates by subject. In line with historical trends, above average vacancy rates are seen for mathematics, information technology and English. Although the vacancy rate for all sciences is close to the average, this masks a shortage of 'specialist' chemistry and physics teachers.

Table 6C: Full-time classroom teacher vacancies and temporary filled number²¹ of posts²² and rates in publicly funded secondary schools and academies by subject²³

	VACANCIES AS A PERCENTAGE OF TEACHERS IN POST		NUMBER OF VACANCIES	
	2010	2011	2010	2011
ALL VACANCIES	0.4	0.3	630	520
MAIN TEACHING SUBJECT				
Mathematics	0.7	0.5	120	100
Information technology	0.5	0.4	40	30
All sciences	0.4	0.4	80	90
Languages	0.3	0.4	30	40
English	0.5	0.4	110	80
Drama	0.3	0.1	10	-
History	0.2	0.3	10	20
Social sciences	0.6	0.3	20	10
Geography	0.2	0.2	10	10
Religious education	0.3	0.2	10	10
Design and technology	0.4	0.2	40	20
Commercial/business studies	0.5	0.1	20	-
Art/craft/design	0.2	0.1	10	10
Music	0.2	0.2	10	10
Physical education/sport/dance	0.2	0.1	30	20
Careers	-	-	-	-
Other main and combined subjects	0.5	0.4	50	50
Unknown subjects	.	.	30	20

Source: School Workforce Census, November 2010 and November 2011

C18 Although the vacancy rate for all sciences is close to the national average, a quarter of hours taught in physics are taught by a non-specialist teacher. DfE analysis considered the number of specialist teachers for each of the English Baccalaureate (EBacc) subjects, the proportion of hours taught in these subjects by non-specialists, and finally the number of additional specialist teachers that would need to be recruited to teach the non-specialist hours as shown in Table 7C. This analysis also shows high proportions of non-specialist hours for modern foreign languages, although this does not account for the native tongue of the teacher.²⁴

²¹ Advertised vacancies for full-time permanent appointments (or appointments of at least one term's duration). Includes vacancies being filled on a temporary basis of less than one year

²² Teachers in post include full-time qualified regular teachers in (or on secondment from) publicly funded secondary schools

²³ Totals may not appear to equal the sum of the component parts because of rounding

²⁴ For the languages, there is no accounting for the native tongue of the teacher (e.g. a teacher who speaks French as a first language but who did not hold a post-A level qualification in 'French' would not be counted as a specialist)

Table 7C: Number of ‘specialist’²⁵ teachers and percentage of hours taught by ‘non-specialist’ teachers in publicly funded schools (England, November 2011)

EBacc subject	<i>Number of 'specialist' teachers in subject</i>	<i>% of hours taught by 'non-specialist'</i>	<i>Number of additional 'specialist' teachers needed to teach the 'non- specialist' hours</i>
Mathematics	25,660	16.0%	4,900
English	30,380	12.5%	4,320
Physics	3,910	24.1%	1,240
Chemistry	5,180	17.9%	1,130
Biology	7,330	11.0%	910
Combined / General science ¹	31,720	5.8%	1,960
History	11,990	12.6%	1,730
Geography	10,060	16.3%	1,960
French	11,230	20.2%	2,840
German	3,640	24.8%	1,200
Spanish	3,190	40.2%	2,140
Other modern languages	1,120	63.5%	1,950

Source: School Workforce Census, November 2011

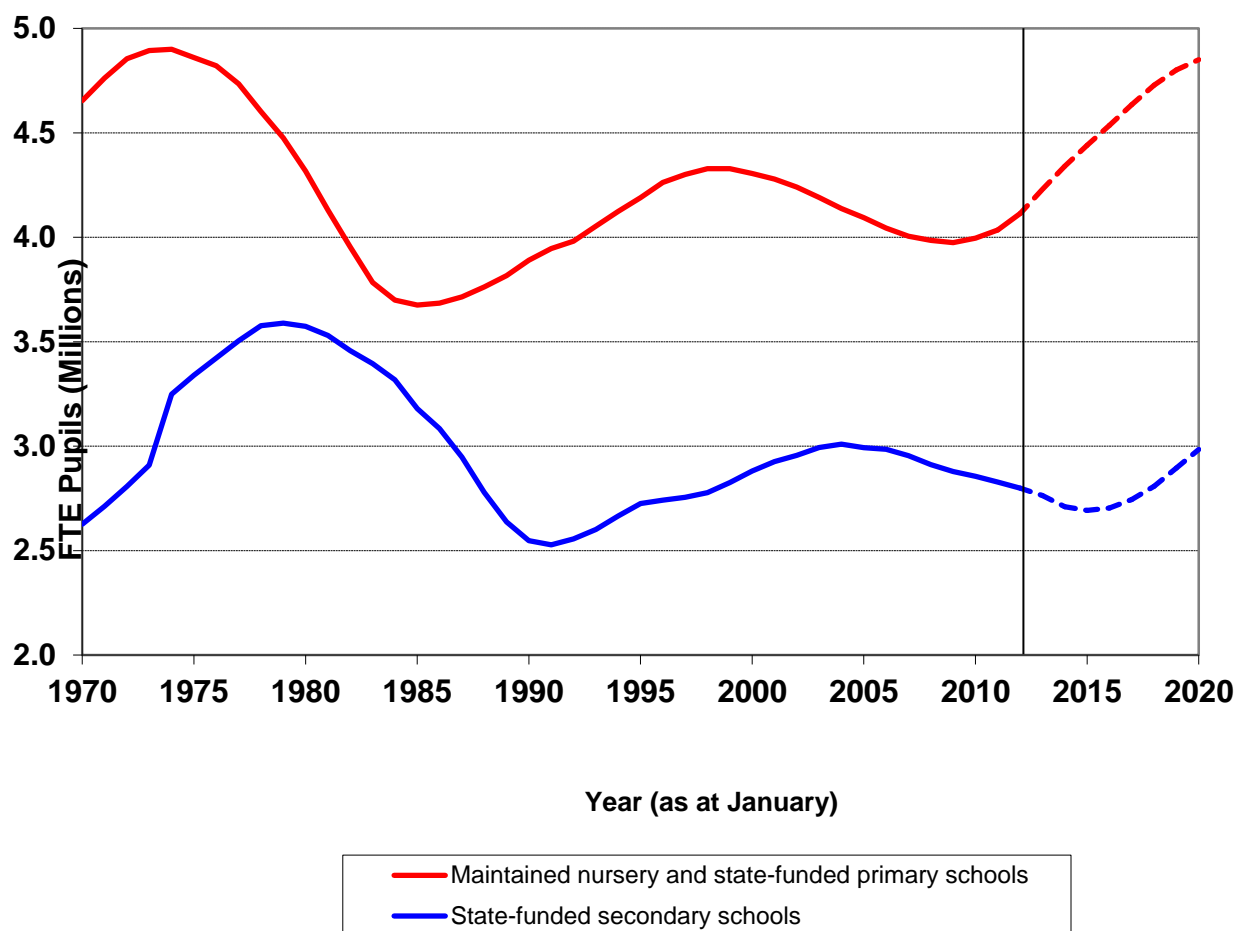
C19 The Department sets the Teaching Agency targets for recruitment to Initial Teacher Training (ITT) courses informed by the Teacher Supply Model (TSM). The main purpose of the TSM is to determine the optimum number of ITT places in England in order to match future teacher supply with future teacher demand as closely as possible. The future demand is determined using assumed Pupil Teacher Ratios (PTRs), our best estimates for the number of teachers required to implement the Department’s policy initiatives and the projected number of pupils in schools. It also takes into account other flows within the existing stock of teachers such as those leaving the profession (wastage) and retiring as well as those expected to return to teaching in the state-funded sector. Further information on recruitment to ITT is in Annex D.

C20 Numbers of pupils (aged up to and including 15) in state-funded schools are increasing and are expected to continue to rise (Figure 8C). The effects will vary substantially by region, with projected increases of as much as 30% in certain London boroughs between 2011 and 2020. Whilst the Department aims to estimate future teacher demand, decisions taken at school level will determine the actual number of teachers required. Wider evidence of international experience shows that even when supply and demand for teachers are in balance many countries face shortages of specialist teachers and shortages in schools serving disadvantaged or isolated communities²⁶.

²⁵ Teachers qualified in biology, chemistry or physics are treated as qualified to teach both combined/general science and other science

²⁶ OECD, *Preparing Teachers and Developing School Leaders for the 21st Century: Lessons from Around the World*, (2012), Ch. 3.p58

Figure 8C: Full-time equivalent number of pupils (aged up to and including 15) in state-funded school in England by phase – January 1970 to 2012 (actual) – January 2013 to 2020 (Projection)²⁷



Source: School Workforce Census, November 2011

<http://www.education.gov.uk/rsqgateway/DB/STR/d001017/index.shtml>

Vacancies and demand in Wales

C21 The total number of teacher vacancies in nursery, primary and secondary schools Wales at January 2012 was 93 compared with 90 at the same point in January 2011. The total nursery, primary and secondary vacancy rate in January 2012 was 0.4% compared to 0.3% in January 2011.²⁸

C22 Statistics for advertised vacancies in Wales show that between 1 January and 31 December 2011, 655 teacher vacancies were advertised for primary schools with an average of 26 applications received per vacancy for every post advertised; and 692 teacher vacancies were advertised for secondary schools with an average of 15 applications received per vacancy.²⁹

²⁷ Projections use the mid-2010 based national population projections produced by the Office for National Statistics (ONS).

²⁸ Statistical First Release [Wales] SDR 89/2012 - *Teachers in Service, Vacancies and Sickness Absence: January 2012*

²⁹ School Statistics Compendium, 2012 - <http://wales.gov.uk/topics/statistics/headlines/schools2012/120911/?lang=en>

C23 There were 437,637 pupils in maintained schools in Wales in 2011/12³⁰. The latest published projections for pupil numbers (based on the school population of Wales at January 2011) show primary pupil numbers rising by 37,000 between 2011/12 and 2021/22, and secondary numbers falling by 14,400 between 2011/12 and 2016/17 before returning to 2011/12 levels by 2021/22.

C24 The Welsh Government is responsible for ITT in Wales and has reduced places over recent years. Further information on recruitment to ITT in Wales is in Annex D.

³⁰ Ibid

Annex D: Recruitment to teacher training

- D1** Each year, the Government projects the number of new trainee teachers that will be required over the next five to ten years to ensure there are enough teachers in the state-funded system. These estimates are reflected in targets for the Teaching Agency to achieve.
- D2** Final targets for ITT recruitment beginning in September 2012 were published by the Secretary of State for Education in February 2012. The Teaching Agency allocated places to accredited ITT providers. Not all subjects were allocated a target – information and communication technology (ICT), design and technology, business studies and citizenship were excluded.
- D3** The overall number of teachers needed in the 2012 recruitment round was estimated to be 35,295, with 33,270 needed in target subjects. Provisional recruitment figures suggest that both of these targets will be exceeded, with 590 more trainees than planned forecast to be recruited to target subjects.
- D4** Table 1D shows forecasted rates of recruitment to train to teach each of the subjects in the English Baccalaureate. As of November 2012, all of the targets for 2012/13 were forecasted to be met, with the exception of mathematics and physics, which were respectively forecasted to be 95% and 97% met. Recruitment to teach physics has increased since 2010 when around 25% fewer trainees were recruited than in the current academic year. 900 trainees are expected to start training as physics teachers in the 2012/13 academic year – the highest total since records were first kept by the Institute of Physics in 1979. However, since 2010/11 there has been a reduction in the number recruited to teach mathematics.

Subject	2010/11	2011/12	2012/13 (Provisional³¹)
English	2490 / 103%	2430 / 116%	2240 / 111%
Mathematics	2760 / 105%	2580 / 98%	2500 / 95%
Physics	670 / -	830 / 90%	900 / 97% ³²
Chemistry	1030 / -	1310 / 122%	1170 / 109%
Biology and general science	1780 / -	1030 / 123%	850 / 101%
Modern languages	1540 / 111%	1470 / 99%	1630 / 103%
Geography	760 / 114%	660 / 107%	650 / 104%
History	640 / 118%	670 / 123%	640 / 117%

Source: Teaching Agency Trainee Number Census

³¹ Figures are provisional as of November 2012 and include the forecasted recruitment of some trainees throughout the academic year.

³² Provisional 2012/13 recruitment for Physics includes courses designated as physics with mathematics

- D5** Recruitment to primary ITT is also healthy, with the target for 2012/13 99.6% met by October 2012. The Teaching Agency also tracks the proportion of men training to be primary school teachers, as there has traditionally been a shortage of male trainees for primary stage. In 2012/13, provisional data show that 4,100 (20%) of primary trainees are male, up from 3,470 (18%) in 2010/11.

Table 2D: Recruitment to primary stage ITT 2010/11-12/13

	Entrants	Target	Recruitment rate (%)
2010/11	18370	18640	98.5%
2011/12	20270	19,730	102.7%
2012/13	20760	20840	99.6%

Source: Teaching Agency Trainee Number Census

Improvements in the quality of new recruits

- D6** While evidence shows that many factors contribute to effective teaching, sound subject knowledge is a critical component. For that reason, the degree class of postgraduate trainees is a key indicator of quality.
- D7** Provisional data from the Teaching Agency shows that 71% of graduates starting to train for a career in the classroom in 2012/13 had a degree with a classification of 2:1 or higher. This is a record rise of six percentage points compared to the same result in 2011/12. Within this overall increase in prior degree achievement, the percentage of trainees with a first class degree also increased from 10% to 14% between 2010/11 and 2012/13. Over the same period the proportion of trainees with a first-class degree training to teach mathematics or physics increased by six and five percentage points respectively.
- D8** The provisional data in table 3D indicates that the proportion of first year postgraduate trainee teachers that hold a degree classified as 2:1 or higher has improved in all the English Baccalaureate subjects between 2010/11 and 2011/12, as well as for all trainees to both secondary and primary. Overall, 66 per cent of postgraduate trainees entering teacher training in mathematics, physics, chemistry and modern foreign languages in 2012/13 had a 2:1 or higher degree classification, up from 55% in 2011/12.

Table 3D: Proportion first year postgraduate trainees with a 2:1 or higher classified degree, 2010/11-2012/13 (provisional at November 2012) (selected subjects)

Subject	2010/11	2011/12	2012/13
English	75%	77%	84%
Mathematics	51%	54%	62%
Biology	62%	66%	73%
Chemistry	51%	54%	64%
Physics	50%	45%	62%
General Science	43%	48%	44%
Modern Languages	65%	63%	74%
Geography	69%	72%	75%
History	82%	82%	87%
Total Secondary	61%	63%	72%
Primary	64%	67%	70%
Total	62%	65%	71%

Source: Teaching Agency Trainee Number Census

Training our next generation of outstanding teachers

- D9** Measured both in terms of rates of recruitment and the quality of successful applicants, recruitment to teacher training is healthy and improving. But whilst the single most important factor in raising standards of education being the quality of teaching we must do more to address those shortages that remain and drive up the quality of trainees even further.
- D10** The Government set out its strategy for reforming Initial Teacher Training in ‘*Training our next generation of outstanding teachers*’, which was published in November 2011. The strategy presented plans to raise the quality of teachers in England to match the best-performing countries in the world.

Bursaries

- D11** The ITT strategy proposed new financial incentives, with much higher bursaries than in previous years, particularly for trainees with good degrees in the subjects where it is hardest to recruit teachers. 2012/13 bursaries are differentiated to provide a stronger focus on shortage subjects and high quality candidates. The 2012/13 scheme also gives flexibility in exceptional circumstances for trainees to receive a higher bursary than their degree class would otherwise allow. Table 4D summarises the bursaries available for different trainees.
- D12** Provisional 2012/13 data from the Teaching Agency ITT Census indicates that subjects that attracted the higher level bursary – mathematics, physics, chemistry and modern languages – showed the highest increases in recruitment of trainees who held a 2:1 or above classified degree. For example, physics rose by 17 percentage points and modern languages rose by 11 percentage points between 2011/12 and 2012/13.

Table 4D: Bursaries for ITT in 2012/13

		Physics³³, mathematics, chemistry, modern languages	Other priority secondary specialisms³⁴ and primary	General science and non-priority secondary specialisms³⁵
Training bursary 2012/13	Trainee with first	£20,000	£9000	£0
	2.1	£15,000	£5000	£0
	2.2	£12,000		

Teaching Schools and school-based ITT

- D13** There are now 217 Teaching Schools in England, with 2,055 schools involved in Teaching School Alliances. Teaching Schools will lead the school system in training and developing outstanding teachers. Their remit includes both the development of existing teachers through peer-to-peer training, coaching and mentoring and also supporting the training of new teachers. Teaching schools will also be co-ordinating schools across their alliances to increase the ownership of ITT among schools, and to improve the range and quality of trainees' experience.
- D14** School Direct was launched last year to allow schools a greater say in leading the recruitment, selection and training of their teachers. In 2012 nearly 1,000 places were bid for by schools for teacher training places under the School Direct programme, and 397 trainees were eventually recruited to start their training in September 2012. Where trainees take a School Direct place in a school where more than 35% of pupils are eligible for Free School Meals they are eligible for a payment of up to an additional 25% of their bursary award.
- D15** This year demand from schools for School Direct places has been very strong. Over 9,500 places have been requested from schools for teacher training commencing in September 2013 under this programme, and schools are currently working with the providers of their choice to recruit their trainees. By September 2015, we expect the number of teacher training places which are led by schools to increase to around half of all available training places.
- D16** Groups of schools that are able to offer high quality school-based training and have the potential to develop the administrative infrastructure required to run ITT are now being offered the chance to do so. We have accredited 6 such providers so far and expect a greater number to be accredited in 2013.
- D17** The Government is also continuing to build on Teach First's outstanding record in recruiting top graduates into teaching in challenging schools. We are working to

³³ Physics trainees with a 2.1 or first are able to apply for an Institute of Physics scholarship. The scholarship is worth £20,000. Trainees who hold the scholarship will not also be eligible for the standard DfE bursary. Physics trainees who are not awarded the scholarship will continue in 2012/13 to be eligible for the standard £20,000 bursary for those with a first, and £15,000 bursary for those with a 2.1.

³⁴ Art and design, design and technology, economics, engineering, English, dance, drama, geography, history, information and communications technology, computer science, classics, music, biology, physical education, primary, and religious education mainstream post-graduate ITT courses attract £9000 bursaries for trainees with a first and £5000 for trainees with a 2.1.

³⁵ General science, business studies, citizenship, applied science, health and social care, leisure and tourism, media studies, psychology, social sciences (except economics) ITT courses attract no bursary

double the size the size of the programme in this parliament, including expansion into new regions of England and into the primary phase. 1,000 places were offered in 2012/13, including placements in the North East and Kent and Medway. Over the next two years Teach First will expand further into the South West, South Coast and East of England.

Quality of ITT providers

- D18** The new Ofsted guidance for inspecting ITT providers focuses on outcomes for trainees as one of the key judgements of the effectiveness of providers. Inspectors consider the attainment and completion rates of trainees, and also how well trainees teach and how successful they are in finding employment upon qualification. If a provider receives two successive 'requires improvement' ratings they will be de-accredited and will no longer be able to participate in ITT.
- D19** Ofsted are also working to ensure that ITT providers involve schools fully in their provision. The new inspection framework for ITT providers recognises the features of outstanding university-school partnerships, where schools are closely involved in the selection of trainees and the design and delivery of training. The allocation of ITT places will prioritise providers that have such arrangements in place so that only universities and other providers who demonstrate extensive school involvement and high quality training continue to have a role in ITT.

Teacher recruitment and training in Wales

- D20** The Welsh Government is responsible for ITT in Wales. Intake targets are set annually based on the forecast of demand for newly qualified teachers. The Higher Education Funding Council for Wales uses these targets to inform the allocation of ITT places. The Welsh Government is reducing ITT places in response to evidence of oversupply and the outcome of a 2006 review of ITT provision in Wales. Between 2004/05 and 2013/14 the overall recruitment target will have reduced by 34%, from 2,470 to 1,630 places. A further review of ITT in Wales is now underway and is due to report in May.
- D21** The Welsh Government offers training incentives to students undertaking postgraduate ITT courses. Incentives are available for new eligible students starting postgraduate ITT courses in the 2013/14 academic year in the subjects of mathematics, physics, chemistry, modern foreign languages, Welsh and ICT. Eligible postgraduate students with a first class degree will receive the highest funding levels, with progressively lower amounts for those with a 2.1 or 2.2. Outside of the priority subjects, the Welsh Government only offers incentive grants to students with a first class degree.
- D22** In Wales, the current number of places on employment-based routes is relatively small, around 4% of overall places leading to Qualified Teacher Status (QTS) in Wales. The Welsh Government funds a contribution toward the trainee salary costs (£14,500 for 2012/13) and training costs (£4,500 in 2012/13) for a limited number of applications in priority secondary subjects and a £4,500 training grant for primary places. From 2013/14 40 places will be available on the Additional Training Graduate Programme in Wales, which will be delivered by Teach First. Teach First will recruit high quality graduates to work in schools in Wales that have been identified as showing weak performance and progress relative to other schools.

Annex E: School leaders³⁶

- E1** The leadership group in the STPCD covers head teachers, deputy head teachers and assistant head teachers. There is a single leadership pay spine which has 43 points for each of the four regional pay bands. The lowest spine on the Rest of England and Wales pay band is worth £37,461, and the highest on the Inner London pay band is worth £112,181.
- E2** The relevant body determines how the pay of leaders at its school relates to the leadership spine by assigning the school to one of 8 Head Teacher Groups (HTG), each consisting of between 13 and 16 spine points, based on the number and age of the school's pupils. The relevant body must then determine a 7-point pay range (the Individual School Range (ISR)) for the head teacher and 5-point ranges for any deputy and assistant head teachers at the school.
- E3** The STPCD prevents any overlap between the ranges for assistants, deputies and heads. The ranges for all leaders must also sit above the 'salary of the highest paid classroom teacher', which is defined as the sum of the value of point 1 on the upper pay scale, the value of any TLR awarded to the classroom teacher with the highest combined SEN and TLR allowance total, and the value of any SEN allowance awarded to the same classroom teacher.
- E4** In addition, the relevant body may make discretionary payments in certain circumstances. Such payments must not exceed 25 per cent of the salary that corresponds to the head teacher's point on the pay scale. The 25 per cent limit on discretionary payments may only be exceeded in 'wholly exceptional circumstances' following external independent advice.

Salaries of school leaders

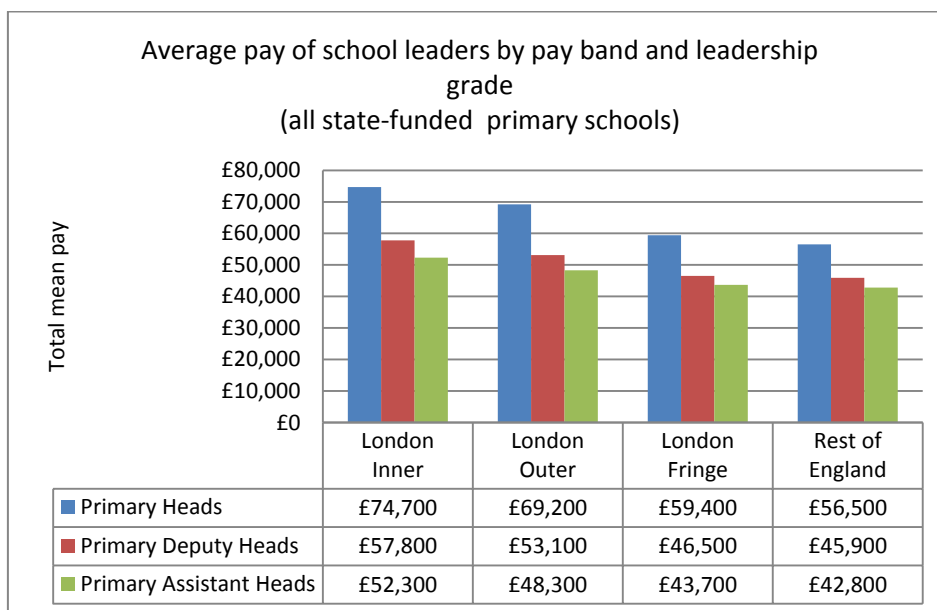
- E5** In November 2011, the average pay of full-time regular qualified school leadership teachers in publicly funded schools in England was £55,500. Average salaries vary significantly by region, with a head teacher in the south west being paid £59,800 on average, compared to £79,100 for head teachers in Inner London.
- E6** In the 10 year period leading up to the pay freeze the pay of leaders in LA maintained schools saw significant real terms increases. The real terms earnings of head teachers in LA maintained schools grew by 22% from March 2001 to November 2010 and in the same period the earning of deputy and assistant head teachers grew by 13%. The overall average earnings of public and private sector professional workers declined by 3% over the same period.³⁷
- E7** Leaders in secondary schools get paid significantly more than their counterparts in primary schools. The average gross salary of head teachers in primary schools was £58,300, compared to £87,000 in secondary schools. The highest differential between primary and secondary leadership pay is found in London Fringe pay band (£9,700) followed by the Rest of England pay band (£8,300).
- E8** Figures 1E and 2E show that in both primary and secondary schools the differences between the average salaries of head teachers and deputy head

³⁶ All figures taken from the SWC 2011 unless otherwise stated.

³⁷ Calculated using data on school teachers' pay from the SWC 2010 and DTR before 2010; data on professional workers is based on The Annual Survey of Hours and Earnings (ONS)

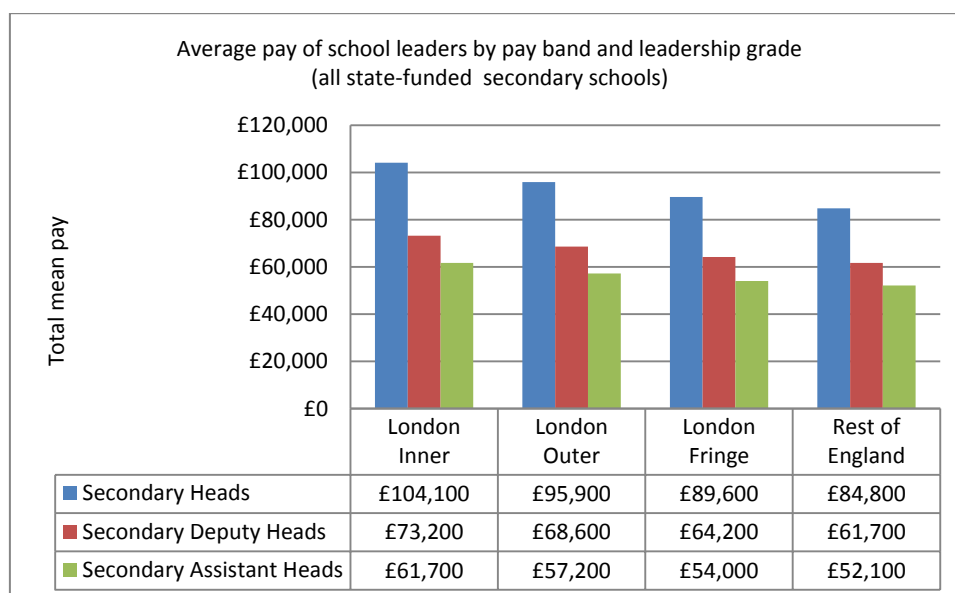
teachers and the differences between the average salaries of deputy head teachers and assistant head teachers are highest in Inner London and lowest in Rest of England. These differences are bigger in secondary schools than in primary schools in all pay bands.

Figure 1E: Average salaries of school leadership teachers – Primary stage



Source: School Workforce Census, November 2011

Figure 2E: Average salaries of school leadership teachers – Secondary stage



Source: School Workforce Census, November 2011

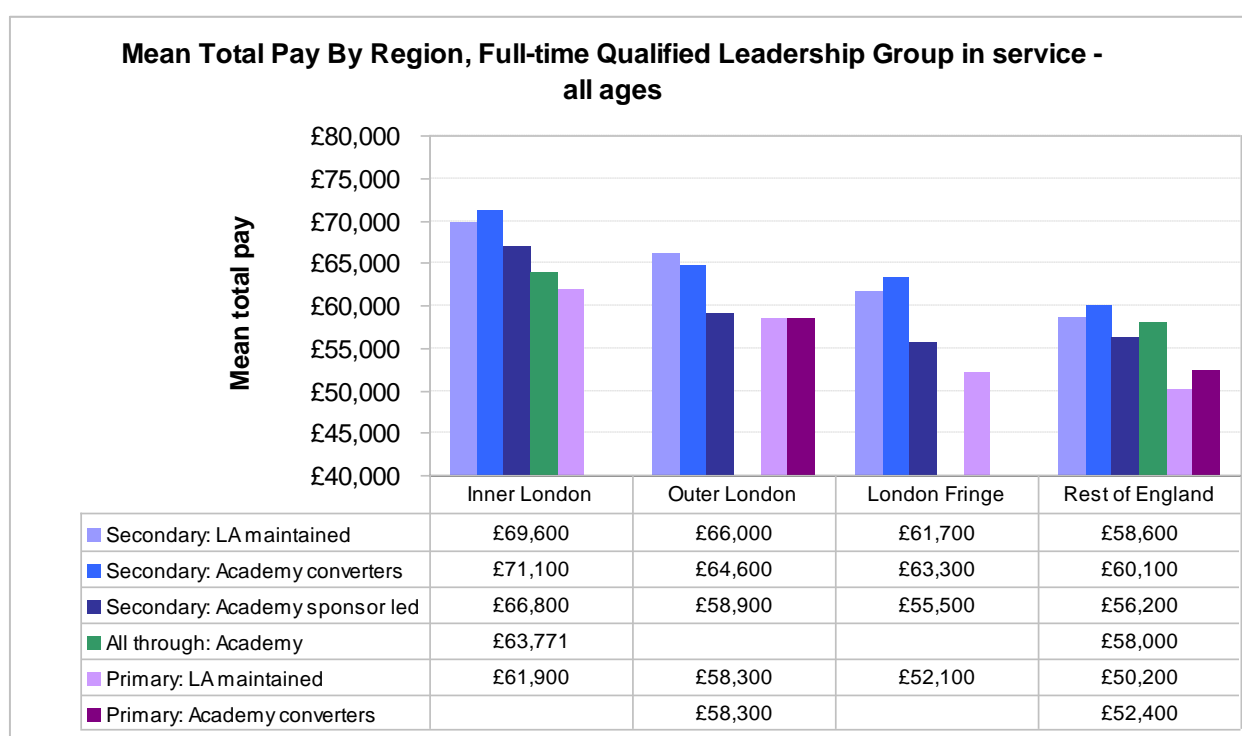
Academies

E9 The average gross salary of leadership level teachers in academy schools, including primary and secondary academies, was £61,500 in November 2011. Although this appears higher than for schools overall, these figures do not take into account different characteristics of the workforce in academies when

compared to LA maintained schools (such as the composition of leadership grades) and the different distribution of LA maintained schools and academies across different pay bands and schools establishments.

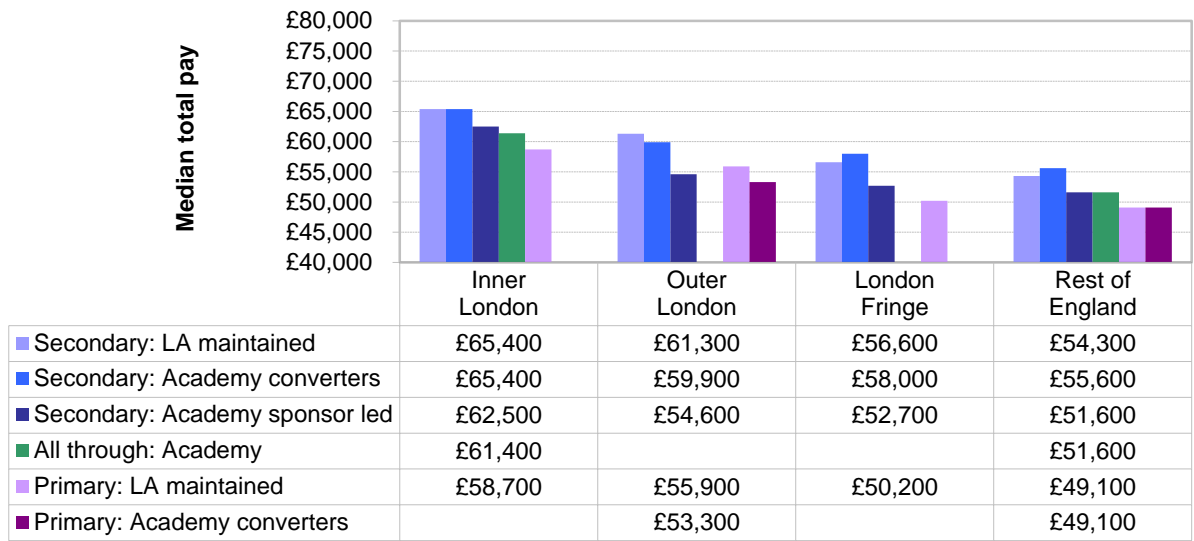
- E10** In secondary academy converters, on average leadership pay is higher than in LA maintained secondary schools, except for those in outer London. For secondary sponsor led academies the average salary for the leadership group is lower than in maintained secondary schools and converter academies across all the area pay bands.
- E11** In primary academy converters, average salaries for the leadership group are comparable to those in LA maintained primary schools in outer London but are higher on average in the rest of England pay band. There is an insufficient sample of primary academies in inner London and London fringe to make any meaningful comparisons with the maintained sector.

Figure 3E: Mean salaries of school leaders in Academies and maintained schools



Source: School Workforce Census, November 2011

Figure 4E: Median salaries of school leaders in Academies and maintained schools

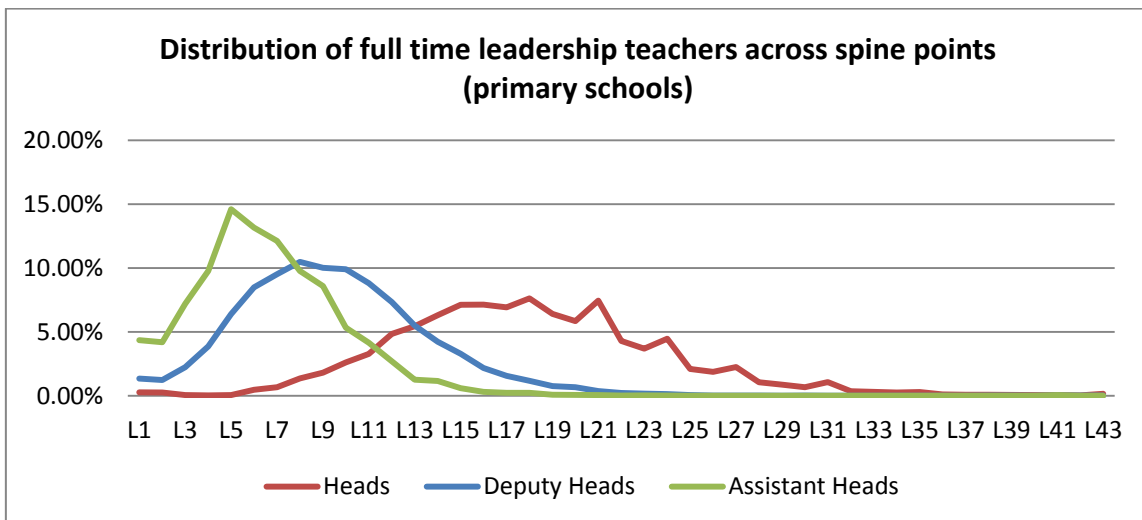


Source: School Workforce Census, November 2011

Distribution across the pay spines

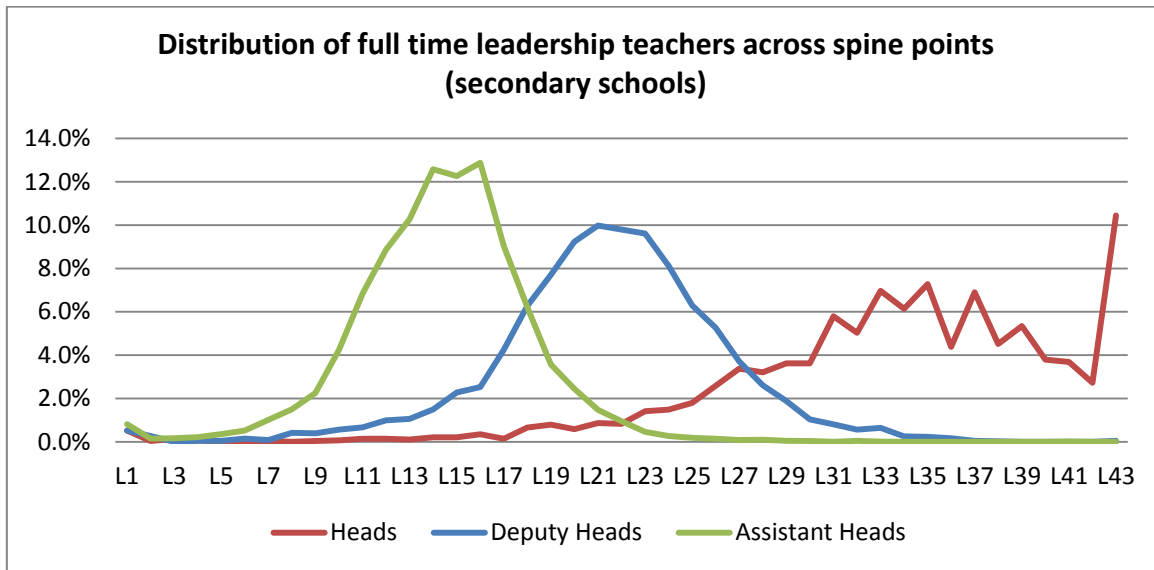
- E12** Figures 5E and 6E show the distributions of the different leadership grades across pay spine points in primary and secondary schools. The distributions are as might be expected, with assistant heads distributed more towards the bottom of the scale, deputy heads further up the scale and heads towards the end of the scale.
- E13** Compared to primary schools, the distribution of heads, deputies and assistants in secondary schools is further up the pay scale. In both primary and secondary schools, distribution for heads is more dispersed than for deputy heads, while the distribution for deputy heads is more dispersed than that for assistant heads.

Figure 5E: Distribution of leadership group teachers across pay spine points (primary schools)



Source: School Workforce Census, November 2011

Figure 6E: Distribution of leadership group teachers across pay spine points (secondary schools)



Source: School Workforce Census, November 2011

E14 Secondary schools are more likely than primary schools to pay their head teachers above the maximum spine point in their pay band. In November 2011 in secondary schools there were 179 full time head teachers whose total pay (base salary and allowances) was above the maximum spine point salary for the leadership group in their pay band – 87 in LA maintained schools (4.2%) and 92 in academies (9.6%). In primary schools there were 7 head teachers whose total pay (salary and additional allowances) was above the maximum spine point salary in their pay band, which represents 0.05% of head teachers in primary schools.

E15 Secondary schools are also considerably more likely than primary schools to pay their head teachers in the upper quartile of the leadership pay scale (above spine point L32). In both the primary and secondary phase Academies are more likely than maintained schools to pay their head teachers in the upper quartile of the pay scale, although at primary the numbers of Academies were very low at the time the data was collected.

Table 1E: Head teachers paid in the upper quartile of the pay spine (primary schools)

		London, incl. fringe	Rest of England	Total
Primary Schools	Percentage			
	Maintained	5.2%	0.8%	1.5%
	Academies	24.1%	6.0%	9.6%
	Numbers			
	Maintained	127	94	221
	Academies	13	13	26

Source: School Workforce Census, November 2011

Table 2E: Head teachers paid in the upper quartile of the pay spine (secondary schools)

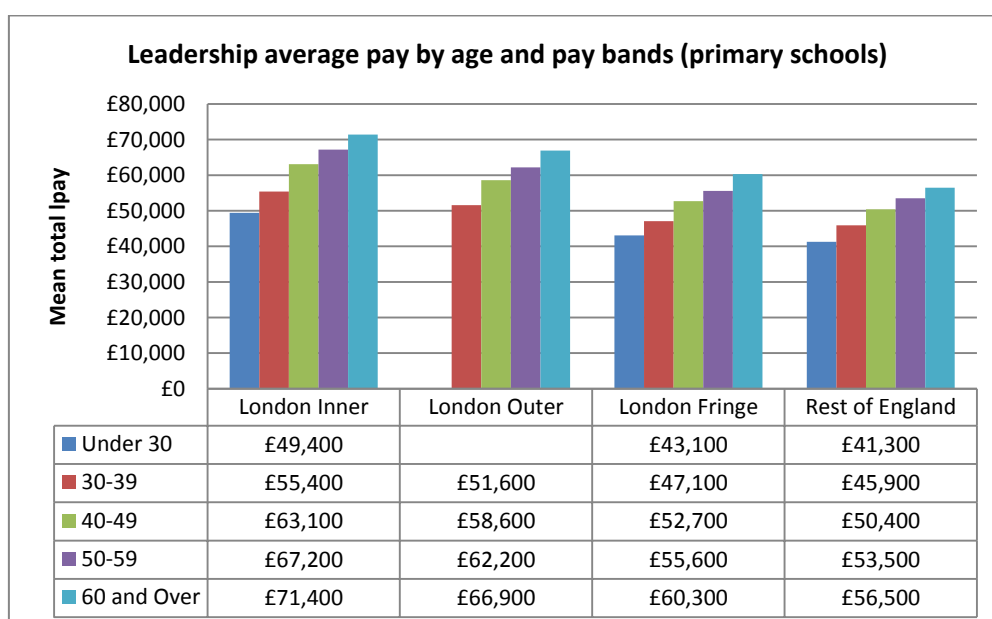
	London, incl. fringe	Rest of England	Total
Head teachers			
Percentage			
Maintained	79.6%	53.2%	57.9%
Academies	81.4%	73.9%	75.5%
Numbers			
Maintained	288	903	1,191
Academies	166	559	725

Source: School Workforce Census, November 2011

Age, gender and ethnicity

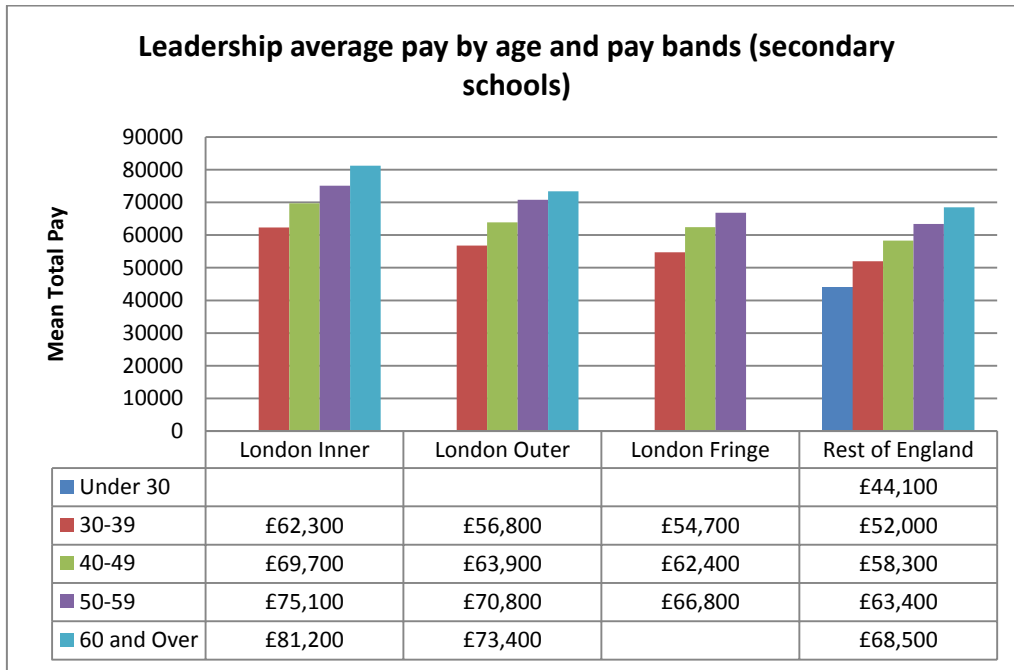
E16 Average salaries of leadership teachers increase with age. Figure 7E and 8E show that in both primary and secondary schools, and in all pay bands, older school leaders are paid more on average than younger leaders. In both figures data have been suppressed where there are fewer than 50 individuals in that category.

Figure 7E: Average pay by age (primary schools)



Source: School Workforce Census, November 2011

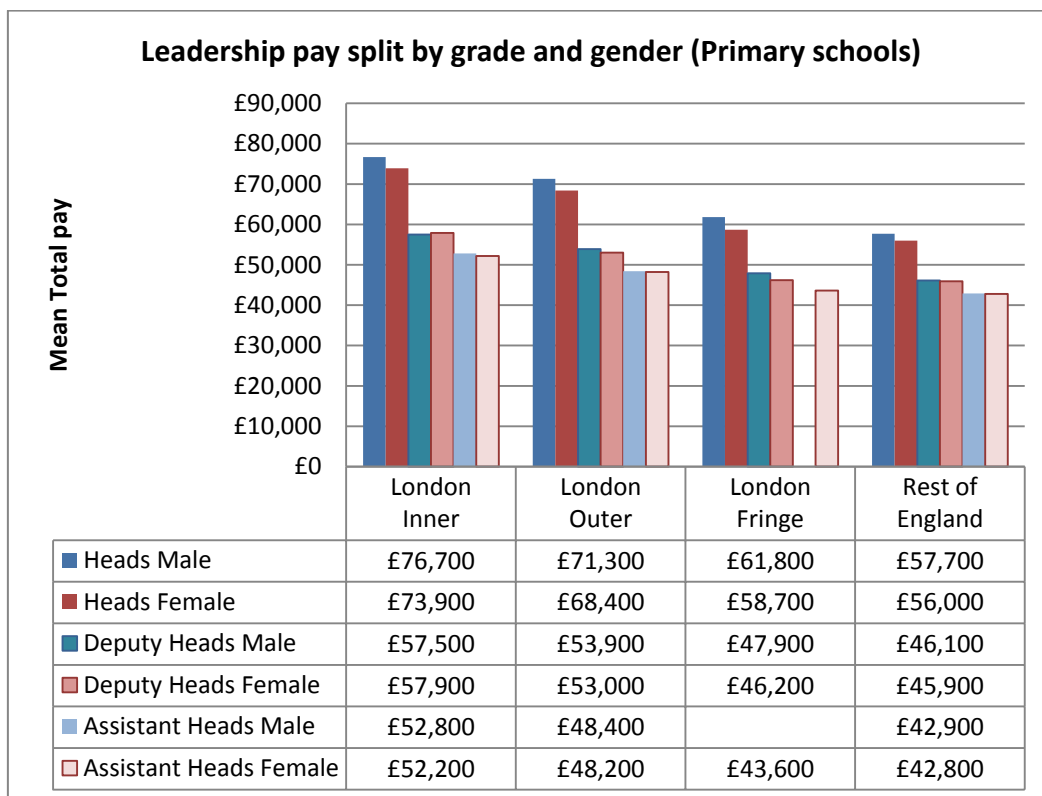
Figure 8E: Average pay by age (secondary schools)



Source: School Workforce Census, November 2011

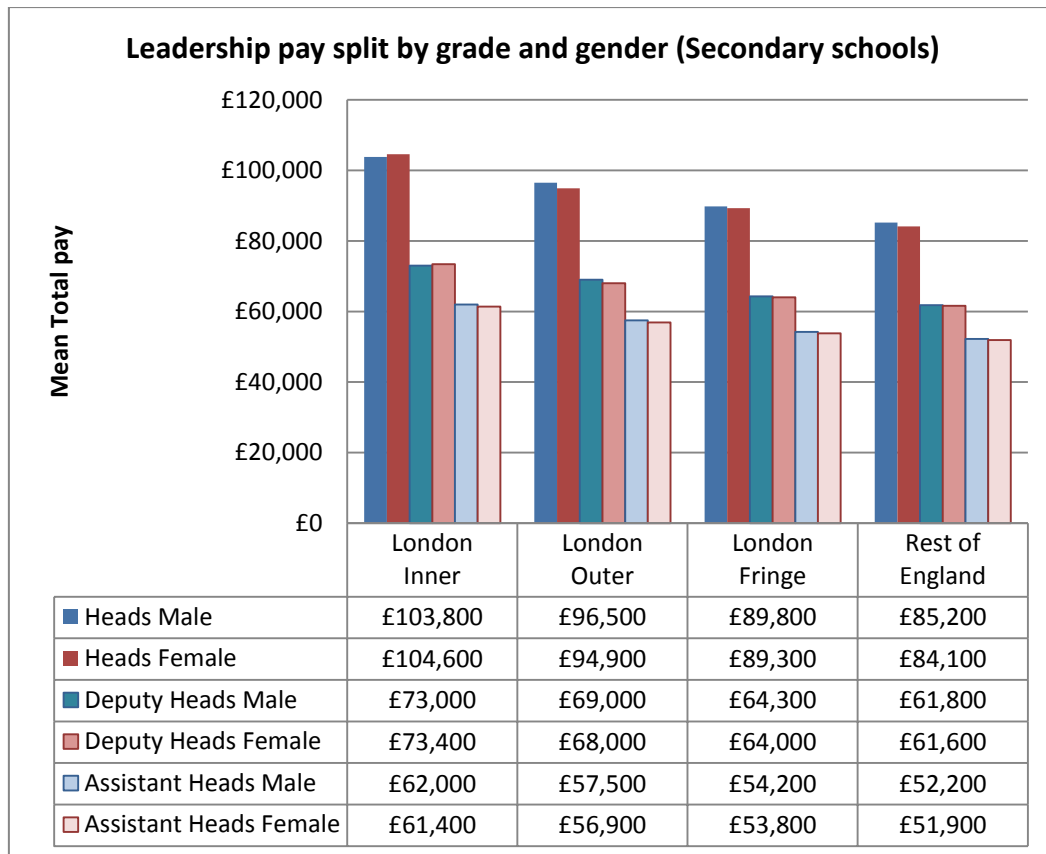
E17 Male leadership teachers are paid more on average than female leadership teachers in primary and secondary schools in all regions. Figures 9E and 10E show average total pay split by gender, leadership grade and pay band for primary schools and secondary schools.

Figure 9E: Average pay by gender, grade and pay band (primary schools)



Source: School Workforce Census, November 2011

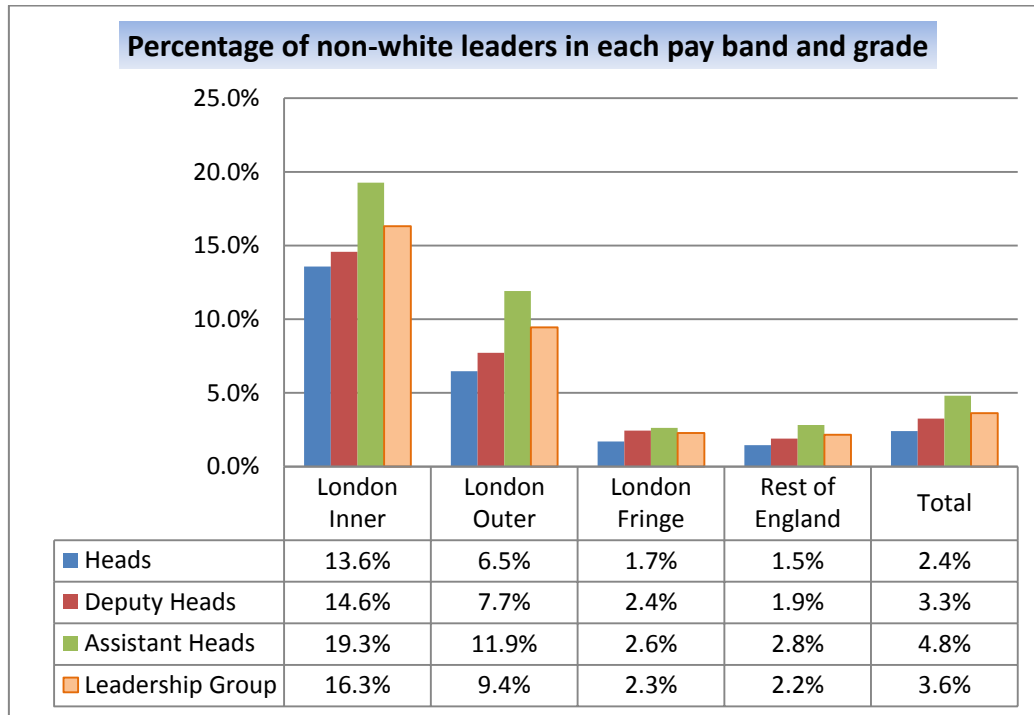
Figure 10E: Average pay by gender, grade and pay band (secondary schools)



Source: School Workforce Census, November 2011

- E18** Overall the discrepancy between male and female average pay is greater in primary school than in secondary schools. There is also a greater discrepancy at head teacher level than at deputy or assistant level. Only in the Inner London pay band do some female leaders earn on average more than male leaders, notably deputy heads in primary schools and heads and deputy heads in secondary schools.
- E19** Figure 11E shows the distribution of non-white full-time leadership teachers who work in primary or secondary schools by pay band and teachers' grades. Larger proportions of leadership group teachers of non-white origin are found in inner London followed by outer London, then London fringe and finally rest of England pay bands. Across grades, assistant heads have larger proportions of non-white teachers, followed by deputy heads and then head teachers.

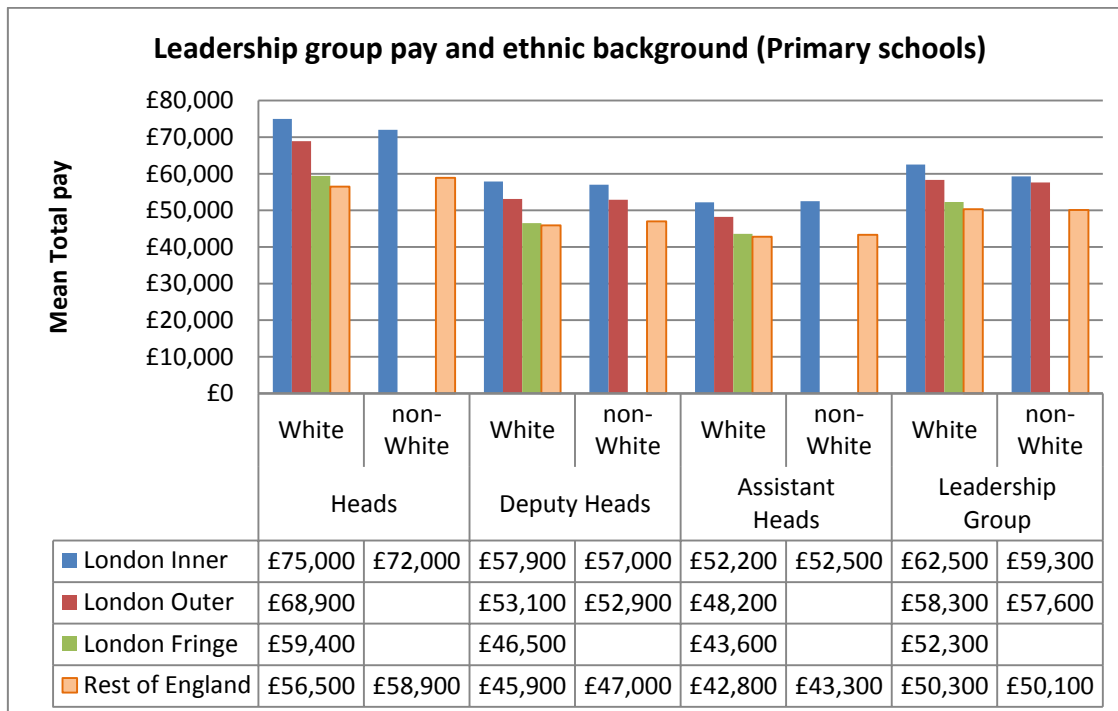
Figure 11E: Non-white leaders by pay band and grade



Source: School Workforce Census, November 2011

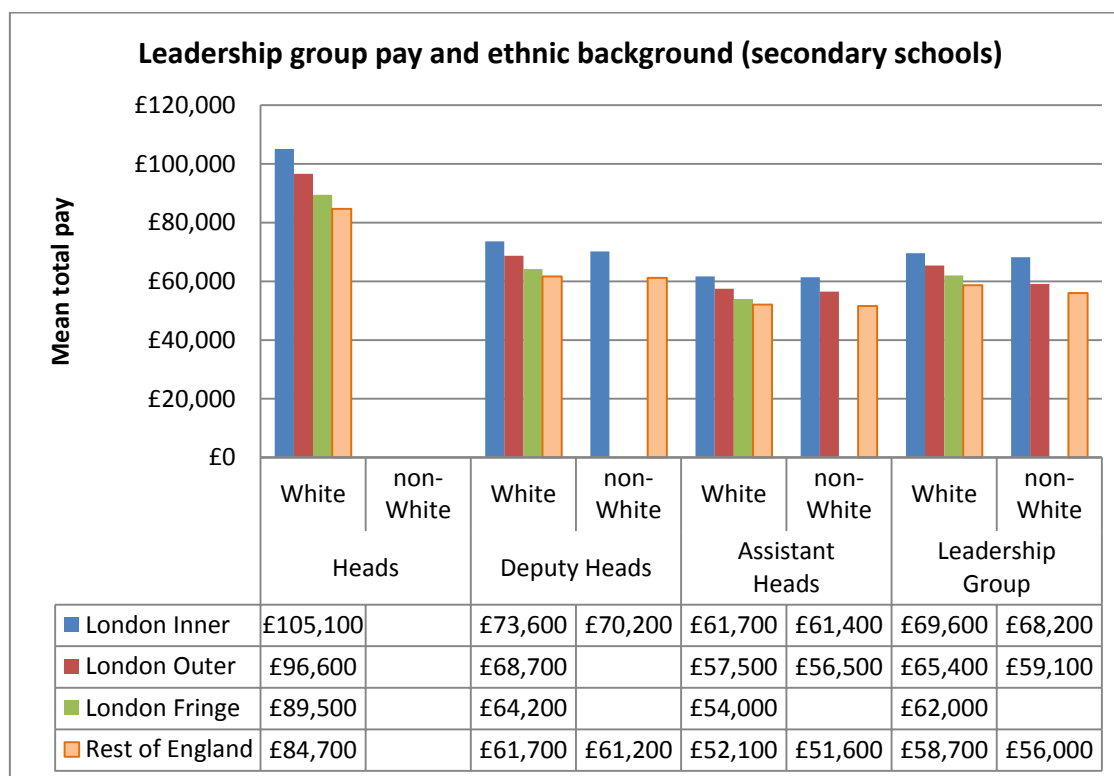
E20 Figures 12E and 13E show the mean total pay of leaders by pay band, grade and ethnicity for primary schools and secondary schools. Data has been suppressed where there are less than 50 individuals in that category.

Figure 12E: Leadership group pay and ethnic background (Primary)



Source: School Workforce Census, November 2011

Figure 13E: Leadership group pay and ethnic background (Secondary)



Source: School Workforce Census, November 2011

E21 At primary phase white head teachers are paid significantly more than non-white head teachers in Inner London, but significantly less in the Rest of England band. At secondary phase white leaders get paid more than non-white leaders at the same grade at all grades for which there is useful data.

Vacancies, turnover and new head teachers

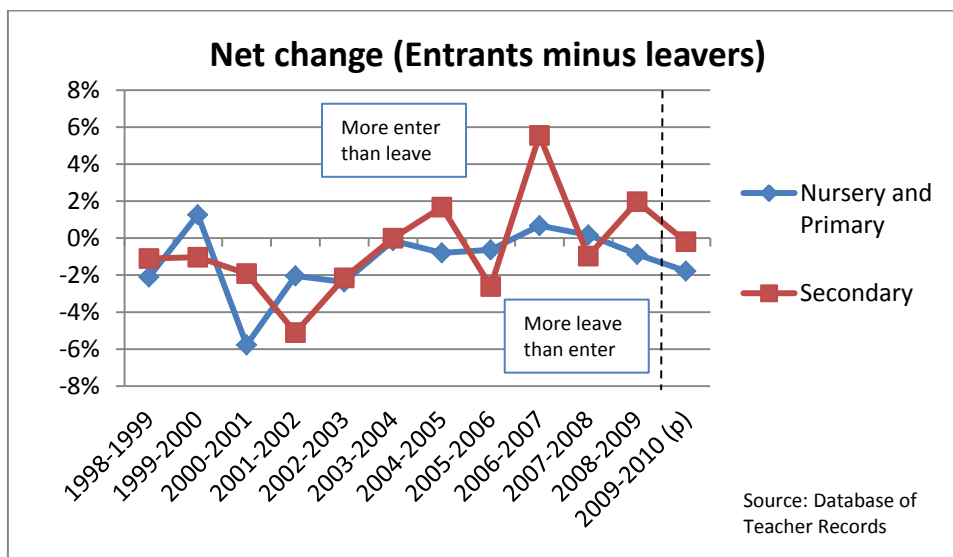
E22 There are around 60,000 (head count) leadership grade teachers in publicly funded schools in England. Around 21,500 of these are head teachers. Vacancy rates are overall very low, with 0.2% of leadership posts and 0.1% of head teacher posts unfilled in November 2011. However, this may be due to the census being taken in November, when vacancies could be expected to be low compared to other times of year. Staff appointment data³⁸ shows that re-advertisement rates have been high. In 2011 2 in 5 primary schools and 1 in 4 secondary schools with head teacher vacancies re-advertised; faith schools re-advertised most (Catholic 51% and CoE 42%) followed by special schools. Inner and Outer London re-advertisements rose in 2011 to 45% and 50%.

E23 In nursery/primary phase since 2008/09 more new head teachers took up post than left. In the five years prior to 2008/09, the rates of entry and exit were approximately equal overall. In secondary phase, between 2003/04 and 2009/10, overall more new head teachers took up post than left, although there were large variations between the years.

³⁸ EDS Vactrack, 27th Annual survey of senior staff appointments in schools across England, Wales and Scotland.

E24 Figure 14E shows the net change in the rate of head teacher entrants and leavers. In primary phase, overall there has been a small net reduction in head teachers between 2003/04 and 2009/10, driven largely by a 1 percentage point increase in the retirement rate. The rate of normal age retirements has risen since 2003/04 (2% to 3%), but the rate of ill health retirements has decreased considerably over that period (0.8% to 0.1%).

Figure 14E: Net change in the rate of head teacher entrants and leavers (entrants minus leavers)



E25 Figure 15E shows the age distributions of leadership teachers in primary and secondary schools in November 2011. Of those school leaders in post across all phases, 11,300 head teachers (52%) and 12,500 deputy and assistant head teachers (32%) were aged 50 years or over. Around 2,300 (4%) of all school leaders were aged 60 years or over.

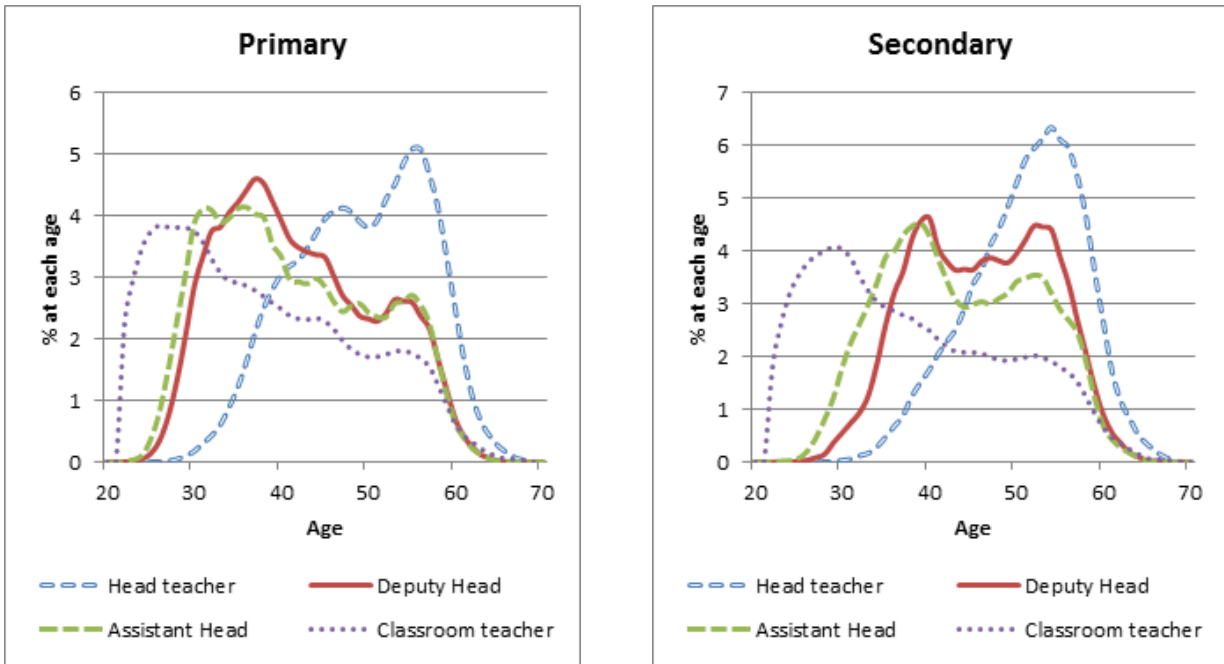
E26 Our analysis of the 2011 SWC data estimates the number of new head teachers to have been 2,400 in November 2011³⁹. The average age of new head teachers is 44.2 in primary schools and 46.7 in secondary schools, compared with 49 for all primary heads and 51 for all secondary heads.

E27 In both primary and secondary phase schools, new head teachers were most likely to work in smaller size schools and least likely to be working in larger schools⁴⁰ than head teachers generally. They were also more likely to be working in schools with more than 21% of pupils eligible for free school meals (FSM) and least likely to be working in schools with up to 9% of pupils eligible for FSM, than the head teacher population as a whole.

³⁹ This figure is based on head teachers recorded in the SWC 2011 who were not head teachers in the SWC 2010. It is possible that some were previously head teachers in sectors outside the scope of the SWC (in Wales, or the further education (FE) or independent sectors) or had been a head teacher in earlier years. An appropriate adjustment has been made to account for schools who failed to make any return in the 2010 census.

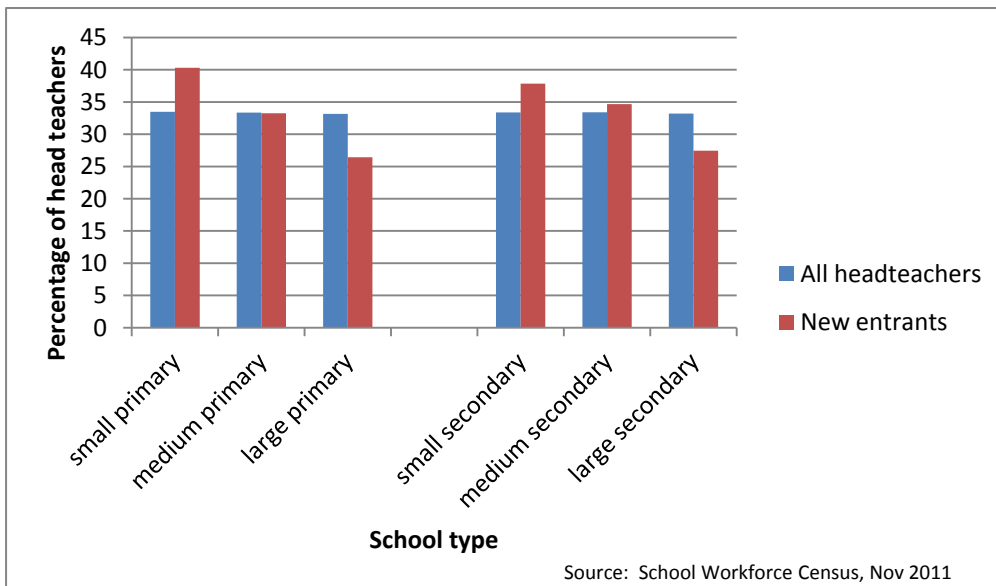
⁴⁰ Primary phase – small is defined as up to 181 pupils, medium is from 181 to 273 pupils and large is more than 273 pupils (when counting full time equivalent pupil numbers). Secondary phase – small is defined as up to 824 pupils, medium is from 824 to 1,162 pupils and large is more than 1,162 pupils. When considering the population of head teachers as a whole there is an equal number in each category.

Figure 15E: Age distributions of leadership teachers in primary and secondary schools



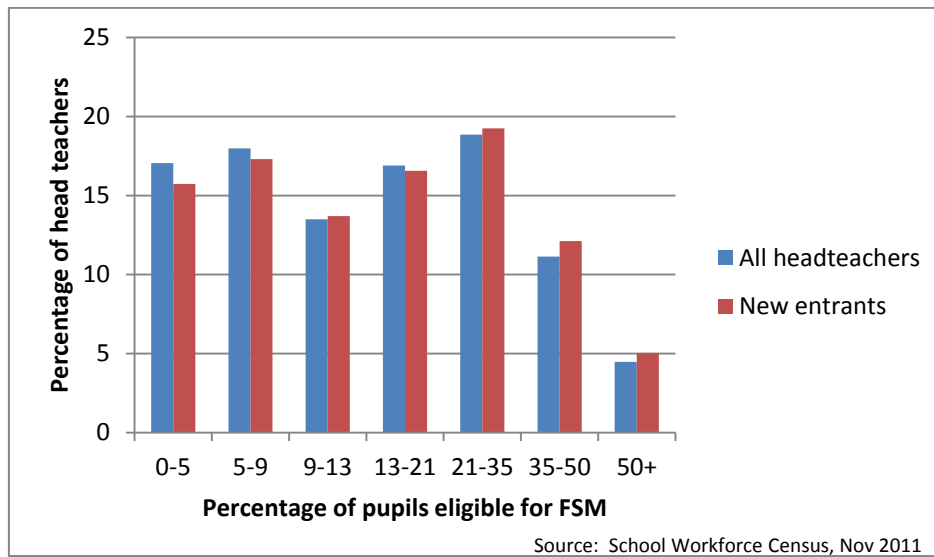
Source: School Workforce Census, November 2011

Figure 16E: Proportion of head teachers by size of school



Source: School Workforce Census, Nov 2011

Figure 17E: Proportion of head teachers by percentage of pupils eligible for Free School Meals



Leadership supply in Wales

E28 The head teacher population in Wales was stable for a number of years at around 1750 before declining to 1680 between 2011 and 2012 due mainly to school closures and an increase in head teachers managing more than one school. The age profile of head teachers in Wales has got younger in recent years, with the proportion of head teachers aged 50 or above falling from 65.2% to 53.2% between 2008 and 2012⁴¹.

⁴¹ General Teaching Council for Wales (GTCW), *Annual Statistical Digest*, (March 2012)



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