



Department
for Education

Government evidence to the STRB

The 2017 pay award

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Introduction

1. The Secretary of State wrote to Dr Patricia Rice, the Chair of the School Teachers' Review Body (STRB), on 25 October, asking for the STRB's recommendations on the September 2017 pay award.
2. Given the Government's policy that public sector pay awards should be for an average award of 1% a year for four years from 2016-17, the Secretary of State has asked the STRB to recommend what adjustments should be made to the salary ranges and allowances for teachers in September 2017.
3. The Secretary of State emphasised that there remains a strong case for continued pay restraint and that the STRB should take into account the affordability of any recommendations within the existing budgets of individual schools. She has asked for recommendations on:
 - What adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to promote recruitment and retention within the 1% limit for pay awards for public sector workers.
4. This document provides the Secretary of State's evidence to support the STRB's consideration of how the 2017 pay award should apply to teachers and school leaders. It includes evidence on the teacher labour market, based on the latest recruitment and retention data, and on the continued need for pay restraint in the public sector.

The case for pay restraint at the national level

5. At 4% of and 84% of Gross Domestic Product (GDP) respectively, the UK's deficit and debt both remain too high. Continuing to reduce the deficit is vital to delivering a strong and stable economy. Given the weaker growth forecast at Autumn Statement 2016, and the period of uncertainty that is likely while the UK negotiates a new relationship with the EU, the Government will no longer seek to reach a fiscal surplus in this Parliament. However, the Government remains committed to ensuring that the UK lives within its means and returning the public finances to balance at the earliest possible date in the next Parliament.
6. Public sector pay restraint continues to play a key role in fiscal consolidation. It helped save approximately £8bn in the last Parliament and is expected to save another £5bn in this Parliament.
7. At Summer Budget 2015 the Government announced that it would fund public sector workforces for pay awards of 1 per cent for four years from 2016-17 to 2019-20. The OBR forecast estimated that this policy will protect 200,000 jobs by 2019-20. The Government made clear that it expects pay awards to be targeted to support the delivery of public services.
8. At a time when the UK faces a period of uncertainty following the vote to leave the EU, the 1 per cent public sector pay policy will continue to play an important role in delivering the Government's objective of reducing the budget deficit over an appropriate timeframe, protecting jobs and maintaining public services.
9. At the Autumn Statement on 23 November 2016, the independent Office for Budget Responsibility judged that there will now be a period of economic uncertainty as the UK negotiates its departure from the EU. Beyond that, the economy will need to adjust to new relationships with the EU and the rest of the world.
10. Government action since 2010 has helped to ensure that the fundamentals of the economy are strong. In recent years, the UK economy has grown at a faster pace than other major advanced economies, which has supported strong gains in employment. As data released since the EU referendum have shown, the economy has so far proved resilient. GDP grew at a solid rate through the first three quarters of 2016 and grew 2.3% in the year to Q3 2016. The employment rate is at a record high and living standards, as measured by Real Household Disposable Income (RHDI) per capita (excluding Non-Profit Institutions Serving Households, NPISH), grew in 2015 at their fastest rate since 2001. The UK is well placed to address the challenges and take advantage of the opportunities that leaving the EU will create.

11. Falling fuel and food prices through 2014 and 2015 contributed to unusually low inflation, with CPI inflation averaging 0.0% in 2015, supporting real income growth and household spending. Inflation has risen in recent months, as fuel prices have started to increase internationally, and reached 1.0% in September 2016 before falling back to 0.9% in October. The post-referendum sterling depreciation has amplified the effect of global oil price rises, increasing the contribution of the energy and transport components to CPI inflation. The OBR judge that inflation will rise further in the coming year.
12. Further detailed evidence about the state of the economy and the labour market in England and Wales is provided in [Annex A](#).

Affordability in schools

13. The Government has prioritised investment in education as one of our measures to drive long-term economic growth and to demonstrate our commitment to social justice, giving every child the opportunity to reach their potential.
14. The overall schools' budget in England continues to be protected and will rise as the pupil population grows. The pupil premium is additional to this. In 2016/17 Dedicated Schools Grant allocations, before recoupment of funding for academies, total £40.7 billion¹. The pupil premium is an additional £2.4 billion.
15. 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. This ensures that most schools will not experience a reduction to their budgets of more than 1.5% per pupil (excluding sixth form funding) compared to the previous year and before the pupil premium is added. The Government has acknowledged that the current system for funding schools is unfair and out of date and that there needs to be a fairer, more transparent, funding system so that a pupil attracts the same amount of funding to their school no matter where they are in the country.
16. As a significant step towards a national funding formula, the previous Government allocated an additional £390m (on top of flat cash per pupil) to the least fairly funded local authorities in 2015-16. We have confirmed this in baselines for 2016-17, so that local authorities will continue to receive this uplift.
17. In Wales the education budget in 2016/17 was approximately £2.577 billion, of which £2.275 billion was in the schools budget and £302 million was in the LEA budget. The funding delegated to schools in 2016/17 was about £2.123 billion.
18. The teacher pay bill for publicly funded schools in England and Wales is projected to be approximately £24.8 billion² in the 2016/17 academic year.
19. A flat 1% pay uplift awarded to all salaries and relevant allowances in 2017/18 is estimated to cost a further £250 million. This would contribute to a total increase in the pay bill of approximately £505 million, resulting in an estimated total pay bill of £25.3 billion. The costs of the 2017 pay award will need to be

¹ This includes Early Years DSG funding (£2.7bn) which remains provisional until mid-2017.

² All pay bill figures in this section include teachers in academies, who are not bound by the statutory requirements of the School Teachers' Pay and Conditions Document (STPCD).

met from within school budgets. This makes affordability a key consideration for this remit.

20. Subject to the outcome of consultation on revised arrangements for teachers' pay as a result of the STRB's next report, a revised School Teachers' Pay and Conditions Document (STPCD) will be implemented from September 2017.
21. Further evidence about affordability in schools is provided in [Annex B](#).

Maintaining a supply of high quality teachers and leaders

22. The importance of high quality teachers and school leaders cannot be overstated. We recognise that teacher recruitment has been a challenge, not least in the context of an improving economy and a strengthening graduate labour market. This is why we are focused on attracting more top graduates into the profession, particularly in those core academic subjects that help children reach their potential. Teaching continues to be an attractive profession for high quality graduates, with the proportion of new entrants with a 2:1 or above increasing each year.
23. The number of full time equivalent (FTE) teachers increased by 3.84% between November 2011 and November 2015. The majority of the increase was in the primary sector, in part due to the growing number of younger pupils. Teacher vacancy rates have remained fairly low and relatively stable (at around 0.2% or below of all teaching posts) since 2010 and teaching continues to be an attractive profession for high quality graduates. The proportion of new entrants to postgraduate initial teacher training (ITT) with degree classifications of 2:1 or higher continues to increase – 75% in 2015/16, up from 63% in 2010/11. One in six teacher trainees had a first-class degree in 2015/16 (18%) – up from 17% in 2014/15, and 10% in 2010/11.
24. The fundamental changes to teachers' pay that have been introduced over the last three years following the STRB's recommendations have given greater autonomy to schools to decide how to reward their staff. Schools now have much greater flexibility to decide what salary to offer to new teachers on appointment, as well as greater freedom to decide how quickly their pay progresses over time. This increased flexibility helps schools to attract and retain the best teachers and to target any school-level recruitment and retention problems they may have, including addressing teacher shortages in specific subjects.
25. We have also put a range of incentives in place – including training bursaries of up to £30,000, as well as salary grants and new scholarships – to encourage more top graduates and career changers to train to teach in priority EBacc subjects. In addition, we have given schools the opportunity to recruit and train graduates for teaching careers, giving them an even greater degree of influence over selecting and training the teachers they need to meet their local workforce needs.
26. We published the allocation methodology for ITT places in the training year 2017/18 on 29 September 2016. Using feedback from ITT providers and the knowledge gained from recruitment for 2016/17 and previous years, we have built a more flexible system that accounts for recruitment patterns to different

types of subjects and that offers more certainty for providers. We have given providers more freedom to recruit trainees in priority subjects, including maths, physics and modern foreign languages, where recruitment will be uncapped. We have also ensured that all places in popular subjects, like PE and history, which fill up most quickly, are allocated at the start of the year, so that individual providers have more certainty about the number of trainees they can recruit in those subjects.

27. We have introduced three-year allocations for the top performing ITT providers, giving them longer term certainty. This was a key recommendation from the National Audit Office's recent review of teacher training (published earlier this year), and is in direct response to what the sector has told us would make the most material difference to their ability to plan and build stability into their provision.
28. The School Direct programme gives schools the opportunity to identify and train talented people from their local graduate labour market. It offers schools the chance to take greater control and attract, train and develop high quality teachers and potential leaders. The long-term viability of School Direct requires strong local partnerships to be created and maintained, and the Government encourages schools to work in broad and sustainable partnerships, particularly in areas where this is not yet fully established. The School Direct salaried programme is aimed at talented career changers and allows trainee teachers to earn a salary as they train. We are also piloting an initiative to test whether schools can improve recruitment of returning teachers by providing a bespoke package of support promoted through national marketing to overcome any barriers that qualified inactive teachers face when looking to return to teaching.
29. In 2015/16, 10,252 teachers began training through School Direct, up from 9,070 the year before. There were 28,148 new entrants to postgraduate ITT courses in the academic year 2015/16. Overall, this meant that we reached 94% of our target for postgraduate trainee recruitment, up from 91% the previous year and reversing a downward trend.
30. ITT performance profiles for 2014/2015 (the latest available) show that 95% of the 2014/2015 cohort were in a teaching post within six months of being awarded QTS, although this figure excludes the trainees for whom information is not known. We have continued to accredit new school-led providers (SCITTs), of which there are 180 in the 2017/18 academic year (compared to 172 in 2016/17 and 89 in 2010/11). 51% of all recruitment to postgraduate ITT starting in 2015/16 was to school-led routes, making it the first year for which more than half of postgraduate ITT is school-led. This shows that schools have the appetite to take charge of recruitment to the profession.

31. We are also continuing to expand the Teach First programme, increasing its geographical coverage into every region of England and into Wales. The programme is helping to recruit more teachers across England, including in more rural, coastal and disadvantaged areas. Since its founding Teach First has trained over 5,000 teachers, with 1,584 starting in England in 2015/16.
32. We are also working to improve the quality of ITT provision for new entrants. In response to the recommendations of the Carter Review, we commissioned an independent working group, chaired by Stephen Munday (CEO of Comberton Academies Trust), to develop a core ITT framework to support those who deliver ITT as well as applicants and trainees to have a better understanding of the essential elements of good ITT core content. The review group reported to Ministers in July 2016. The Government accepted the recommendations for a new framework of core content and this is now available for ITT providers to use.
33. Further information about the labour market for teachers and school leaders in England and Wales is provided in [Annex C](#).

Applying the 2017 pay award

34. Following the Government's acceptance of the recommendations of the STRB's 21st - 26th reports, schools now have a very large degree of flexibility to differentiate the remuneration they offer to teachers to reflect various factors, including local recruitment and retention; roles and responsibilities; and specialist qualifications.
35. The Government's response to the STRB's 26th report was to accept the recommendation for an uplift of 1% to the minima and maxima of all classroom teacher and leadership pay ranges and allowances in the national pay framework.
36. In its report last year the STRB reiterated its expectation that it should be for schools themselves to decide the extent to which any uplift to pay ranges and allowances within the national pay framework will apply to their teachers. It was the STRB's view that uplifts should not be applied automatically to teachers and that any individual pay award needed to take account of performance. The STRB made very clear that it was not intended that the uplifts to the framework should translate into uniform pay increases for every teacher within every school. It is for schools to determine at the institutional level how to take account of the uplifts to pay ranges and allowances in the light of their individual school's pay policy. The Government fully agrees with this approach and that schools should be using their autonomy and making decisions on how they will be rewarding individual teachers in accordance with their pay policies.
37. The Government's view is that a similar approach should be taken in any recommendations this year, namely that it will be for schools to use their autonomy and set out in their pay policies how they intend to deal with any proposed uplifts to the national framework.
38. As an illustration, the effect of uplifting the current minima and maxima for each of the national pay ranges by 1% in 2017/18 is shown in Table 1. The STRB will wish to consider the extent to which this will help schools to promote recruitment and retention or whether it would be more effective to provide a more targeted approach, eg differentiating the increases to the minima and maxima of the ranges. In all cases, the STRB should consider these options within the Government's pay policy of an average uplift of 1% across the overall workforce.

Table 1 : Reformed classroom teacher and leadership pay ranges with statutory minima and maxima uplifted by 1% in 2017/18.

Pay ranges				
	England and Wales	Inner London	Outer London	London Fringe
Main Pay Range				
Min	£22,691	£28,378	£26,400	£23,781
Max	£33,491	£38,623	£37,274	£34,590
Upper Pay Range				
Min	£35,926	£43,616	£39,517	£37,017
Max	£38,633	£47,297	£42,498	£39,723
Leading Practitioner Pay Range				
Min	£39,374	£46,814	£42,498	£40,458
Max	£59,857	£67,304	£62,984	£60,943
Unqualified Teacher Pay Range				
Min	£16,626	£20,908	£19,749	£17,717
Max	£26,294	£30,573	£29,420	£27,382
Leadership Group Pay Range				
Min	£39,374	£46,814	£42,498	£40,458
Max	£109,365	£116,737	£112,458	£110,448

Annex A: Evidence on the general economic outlook

- A1. The UK's public finances are in a stronger position today than in 2010 due to determined Government action. However, at 4% of GDP and 84% of GDP respectively, the deficit and debt both remain too high. The outlook for the public finances has deteriorated since Budget 2016, with disappointing tax revenues over the first half of this year, a weaker economic outlook weighing on receipts from income taxes, and higher spending by local authorities, public corporations, and on welfare benefits.
- A2. Continuing to reduce the deficit is vital to delivering a strong and stable economy. Given the weaker growth outlook, and the period of uncertainty that is likely while the UK negotiates a new relationship with the EU, the Government will no longer seek to reach a fiscal surplus in this Parliament. However, the Government remains committed to ensuring that the UK lives within its means and as such to returning the public finances to balance.
- A3. The Government's objective is to return the public finances to balance at the earliest possible date in the next Parliament. To ensure this objective is achieved, the Government published a new Charter for Budget Responsibility at Autumn Statement 2016. This commits to reducing the structural deficit to below 2% of GDP and to having debt falling as a percentage of GDP by the end of this Parliament. The new fiscal framework ensures the public finances continue on the path to sustainability, while providing the flexibility needed to support the economy in the near term.
- A4. Due to the pressure on the public finances, the Government is focusing discretionary support on highly-targeted investments to boost the productive capacity of the economy. This will, over the medium and long term, be the most important factor for continuing to raise living standards across the UK and secure our provision of public services. The Government is sticking to its overall spending plans set out in Spending Review 2015 and has reinforced its controls on welfare spending. This approach will continue to reduce the deficit and return the public finances to balance over an appropriate timeframe.

Labour market

- A5. The labour market has performed strongly in recent years in terms of job creation. While there is still uncertainty about the future of the labour market, the latest data (Jul-Sep 2016) show continued strength in the headline figures, with employment up by 461,000 over the year, to a close to record level of 31.8m. At 74.5 per cent the employment rate is the highest on record. The quality of employment has been strong, with the majority of employment growth over the year being among full-time workers (76 per cent) and among high and medium-skilled occupations (80 per cent).

- A6. Unemployment fell by 146,000 over the year to a level of 1.6m, with the rate falling to an 11 year low of 4.8 per cent. Over half (56%) of the fall in unemployment over the year came from the decrease in long-term unemployment (unemployment of 12 months or more), which was down by 82,000 over the year.
- A7. Youth unemployment (16-24) was down by 60,000 over the year to Jul-Sep 2016, to a level of 591,000. The youth unemployment rate stood at 13.1 per cent, down 0.9 percentage points on the year to an 11 year low. Excluding people in full-time education, there were 397,000 unemployed 16-24 year-olds, with a corresponding unemployment rate of 11.7 per cent.
- A8. The claimant count in October rose by 9,800 over the month and by 9,900 over the year; however, the claimant count rate remained flat at 2.3 per cent.
- A9. The number of vacancies in the three months to October stood at 757,000, up by 12,000 on the quarter and by 18,000 on the year.
- A10. Wage growth has been stable at a level that is low by historical standards. In Jul-Sep 2016 total pay was up 2.3 per cent on the year in nominal terms and by 1.7 per cent in real terms. Figure 1 summarises these statistics:

Figure 1: Labour market statistics summary (Levels in 000s, rates in %)*

	2011	2012	2013	2014	2015	Jul-Sep 2016
Employment level, 000s (All aged 16 and over)	29,376	29,696	30,044	30,757	31,296	31,799
Employment rate % (All aged 16-64)	70.3	71	71.5	72.9	73.7	74.5
Unemployment level, 000s (All aged 16 and over)	2,593	2,572	2,474	2,026	1,781	1,604
Unemployment rate % (All aged 16 and over)	8.1	8.0	7.6	6.2	5.4	4.8
Youth unemployment level, 000s (All aged 16-24)	996	1007	967	782	685	591
Youth unemployment rate % (All aged 16-24)	21.4	21.4	20.9	17.1	14.9	13.1
Claimant Count	1,534.4	1,585.6	1,421.8	1,037.1	799.0	803.3**

Source: UK Labour Market: November 2016, ONS

* The latest public and private sector employment figures available are for the second quarter of 2016. These show that private sector employment rose by 186,000 on the quarter and was up by 579,000 over the year. This more than offset the fall in public sector employment which was down by 13,000 on the quarter and by 20,000 over the year. Since Q2 2010, 7 private sector jobs have been created for every public sector job lost. These series exclude the effects of major reclassifications where large bodies employing large number of people have moved between the public and private sectors.

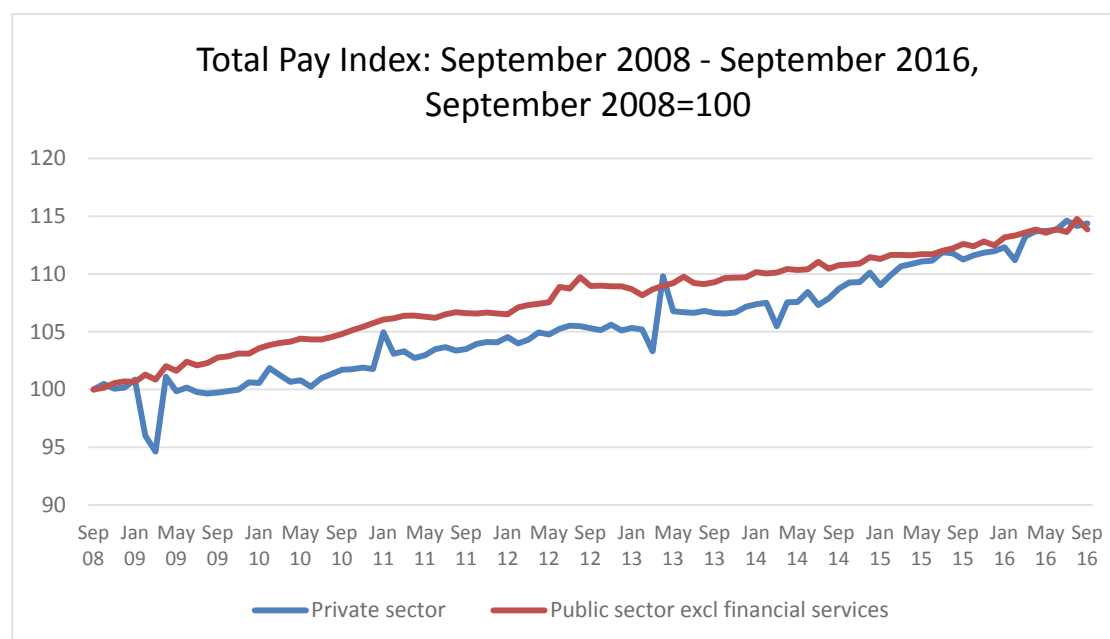
** Monthly data used (October 2016)

Public sector pay and pensions

A11. Analysis by the Institute for Fiscal Studies (IFS) and the Office for National Statistics (ONS) has shown, on average, pay growth in the public sector is broadly comparable when compared to workers with similar characteristics in the private sector. While the public-private pay differential is narrowing, the overall remuneration of public sector employees when taking employer pension provision into account continues to be above that of the market.

- A12. In the three months to September 2016, private sector total pay growth (including bonuses) stood at 2.5 per cent, while private sector regular pay growth (excluding bonuses) stood at 2.7 per cent. Although low inflation has helped boost real wages, nominal private sector wage growth remains below rates seen before the recession (about 4-5 per cent per annum).
- A13. Public sector total pay growth (including bonuses) was 1.5 per cent in the three months to September 2016. Regular earnings (excluding bonuses) grew by 1.5 per cent over the same period. These rates stood above the rate of inflation in this period (0.9 per cent) but still below the pre-recession average growth rate, as in the private sector.
- A14. Historically, public sector wages tend to fall and recover at a slower pace during economic cycles than private sector wages – there can be a delay between a recession occurring and public sector wage adjustment. Since July 2014, private sector earnings growth has been faster than growth in public sector wages, but this follows on from sustained public sector wage growth in the years immediately following the recession. From the three months to September 2008 to the three months to September 2016, total average public sector earnings increased by 14.2 per cent, while those in the private sector have increased by 14.6 per cent. The overall level of public sector average weekly wage remains broadly comparable to that of the private sector, as shown in Figure 2 which compares the growth in average public and private sector weekly earnings since 2008.

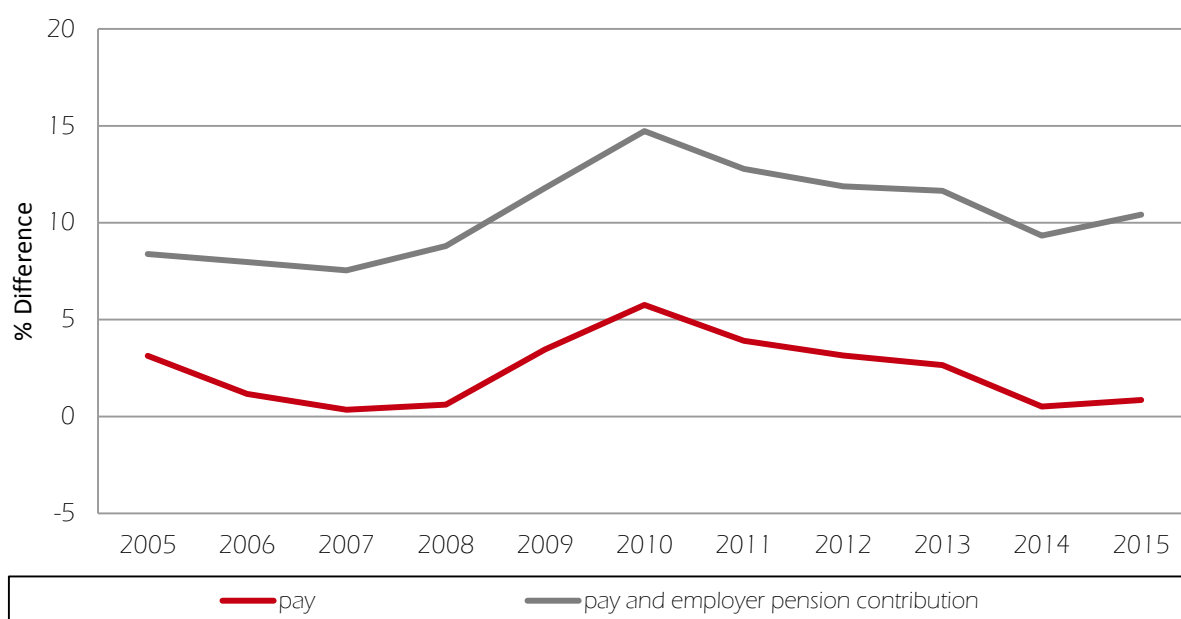
Figure 2: Total pay comparison



Source: Average Weekly Earnings, ONS Labour Market Statistics, June 2016

A15. When considering changes to remuneration, it is important to consider other elements of the total reward package. Including employer pension contributions to pay and bonus, recent HMT analysis finds that on average public sector workers benefit from a 10.4 per cent premium compared with their private sector counterparts, as can be seen in Figure 3. This is supported by the IFS (October 2014 paper), which found that a 4.6 per cent pay premium continues to exist in favour of public sector workers and that the premium increases significantly if one incorporates pension payments in the analysis. This premium is driven by a number of factors, including higher pay for women and protection for the low paid in the public sector. Figure 3 shows the comparison of average hourly earnings for public and private sector workers with similar characteristics across time.

Figure 3: Estimated public-private hourly pay differential



A16. This Government wants to build an economy that works for everyone, and wants to do this in a fair way by ensuring that low wage workers take a greater share of the gains from growth. An essential part of this is the introduction of a new National Living Wage (NLW).

A17. In April 2016, the NLW was introduced at £7.20 for workers aged 25 and over, marking an increase in pay for over a million workers across the UK. Estimates indicate that approximately 200,000 public sector workers have directly benefitted from the policy.

Pension reforms

A18. One major factor in the overall reward package is pension provision. The design and scope of private sector occupational schemes has changed significantly in the last 25 years. Participation in private sector schemes fell

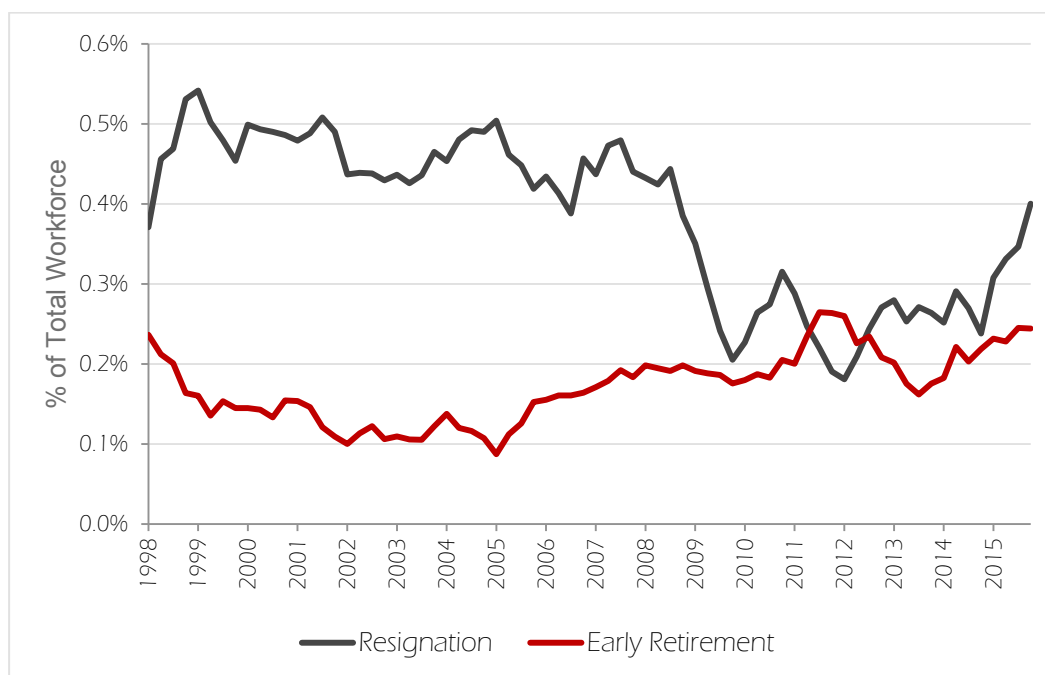
from 6.5m active members in 1991 to 2.8m in 2013, whereas participation in the public sector increased over the same period. Private sector participation rates are now increasing, following the phased introduction of mandatory workplace pension savings, but this growth is in defined contribution schemes where the employee rather than the employer bears the investment risk. The average employer contribution to private sector pensions was around 7 per cent of pay in 2014, compared to average employer costs of around 14 per cent of pay in the reformed public service pension schemes.

- A19. Where private sector defined benefit provision exists, the employer contribution towards the costs is broadly similar to the cost of providing the reformed public sector schemes; however, fewer private sector employees have access to such arrangements. The average employer contribution to private sector career average schemes was 12.7 per cent of pay in 2014. There were 1.6m active members of defined benefit schemes in the private sector in 2014.
- A20. Public service pension schemes continue to be amongst the best available and significantly above the average value of pension provision in the private sector.

Recruitment and Retention

- A21. Across the whole economy there is evidence that the labour market is performing strongly with strong growth in employment. However, there is limited evidence of widespread recruitment and retention issues within the public sector.
- A22. Figure 4 shows recent resignation and early retirement rates in the public sector. Resignation rates over the last year have increased but still remain below pre-recession levels. Within the public sector, the resignation rate was relatively constant prior to the recession, in the region of 0.4 – 0.5 per cent. From the middle of 2008 this rate fell sharply to 0.2 – 0.3 per cent, potentially relating to opportunities outside the public sector becoming scarcer. The early retirement rate figures have fluctuated since 2010.

Figure 4: Resignation and Early Retirement Rates (up to Q4 2015)



Source: Labour Force Survey Microdata, ONS and HM Treasury analysis

A23. The Chartered Institute of Personnel and Development (CIPD) Labour Market Outlook, Autumn 2016, indicates that amongst all private sector firms, where pay has increased by 2 per cent or more, 35 per cent of those cases were set at that level to address recruitment and retention issues.

Wales

A24. The latest Labour Force Survey (LFS) results cover the three months June – August and so include two months of post- EU referendum data. During this three month period and also over the year, the employment rate in Wales increased strongly and the unemployment rate (4.3%, and well below the UK rate of 4.9%) decreased sharply. LFS results for Wales are volatile because the sample size is relatively small. Consequently, these results should be treated with caution and are best interpreted over a period of several months. Wales's relative labour market position is positive in a medium term context. The seasonally adjusted Claimant Count rate is 2.9% (and unlike the LFS unemployment rate) is above the UK rate of 2.3%.

A25. Monthly and quarterly data can be volatile and, particularly in current circumstances, should be interpreted in the context of the longer term picture. Key aspects of the longer term position include the following:

- The historic gap in employment rates between Wales and the UK has narrowed since 2002.
- Over the medium term, unemployment rates in Wales, Northern England and Scotland have all been close to the UK average.

- Over recent years, differences in employment rates have been driven by differences in inactivity, more than by differences in unemployment. The historic inactivity gap between Wales and the UK, however, has partially closed since 2002.
- A26. The employment rate in Wales was 73.5%, up 0.9 percentage points over the quarter and the highest rate on record. The number employed was up 5,000 to 1.459 million people, the highest since comparable records began. Over the year, the employment rate was up 2.5 percentage points (number employed up 38,000). The employment rate is 1.0 percentage point below the UK average (using the unrounded figures) – the third smallest gap on record. The employment rate for men was 76.5%, 2.9 percentage points lower than the UK rate. The employment rate for women was 70.5%, 0.8 percentage points higher than the UK rate.
- A27. The unemployment rate, 4.3%, was down 0.3 percentage points on the quarter and the number unemployed decreased by 5,000. Over the year the rate of unemployment was down 1.7 percentage points and the number of people unemployed down 25,000. The number of people who were unemployed was 65,000, close to the level of the mid 2000's. The unemployment rate in Wales is well below that for the UK (4.9%).
- A28. The inactivity rate was down 0.7 percentage points on the quarter and the number inactive was down 13,000. Over the year the rate of inactivity was down 1.1 percentage points and the number inactive was down 22,000. The inactivity rate was 23.1%, 1.6 percentage points above the UK average.
- A29. Comparing changes over the quarter with other UK countries and regions, Wales had the joint second best performance on the employment rate and the third largest decline in the unemployment rate. Over the year Wales's performance on employment was the second best of all UK countries and regions. Wales had the second largest decrease in unemployment. Just as the rather weak data reported in the previous month may have under-stated the performance of the labour market in Wales, so too is it probable that the latest data over-state the extent to which the labour market is now out-performing the UK average. The volatility evident in the LFS results is mainly a result of the relatively small number included in the sample for the LFS in Wales.
- A30. The seasonally adjusted claimant count rate was 2.9% in September, unchanged compared with August (number down 300). Over the year claimant numbers were down 2,100 and the rate down by 0.1 percentage point. The claimant count rates (not seasonally adjusted) declined or were unchanged over the year in 17 of Wales' 22 local authorities. The largest proportionate declines were in the Isle of Anglesey, Caerphilly and Torfaen (each down 0.4 percentage points). Bridgend saw the largest, but still modest, increase of 0.2 percentage points.

- A31. Workforce jobs by industry for June 2016 show that the number of jobs increased over the year by 14,000 or 1.0% (this series counts jobs not people and is based partly on different sources to the LFS and is not directly comparable with the figures for employment). Jobs in the service sector increased by 16,000 (1.4%) over the year. Manufacturing jobs increased by 13,000 (8.3%) and construction jobs were essentially unchanged (data are volatile and should be treated with caution).
- A32. Public sector employment declined by 1.4% (4,000) over the year to the second quarter of 2016. This was the second largest decline of any UK country or region. Employment in the private sector increased by 4.4% (47,000), the largest percentage increase of any UK country or region.

Annex B: Affordability in schools

Funding for schools in England

- B1. The overall schools' budget continues to be protected 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). This ensures that most schools will not experience a reduction in their budgets of more than 1.5% per pupil (excluding sixth form funding) compared to the previous year and before the pupil premium is added.
- B3. The Government has already made significant changes to local school funding arrangements. It has ensured that schools are funded on a much simpler and more consistent basis, with more money based on the needs of pupils and not on historical decisions. These changes stand us in good stead for introducing a new National Funding Formula in this Parliament. We are also allocating an additional £390m (on top of flat cash per pupil) to the least fairly funded local authorities in 2015-16. We are allocating the funding by setting minimum funding levels that a local authority should receive for each of its pupils and schools. Detail of this additional funding can be found on GOV.UK.

The schools' budget and school spending

- B4. In 2016/17 Dedicated Schools Grant allocations, before recoupment of funding for academies, total £40.7 billion³. The pupil premium is an additional £2.4 billion. 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 2014-15 local authority (LA) maintained schools in England spent a total of £28.1 billion. During the same period they generated

³ This includes Early Years DSG funding (£2.7bn) which remains provisional until mid-2017.

an income of £1.7 billion, resulting in a total net expenditure of £26.4 billion. Of the total expenditure:

- £279.0 million (1.0%) was spent by LA maintained nursery schools;
- £17.9 billion (63.8%) was spent by primary schools (which included a number of primary schools with nursery classes);
- £7.5 billion (26.7%) was spent by secondary schools; and
- £2.0 billion (7.0%) was spent by special schools.

B6. Maintained schools spent £20.8 billion, or 74.3% of their total expenditure, on staffing costs. Of which:

- £13.0 billion (46.4% of total expenditure) was spent on permanent and supply teaching staff (excluding agency supply teachers and supply teacher insurance costs);
- £4.7 billion (16.6%) on education support staff; and
- £3.2 billion (11.2%) on other school staff.

B7. The way in which academies spend their funding is broadly in line with LA maintained schools. They spend just under half (49.5%) of all their spending on teaching staff. However, data on spending in academies are not directly comparable with the data collected for LA maintained schools, as academies receive additional funding which reflects their wider responsibilities that, within the maintained school sector, are carried out by LAs.

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

B8. In the academic year 2016/17 the teacher pay bill for publicly funded schools in England and Wales is projected to be approximately £24.8 billion. Teachers in England and Wales were subject to a pay freeze from September 2011 to September 2013. An average pay award of 1% was applied in September 2014, September 2015 and September 2016.

B9. A flat 1% pay uplift awarded to all salaries and relevant allowances in 2017/18 is estimated to cost £250 million. This would contribute to a total increase in the pay bill of approximately £505 million, to reach £25.3 billion in 2017/18. The remaining pressure of £255 million equates to a 1% growth in the pay bill compared to 2016/17. The majority of this pressure is due to a projected increase in the workforce size (close to 0.6%). Any remaining growth is due to pay drift. Pay drift is the net effect of progression within the profession, wastage from the profession and entry and re-entry into the profession.

- B10. Schools would need to meet this cost from within their existing budgets. If the recommendations of the STRB proposed a larger pay award to some teachers than to others, this may result in some schools seeing disproportionate increases in their staffing budgets. This would have the potential to create a risk to their financial security.

School budgets in Wales

- B11. In Wales local authorities are responsible for school funding, through devolution of education to the Welsh Government. The education budget in 2016/17 is approximately £2.577 billion. Of this, £2.275 billion was in the schools' budget and £302 million in the Local Education Authority (LEA) budget. The funding delegated to schools in 2016/17 is budgeted to be £2.123 billion.
- B12. Gross schools' expenditure per pupil is budgeted to be £5,570, a year-on-year increase of 0.8% or £44. Of this, £4,695 per pupil is delegated to schools and £874 per pupil retained for centrally funded school services. The amount of funding that local authorities delegate directly to schools ranges between 78% and 88% of overall gross schools' budgeted expenditure. Overall, 84% of the total gross schools' budgeted expenditure is delegated directly to schools.
- B13. Between 2011-12 and 2016-17 the Welsh Government committed to increasing spending on schools' services at 1% better than the uplift to the overall Welsh budget. Local authority budgets were monitored on an annual basis to ensure they met the required level for schools' budgets. In support of this additional funding was provided each year to local authorities through a range of funding streams. The publication of the 2017-18 Provisional Settlement took place on 19 October, following publication of the Welsh Government's Draft Budget. This Settlement set out individual authority provisional allocations of the core revenue funding available for Local Government, with the Final Settlement following in December.

Annex C: The teacher labour market

- C1. In November 2015 there were approximately 456,900 FTE teachers. Table 2 shows the FTE numbers of teachers in England split by grade and phase. The majority of teachers are classroom teachers (over 366,000 FTE). There are approximately 67,100 leadership teachers and 21,800 unqualified teachers⁴.

Table 2 : Full-time equivalent teachers (FTE) by grade⁵ and phase, publicly-funded schools (England, November 2015) (000s)

	Nursery and primary	Secondary	Special	Centrally employed	Total
Heads	16.4	3.5	1.3	0.1	21.3
Deputy heads	12.5	5.5	1.2	0.1	19.2
Assistant heads	11.1	13.8	1.7	0.1	26.6
Classroom teachers	173.2	175.8	15.0	2.5	366.5
Unqualified teachers	6.7	12.1	2.3	0.7	21.8
TOTAL	220.0	210.9	21.5	4.4	456.9

Source: **School Workforce Census**, SFR November 2015

The teaching workforce⁶

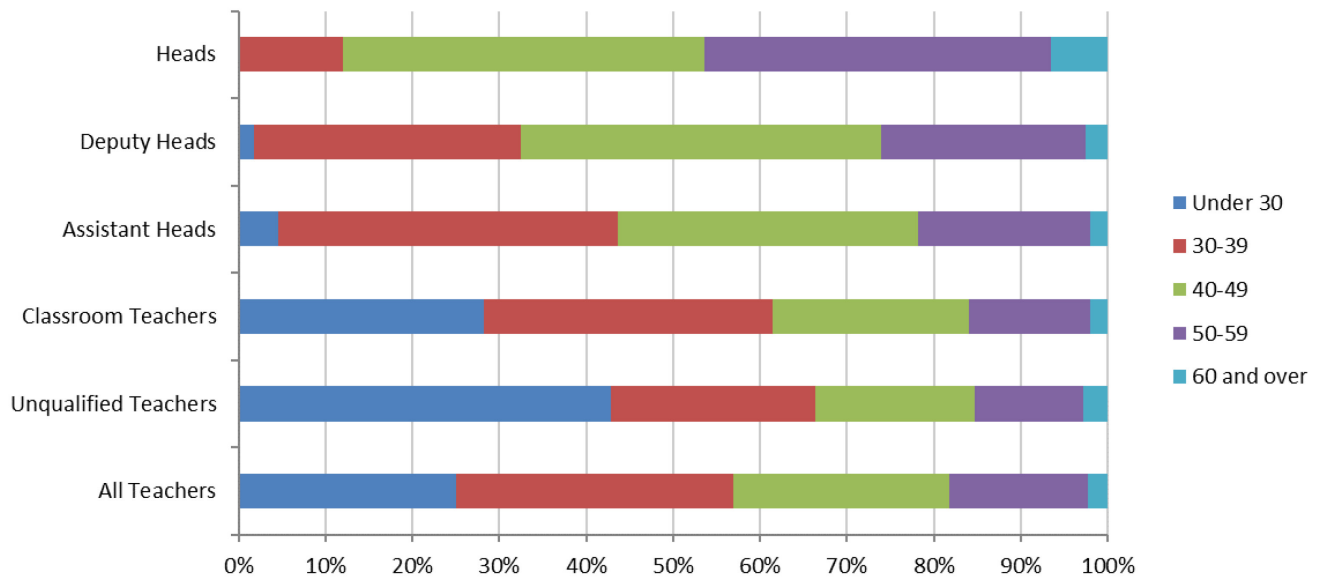
- C2. 18% of all FTE teachers in publicly-funded schools were aged 50 and over, whilst 25% of teachers were aged under 30. Unqualified teachers have the largest percentage of teachers under 30 at 43%. Age distributions by grade are shown in Figure 5.
- C3. 74% of teachers at all grades are female. For classroom teachers the percentage is slightly higher at 75%. For the leadership group and unqualified teachers, the percentage of female teachers is less than 70%. Figure 6 shows the percentages of females and males for each grade.

⁴ The category 'Unqualified teachers' only includes unqualified classroom teachers. Teachers of higher grades without a QTS are reported in the higher grade. Leading Practitioners without a QTS are reported within Classroom Teachers. This classification is consistent with all the evidence provided elsewhere in this document.

⁵ For simplicity, Advisory Teachers have been excluded from the table but they are included in the total. The table has been adjusted to account for the schools which did not provide SWFC returns.

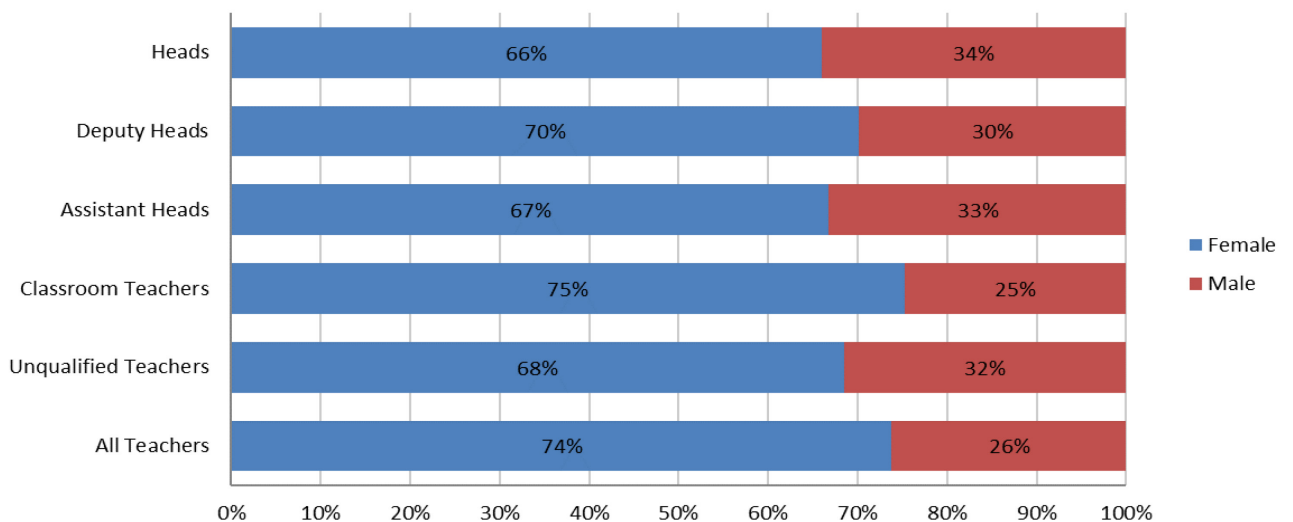
⁶ All figures taken from the School Workforce Census (SWC) 2015 and are England only unless otherwise stated.

Figure 5 : Full-time equivalent teachers (FTE) in publicly funded schools by grade and age (England, November 2015)



Source: **School Workforce Census**, November 2015

Figure 6 : Full-time equivalent teachers (FTE) in publicly funded schools by grade and gender (England, November 2015)



Source: **School Workforce Census**, November 2015

C4. Table 3 shows the ethnic background of teachers in England by grade. The percentage of teachers with a non-white ethnic background decreases as grade increases. The highest percentages of teachers with a non-white background are observed for unqualified teachers and the lowest percentage of teachers with a non-white background is observed for headteachers.

Table 3 : Distribution of full-time equivalent teachers (FTE) by grade and ethnicity in publicly funded schools. (England, November 2015)⁷

	Heads	Deputy Heads	Assistant Heads	Classroom Teachers	Unqualified Teachers	Total
White	96.9%	95.8%	93.9%	91.8%	86.3%	92.1%
White British	93.3%	92.0%	89.5%	86.4%	73.0%	86.6%
White Irish	1.8%	1.8%	1.7%	1.7%	3.9%	1.8%
Any Other White Background	1.8%	2.1%	2.7%	3.7%	9.4%	3.8%
Black	1.1%	1.2%	1.7%	2.2%	4.9%	2.2%
Black African	0.2%	0.3%	0.5%	0.8%	1.5%	0.8%
Black Caribbean	0.7%	0.7%	1.1%	1.0%	2.7%	1.1%
Any Other Black Background	0.1%	0.2%	0.2%	0.3%	0.7%	0.3%
Asian	1.2%	1.8%	3.0%	4.1%	5.2%	3.9%
Indian	0.7%	1.1%	1.5%	1.9%	2.2%	1.8%
Pakistani	0.3%	0.4%	0.8%	1.1%	1.4%	1.0%
Bangladeshi	0.1%	0.1%	0.3%	0.5%	0.6%	0.5%
Any Other Asian Background	0.2%	0.3%	0.4%	0.6%	1.0%	0.6%
Mixed	0.6%	0.8%	0.9%	1.2%	2.1%	1.2%
White and Black African	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
White and Black Caribbean	0.2%	0.2%	0.2%	0.3%	0.6%	0.3%
White and Asian	0.2%	0.2%	0.2%	0.3%	0.4%	0.3%
Any Other Mixed Background	0.2%	0.3%	0.4%	0.5%	0.9%	0.4%
Chinese	0.0%	0.0%	0.1%	0.2%	0.3%	0.2%
Any Other Ethnic Group	0.1%	0.3%	0.4%	0.5%	1.1%	0.5%

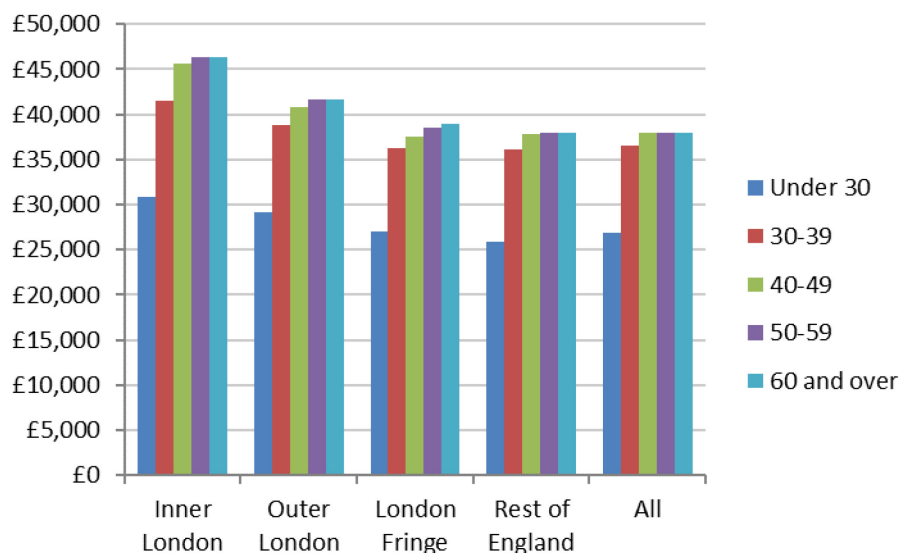
Source: **School Workforce Census**, November 2015

Classroom teacher salaries

- C5. The case for continued pay restraint remains strong. While teacher recruitment will become increasingly challenging, the teacher labour market remains healthy and teaching continues to be an attractive profession. Teachers' salaries are still competitive.
- C6. In 2016/17 the minimum salaries for classroom teachers in the Rest of England and Wales pay band (the lowest of the four regional pay bands) are £22,467 for a qualified teacher and £16,461 for an unqualified teacher.
- C7. Teachers' salaries are largely driven by the location of the school they work in and their level of experience. Figure 7 shows median salaries of classroom teachers by pay band and age. Classroom teachers typically see their salary rise much quicker in the beginning of their careers than in their later stages.

⁷ Percentages are out of a total of those with ethnicity information recorded in the census (over 95% of all teachers)

Figure 7 : Average (median) salaries of classroom teachers in publicly funded schools, by age of teacher⁸

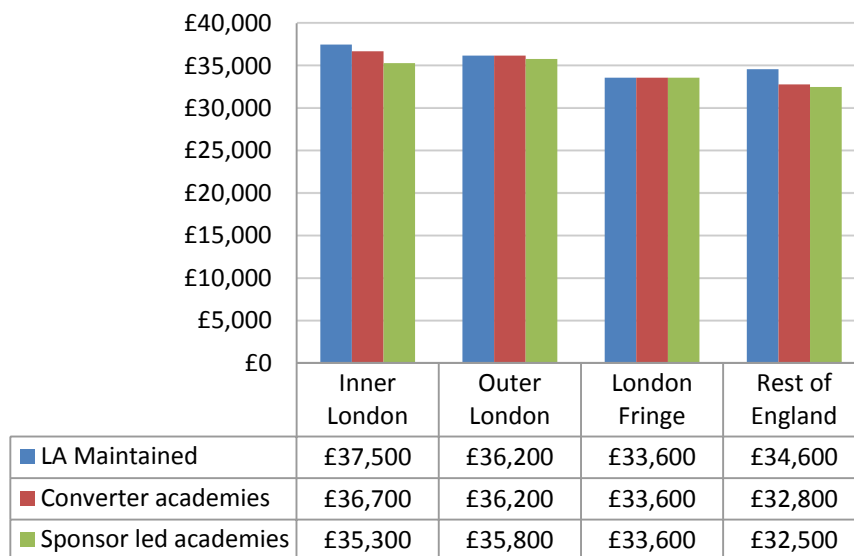


Source: School Workforce Census, November 2015

- C8. However, analysis of the November 2015 School Workforce Census (SWC) also shows that the overall level of pay varies between phase and sector. Figure 8 and Figure 9 show that average salaries for classroom teachers are higher in secondary schools than in primary schools, across both the maintained and academy sectors.
- C9. In Inner London primary schools the average salaries are higher in maintained schools than in academy converters, whilst in secondary schools, classroom teachers in sponsor-led academies consistently have the lowest salaries in each of the four pay bands. However, this analysis does not allow for like-for-like comparison of characteristics. Other analysis suggests that on average academies use allowances less than in maintained schools.

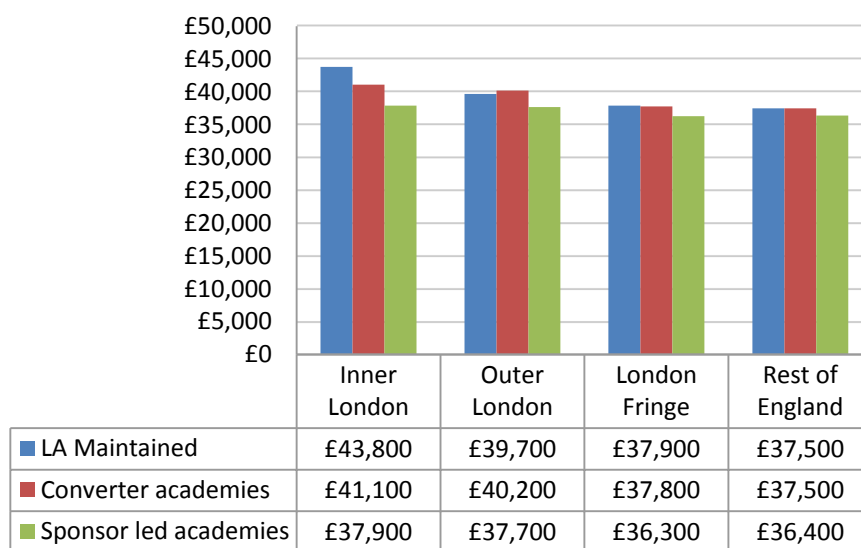
⁸ Excludes centrally employed teachers, unqualified teachers and teachers with unreliable salary.

Figure 8 : Average (median) salaries of classroom teachers in primary schools by region and school type⁹



Source: **School Workforce Census**, November 2015

Figure 9 : Average (median) salaries of classroom teachers in secondary schools by region and school type¹⁰



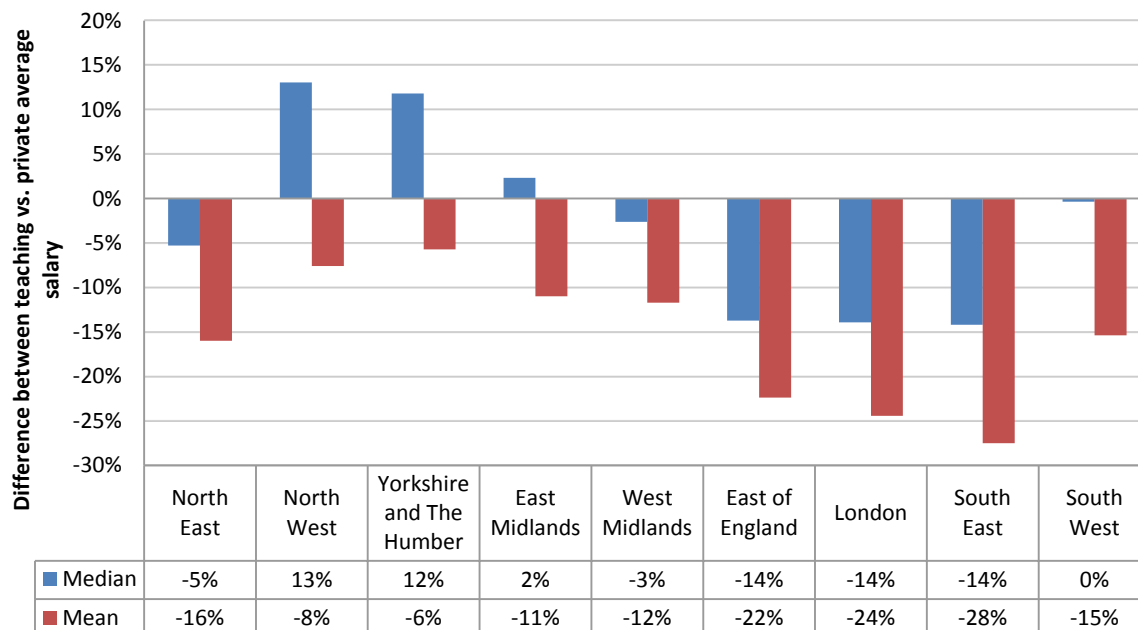
Source: **School Workforce Census**, November 2015

C10. Figure 10 shows that the median pay of classroom teachers is higher than private sector graduate professionals in the North west, Yorkshire and the Humber, and the West Midlands. In the other regions the median pay of classroom teachers is lower than that of private sector graduate professionals.

⁹ Excludes special schools, free schools, CTCs, UTCs, studio schools, and centrally employed staff and teachers with unreliable pay information.

¹⁰ Excludes special schools, free schools, CTCs, UTCs, studio schools, and centrally employed staff and teachers with unreliable pay information.

Figure 10 : Percentage difference in average (mean and median) salaries - classroom teachers' salaries vs. private sector graduate professional salaries 2015/16^{11 12}



Source: **School Workforce Census** November 2015 (teachers), **Labour Force Survey** (graduate professionals)

- C11. The classroom teacher mean salary is lower than that of a graduate professional in all regions. In general, this can be explained by the existence of some graduate professionals earning very high salaries, which are inflating the value of the mean, but have little effect on the median. Classroom teachers are less likely to be paid salaries at very high levels due to the maximum salary restrictions of the STPCD.
- C12. Pay is only part of the total compensation package and this analysis does not take into account additional elements offered in the different professions, such as the pension provision and the offer of healthcare benefits. Graduates would also base their career decisions on other factors, such as future career/promotion prospects, job security and work/life balance.
- C13. This analysis does not compare workers with like-for-like characteristics and the comparison would be quite different if factors such as gender and age were taken into account. Female teachers generally fare better than male teachers when compared to graduates. The earnings gap between teachers

¹¹ Graduate cohort includes employees who worked in past week, full-time in main job, with highest qualification a degree or equivalent, professional occupation or associate professional and technical occupation. The national total for graduates includes Wales, whereas for classroom teachers it is England only.

¹² The 2014/15 average salaries for graduates are estimates based on the latest three quarters of available data (Q4 2014 and Q1&Q2 2015). Q3 2015 of the Labour Force Survey is not yet available

and graduates of the same age varies but is generally smaller at younger ages.

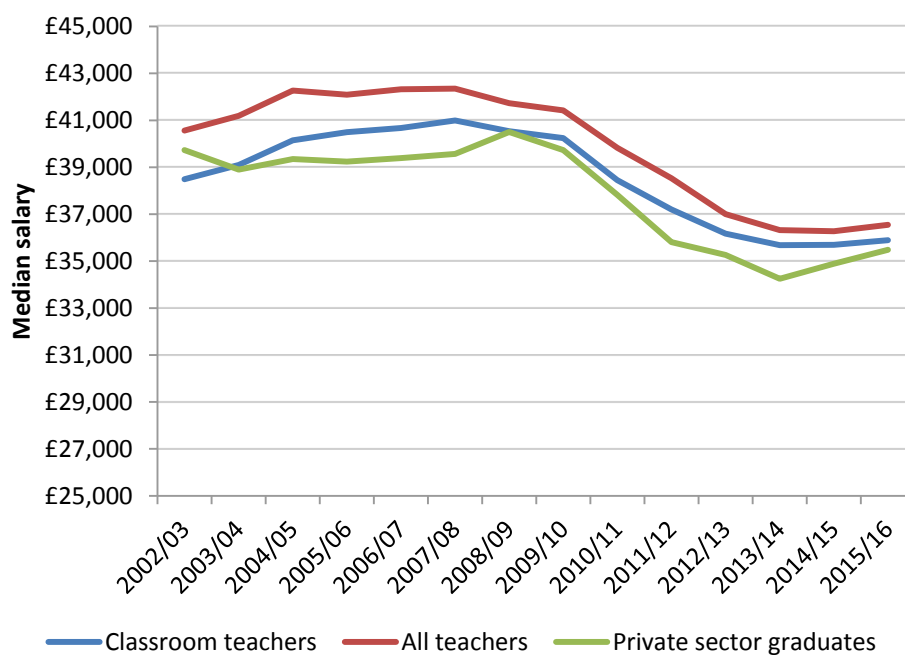
- C14. Figure 11 shows real term earning values¹³ of classroom teachers and private sector graduates 2002/03 to 2015/16¹⁴, not accounting for any regional variation. While all three averages have risen in the latest year, those for private sector graduates appear to have risen more steeply than was the case in the teaching profession. This could indicate the teaching profession is more robust to fluctuations in the economy than the private sector. The rising real terms average salaries were both driven by a slight increase in the average cash terms salaries as well as exceptionally low inflation. Alternatively, the increase in average salaries could be the result of a changing composition of the teaching/private sector labour market.
- C15. From 2002/03 to 2015/16¹⁵ classroom teacher median salaries have seen a drop of 7% and overall teacher median salaries of 10% in real terms. The median salaries of private sector graduates have decreased by 11%.

¹³ At 2015/16 levels, using CPI as the measure of inflation, consistent with ONS published analysis of changes in real wages.

¹⁴ The 2015/16 average salaries for graduates are estimates based on the latest threequarters of available data (Q4 2015 and Q1&Q2 2016). Q3 2016 of the Labour Force Survey is not yet available.

¹⁵ Before 2013/14 the classroom teacher figures include ASTs and ETs; from 2013/14 onwards they include leading practitioners.

Figure 11 : Average (median) salaries in real terms¹⁶ over time¹⁷



Source: **Database of Teacher Records** (prior to 2010) and **School Workforce Census** (from 2010).
 Graduates: **Labour Force Survey** (all years)¹⁸

Use of allowances

C16. Table 4 shows the percentage of schools making use of different allowances by region. Nationally, 76.4% of schools were using allowances in November 2015. Following an increase from 75.7% in November 2010 to 78.8% in November 2013, we have observed a small decrease between November 2013 and November 2015. There is considerable variation between the regions as regards the use of allowances, with additional payments being used most in inner and outer London (84.6% and 86.0% of schools using them), while only approximately two in three schools using them in Yorkshire and the Humber.

¹⁶ At 2015/16 levels, using CPI as the measure of inflation, consistent with ONS published analysis of changes in real wages.

¹⁷ Unlike the previous three charts, this analysis is not limited to professional graduates due to inconsistencies in the time series of the Standard Occupational Classification. Instead, graduates from all occupations are included in this analysis.

¹⁸ Coverage: From 2010: England and Wales, post-2010 onwards: Graduates – England and Wales, Teachers - England only. The 2014/15 average salaries for graduates are estimates based on the latest three quarters of available data (Q4 2014 and Q1&Q2 2015). Q3 2015 of the Labour Force Survey is not yet available.

Table 4 : Use of pay flexibilities, by region (England, November 2015)

Region	Total Number of Schools	Schools using REC payments		Schools using TLR payments		Schools using SEN payments		Schools using other payments		Schools using any payments	
		Number	%	Number	%	Number	%	Number	%	Number	%
North East	1,157	104	9.0%	835	72.2%	172	14.9%	245	21.2%	896	77.4%
North West	3,166	208	6.6%	2,242	70.8%	550	17.4%	510	16.1%	2,479	78.3%
Yorkshire and the H	2,238	183	8.2%	1,307	58.4%	273	12.2%	444	19.8%	1,524	68.1%
East Midlands	2,037	182	8.9%	1,334	65.5%	331	16.2%	500	24.5%	1,516	74.4%
West Midlands	2,397	347	14.5%	1,659	69.2%	363	15.1%	762	31.8%	1,974	82.4%
East of England	2,552	360	14.1%	1,496	58.6%	623	24.4%	730	28.6%	1,984	77.7%
Inner London	1,009	226	22.4%	788	78.1%	223	22.1%	276	27.4%	854	84.6%
Outer London	1,533	234	15.3%	1,185	77.3%	347	22.6%	505	32.9%	1,318	86.0%
South East	3,343	433	13.0%	1,870	55.9%	770	23.0%	818	24.5%	2,329	69.7%
South West	2,321	129	5.6%	1,186	51.1%	485	20.9%	715	30.8%	1,744	75.1%
England	21,753	2,406	11.1%	13,902	63.9%	4,137	19.0%	5,505	25.3%	16,618	76.4%

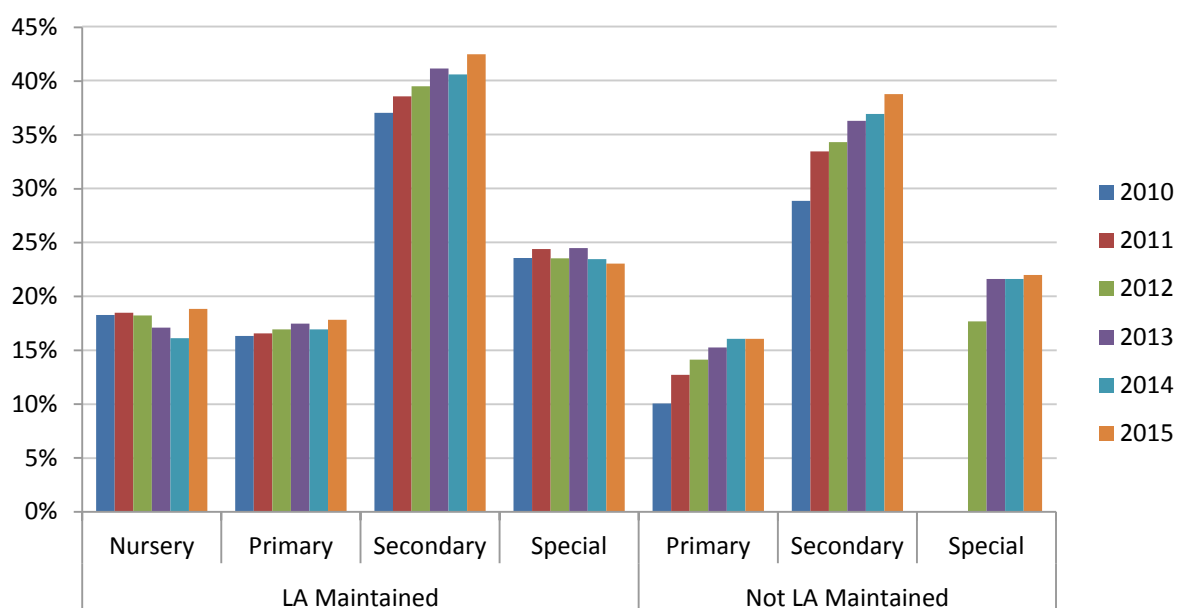
Source: **School Workforce Census**, November 2015¹⁹

¹⁹ Classroom teachers in publicly funded schools for whom data is provided. A school is counted if they are paying a pay flexibility to at least one classroom teacher. REC payments represent Recruitment and Retention payments.

- C17. Teaching and learning responsibility (TLR) payments are the most widely used form of allowances, used in approximately 63.9% of schools. TLR payments are made to a teacher for undertaking a sustained additional responsibility for the purpose of ensuring the continued delivery of high-quality teaching. London schools make use of these payments most often and this pattern has been stable over time (since November 2010).
- C18. Recruitment and retention payments provide financial assistance, support or benefits to a teacher if such incentives are considered to be necessary for the recruitment of new teachers and the retention of existing teachers.
- C19. Table 4 shows that Inner London schools use these payments the most often; this has long been the case. Given the size of the job market in London, schools may face larger competition for teachers there than elsewhere, which may in turn drive the higher use of recruitment and retention payments.
- C20. Similarly, London has the most widespread use of special educational needs (SEN) payments, but they are also widely used in the East of England and in the South East. 'Other payments', on the other hand, are being used most widely in Outer London and in the East of England, West Midlands and the South West. It could be that schools in some regions tend to record TLR / REC / SEN payments under 'Other payments'. These figures should therefore be interpreted with caution.
- C21. Figure 12 shows the percentage of classroom teachers in receipt of TLR payments each year between November 2010 and November 2015. Maintained schools were more likely to use TLR payments than academies in the same phase, and TLR payments were more widely used in secondary schools than primary schools. The overall percentage of teachers in receipt of a TLR payment has been generally increasing over time, from 26.7% in November 2010 to 28.3% in November 2015. The long-term increase has been reflected in the rise of the percentages both in primary and secondary schools; special schools show no change and nursery schools an increase between 2014 and 2015. It is also worth noting that full-time teachers are approximately twice as likely to be awarded a TLR payment compared to part-time teachers, with 32.4% of full-time teachers and 15.6% of part-time teachers having been in receipt of a TLR payment in November 2015.²⁰

²⁰ This also holds when controlling for school type.

Figure 12 : Percentage of classroom teachers in receipt of a TLR payment²¹

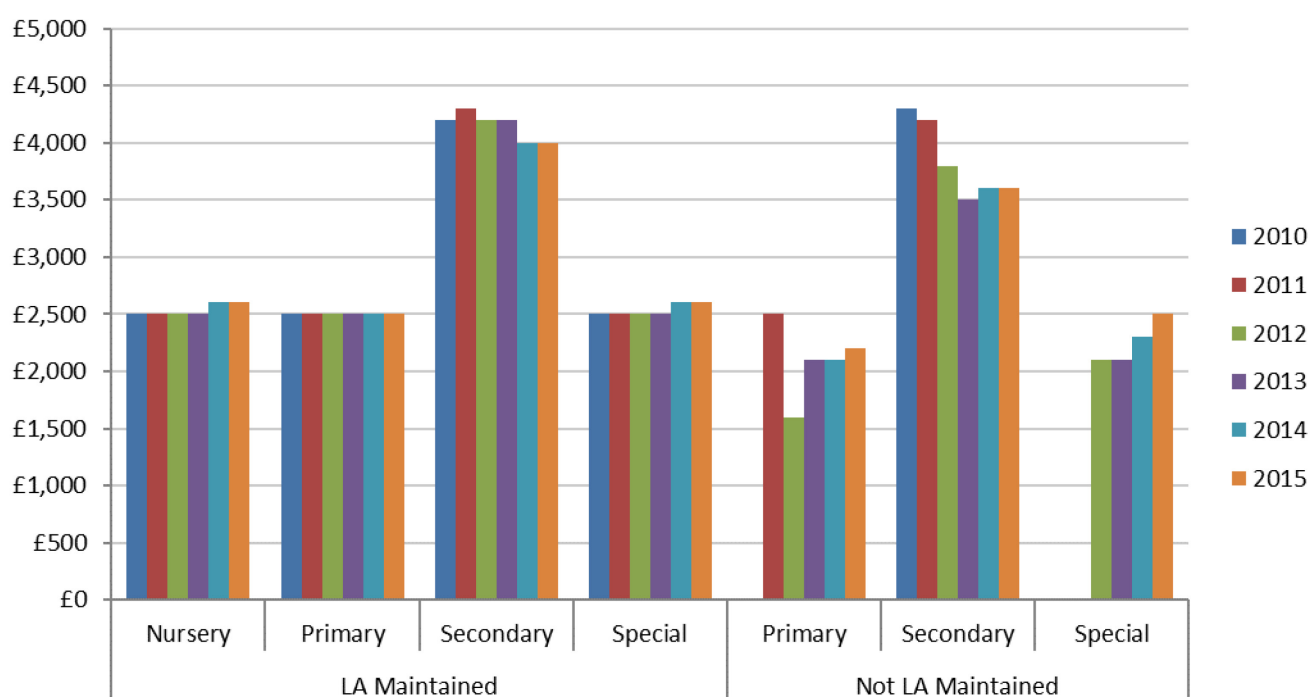


Source: **School Workforce Census**, November 2010-2015

C22. Figure 13 shows the median annual TLR payments by phase and sector paid to classroom teachers in November 2010-2015. It shows that TLR payments of all types were on average of higher value in secondary schools than in primary schools and that they have also been higher in LA-maintained schools in comparison to academies and other state-funded non-LA-maintained schools. The highest average TLR payments, of around £4,000, have been found in LA-maintained secondary schools. Non-LA-maintained secondary schools saw a decline between November 2010 and November 2013 and then a small increase in November 2014 with 2015 remaining the same (at £3,600). In LA-maintained nursery, primary and special schools the average has been stable at around £2,500, while it has been slightly lower in non-LA-maintained schools of the respective types.

²¹ Excludes centrally employed teachers, unqualified teachers and leading practitioners. The number of teachers in non LA maintained special schools prior to November 2012 is not large enough to provide robust estimates and the respective figures are therefore not reported here. 'Not LA maintained' covers all state funded primary, secondary and special schools which are not maintained by LAs, e.g. academies, studio schools and UTCs

Figure 13 : Average (median) TLR payment for classroom teachers²²



Source: **School Workforce Census**, November 2010-2015

Vacancies

- C23. Table 5 shows vacancy rates by English regions between 2001 and 2015. The dotted line indicates a change in data source prior to the final six 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.
- C24. Vacancy rates have remained fairly low and relatively stable in the last five years, but have shown a small increase between November 2012 and November 2015 from 0.1% to 0.2%. The teacher vacancy rate nevertheless remains low and has remained stable at around 1% or below for the past 15 years.

²² Excludes centrally employed teachers, unqualified teachers, leading practitioners and classroom teachers without a TLR payment. The numbers of teachers receiving TLR payments in non-LA maintained special schools prior to November 2012 as well those in non-LA maintained primary schools prior to November 2011 are not large enough to provide robust estimates and the respective figures are therefore not reported here. 'Non-LA maintained' covers all state funded primary, secondary and special schools which are not maintained by LAs, e.g. academies, studio schools and UTCs.

Table 5 : Vacancy rates¹ in publicly funded schools by region in England, 2001 – 2015

Vacancy rate (as a percentage of teachers in post)																
Region	Jan 2001	Jan 2002	Jan 2003	Jan 2004	Jan 2005	Jan 2006	Jan 2007	Jan 2008	Jan 2009	Jan 2010	Nov 2010	Nov 2011	Nov 2012	Nov 2013	Nov 2014	Nov 2015
North East	0.8	0.6	0.7	0.5	0.4	0.4	0.4	0.5	0.4	0.5	0.1	0.1	0.1	0.1	0.1	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	0.1	0.2	0.1	0.2
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	0.1	0.2	0.2	0.2
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	0.1	0.2	0.2	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	0.1	0.2	0.2	0.2
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	0.1	0.1	0.2	0.2
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	0.1	0.2	0.1	0.2
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	0.1	0.2	0.2	0.2
South West	0.6	0.5	0.4	0.3	0.4	0.3	0.3	0.4	0.3	0.2	0.0	0.1	0.0	0.1	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	0.1	0.2	0.2	0.2
England (excl. London)	1.0	1.0	0.8	0.6	0.6	0.5	0.5	0.6	0.6	0.4	0.1	0.1	0.1	0.2	0.2	0.2

Source: 618g Survey and School Workforce Census

1. Based on 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 term.
2. From November 2010, vacancy rates are based on a census date in November which represents a break in the time series (prior rates were based on a census date in January). A general decline in vacancy rates and change in census date accounts for the large drop between Jan 2010 and Nov 2010

- C25. We recruited 94% of the overall number of trainees we set out to recruit for training in 2015/16, reflecting the continuing popularity of teaching.
- C26. At secondary level, after a drop in the vacancy rate between November 2010 and November 2011, Table 6 shows that the number of full-time classroom teacher vacancies and temporary filled posts has increased from 520 in 2011 to 1,730 in 2014 and then decreased to 1,430 in 2015. Over the same period the rate increased from 0.3% to 1.1%, then fell to 0.9%. Above average vacancy rates have been consistently observed for mathematics, information technology, all sciences and English.
- C27. Table 7 shows the proportion of hours taught by non-specialist teachers in EBacc subjects. There has been a small decrease since last year, with 28.2% of all hours taught in Physics and 18.7% of all hours taught in Chemistry being taught by non-specialist teachers. There are also above average proportions of non-specialist hours for modern foreign languages, although this definition of 'specialist' does not take into account the native tongue of the teacher²³.
- C28. Table 8 shows the retention rates of teachers by the year of gaining qualified teacher status who were in service the following year and the percentage that were recorded in service in each year later.

²³ For example, 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 6 : Full-time classroom teacher vacancies and temporary filled number²⁴ of posts²⁵ and rates in publicly funded secondary schools and academies by subject²⁶

	VACANCIES AS A PERCENTAGE OF TEACHERS IN POST						NUMBER OF VACANCIES					
	Note 2											
	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
ALL VACANCIES	0.4	0.3	0.5	0.8	1.1	0.9	630	520	800	1,220	1,730	1,430
MAIN TEACHING SUBJECT												
Mathematics	0.7	0.5	0.7	1.1	1.4	1.2	120	100	140	220	290	260
Information technology	0.5	0.4	0.5	1.0	1.5	1.4	40	30	30	60	90	80
All sciences	0.4	0.4	0.6	1.0	1.4	1.3	80	90	140	230	340	300
Languages	0.3	0.4	0.5	0.3	0.7	0.7	30	40	50	40	80	70
English	0.5	0.4	0.7	1.0	1.3	1.2	110	80	150	220	280	250
Drama	0.3	0.1	0.1	0.4	0.4	0.4	10	-	-	20	-	10
History	0.2	0.3	0.2	0.4	0.8	0.7	10	20	20	30	60	50
Social sciences	0.6	0.3	0.6	0.7	1.4	0.7	20	10	30	30	60	40
Geography	0.2	0.2	0.4	0.6	1.2	1.2	10	10	20	40	80	80
Religious education	0.3	0.2	0.4	0.7	0.6	0.4	10	10	20	40	30	20
Design and technology	0.4	0.2	0.4	0.6	1.1	0.8	40	20	40	60	100	80
Commercial/business studies	0.5	0.1	0.2	0.4	0.6	0.6	20	-	10	20	40	20
Art/craft/design	0.2	0.1	0.2	0.5	0.5	0.3	10	10	10	30	30	20
Music	0.2	0.2	0.5	0.3	1.0	0.5	10	10	20	10	40	20
Physical education/sport/dance	0.2	0.1	0.1	0.3	0.4	0.3	30	20	20	40	50	40
Careers	-	-	-	-	-	-	-	-	-	-	-	-
Other main and combined subjects	0.5	0.4	0.5	1.0	1.1	1.0	50	50	50	90	100	70
Unknown subjects	.	.	.	.	.	.	30	20	40	50	40	30

Source: **School Workforce Census**

²⁴ 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

²⁵ Teachers in post include full-time qualified regular teachers in (or on secondment from) publicly funded secondary schools

²⁶ Totals may not appear to equal the sum of the component parts because of rounding.

Table 7 : Number of 'specialist' teachers and percentage of hours taught by 'non-specialist' teachers in publicly funded schools (England, November 2015)

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	24,840	18.0%	5,450
English	29,020	13.4%	4,490
Physics	3,940	25.4%	1,340
Chemistry	5,470	18.7%	1,260
Biology	7,740	7.9%	660
Combined / General science **	29,210	5.1%	1,570
History	11,950	11.0%	1,480
Geography	10,030	14.3%	1,670
French*	9,950	18.4%	2,240
German*	3,110	21.6%	860
Spanish*	3,710	39.2%	2,390
Other modern languages*	950	56.0%	1,210
ICT	5,738	38.4%	3,580

* 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)

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

Table 8 : Retention rates of teachers by year of gaining QTS

Full and part-time¹ teachers by year of gaining qualified teacher status, who were in service the following year and the percentage recorded in service in state-funded schools in England in each year later.

England			Percentage of teachers in regular service in the state-funded schools sector in England after:																		
Year qualified	Recorded in service by	Number of newly qualified entrants entering service	Note 4																		
			1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	11 years	12 years	13 years	14 years	15 years	16 years	17 years	18 years	19 years
Note 2	Note 3	Note 5																			
1996	March 1997	18,100	91%	84%	79%	73%	71%	68%	67%	64%	62%	60%	58%	57%	56%	55%	55%	54%	53%	52%	50%
1997	March 1998	18,900	90%	83%	77%	74%	71%	69%	67%	65%	62%	60%	59%	58%	57%	57%	56%	55%	53%	51%	
1998	March 1999	17,800	89%	81%	77%	74%	72%	69%	67%	64%	63%	62%	60%	59%	59%	58%	57%	55%	53%		
1999	March 2000	18,300	88%	82%	77%	74%	71%	70%	67%	65%	64%	62%	60%	60%	59%	58%	56%	54%			
2000	March 2001	17,600	89%	83%	78%	74%	72%	69%	67%	66%	64%	62%	62%	61%	59%	57%	56%				
2001	March 2002	18,600	89%	82%	78%	75%	71%	68%	67%	66%	64%	64%	63%	61%	59%	57%					
2002	March 2003	20,700	89%	83%	78%	74%	72%	70%	68%	66%	65%	64%	63%	60%	59%						
2003	March 2004	23,000	90%	83%	77%	74%	71%	69%	68%	67%	65%	63%	61%	59%							
2004	March 2005	25,200	89%	81%	77%	74%	71%	69%	69%	67%	65%	62%	60%								
2005	March 2006	25,700	86%	81%	77%	74%	71%	71%	69%	66%	64%	61%									
2006	March 2007	24,000	87%	81%	77%	74%	73%	71%	68%	66%	62%										
2007	March 2008	24,400	88%	82%	78%	77%	74%	71%	68%	63%											
2008	March 2009	24,400	88%	82%	80%	77%	74%	71%	66%												
2009	March 2010	22,300	87%	83%	79%	76%	72%	68%													
2010	November 2010	24,100	87%	82%	77%	73%	70%														
2011	November 2011	20,600	88%	83%	77%	73%															
2012	November 2012	23,000	88%	81%	75%																
2013	November 2013	23,600	87%	80%																	
2014	November 2014	24,200	87%																		
2015	November 2015	25,500																			

Source: Database of Teacher Records (DTR) and School Workforce Census

Demand

- C29. Every year the Department sets the National College for Teaching and Leadership (NCTL) targets for recruitment to Initial Teacher Training (ITT) courses informed by the Teacher Supply Model (TSM)²⁷. 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). 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.
- C30. Overall pupil numbers (aged up to and including Key Stage 5) in state-funded schools began to increase in 2008/09 and are projected to continue rising until at least 2025/26. The actual population in state-funded schools in 2016 was 7,367,000 and this is projected to increase by 10.3% to 8,124,000 by 2025.
- C31. The numbers in maintained nursery and state-funded primary schools have been rising since 2009 and reached 4.50 million in 2016. The rate of increase is forecast to slow due to falling birth rates and the population is projected to stabilise in 2020 at 4.68 million, with subsequent smaller increases up to 2025/26.
- C32. In 2016 the overall number of pupils in secondary school increased for the first time since 2009, reaching 2.76 million. This is because increased births from 2002 onwards mean there are now larger numbers entering secondary schools at age 11 than are leaving them at age 16. The rate of increase is projected to increase rapidly from 1.5% between 2016 and 2017 to 3.1% between 2019 and 2020 before starting to fall. As a consequence of these larger cohorts, a continued increase in the secondary school population is forecast, with the overall population aged 11-15 reaching a peak of 3.33 million in 2025, 567,000 higher than it was in 2016 and representing a 20.6% increase between 2016 and 2025. When pupil numbers increase, it is expected that future teacher demand will increase. This is taken into account when calculating future teacher need as part of the TSM²⁸.
- C33. Whilst the Department aims to estimate future teacher demand, decisions taken at school level will determine the actual number of teachers required. Increasing the proportion of ITT that is school-led gives schools greater scope to plan for local demand. Wider evidence of international experience shows that, even when supply and demand for teachers are in balance, many

²⁷ The model is published online at: <https://www.gov.uk/government/publications/teacher-supply-model>

²⁸ See 2016/17 TSM published online at: <https://www.gov.uk/government/publications/teacher-supply-model>.

countries face shortages of specialist teachers and shortages in schools serving disadvantaged or isolated communities²⁹.

Vacancies and demand in Wales

- C34. The latest published statistics for advertised vacancies in Wales show that between 1 January and 31 December 2015 795 teacher vacancies were advertised for primary schools, with an average of 16 applications received (with English medium posts attracting an average of 21 applications per post and Welsh medium posts attracting an average of 7 applications). The secondary sector saw 830 advertised vacancies, with an average of 9 applications per post (10 for English medium and 4 for Welsh medium).
- C35. The latest projections for pupil numbers (based on the school population of Wales at January 2016 and trends indicated by ONS 2014 population projections) show primary pupil numbers decreasing by 4,600 between 2016 and 2026. Projections for secondary school pupils suggest pupil numbers will increase by 17,600 during this period. Pupil projection figures are based on full time equivalent figures.
- C36. A baseline projection from the Teacher Planning and Supply Model (TPSM) for the period 2015/16 – 2025/26 using updated data shows that, without any change to numbers, there would be no over supply of primary or secondary initial teacher education (ITE) entrants. However, there will be a sustained reliance on primary sector re-entrants and an increasing reliance on secondary sector re-entrants to fill vacant positions.
- C37. Primary and secondary ITE intake numbers have been kept at the same level since 2013/14. The situation will continue to be monitored in light of the latest national pupil projection data, given the current projected increase in primary and secondary pupil numbers.

²⁹ OECD, *Preparing Teachers and Developing School Leaders for the 21st Century: Lessons from Around the World*, (2012), Ch. 3.p58

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 10 years to ensure there are enough teachers in the state-funded school system (in England). These estimates are reflected in indicative numbers published³⁰ by the Department and the NCTL in relation to ITT recruitment.
- D2. The provisional number of undergraduate and postgraduate trainee teachers required to have started initial teacher training in September 2016, for both the primary and secondary phases, is 33,209.
- D3. Provisional recruitment data from NCTL's ITT trainee census 2016/17³¹, published in November 2016, show that we achieved 93% of the target in all postgraduate secondary and primary programmes. The provisional recruitment position for 2016/17 and the final position for 2015/16 will be available on publication of the 2016/17 ITT census in November.
- D4. Table 9 shows recruitment to primary phase against targets for the past three years. We exceeded the primary recruitment target in 2015/16. The slight shortfall against primary targets in 2014/15 represented only a small fraction of the overall primary workforce. In September, we announced that bursary support for primary ITT trainees with a first class degree will continue to be provided in 2017/18 at a rate of £3,000, but will be no longer available for those with a 2:1.

Table 9 : Recruitment to postgraduate primary stage ITT 2012/13-2015/16

	Entrants	Target	Recruitment rate
2014/15	12,782	14,328	89%
2015/16	12,578	11,245	116%
2016/17 (provisional)	11,516	11,489	100%

Source: NCTL, ITT Census 24 November 2016

- D5. Table 10 shows recruitment to secondary phase broken down for English Baccalaureate subjects. There are some subjects in which we did not achieve the target.

³⁰ <https://www.gov.uk/government/publications/teacher-supply-model>

³¹ <https://www.gov.uk/government/statistics/initial-teacher-training-trainee-number-census-2016-to-2017>

Table 10 : Recruitment to postgraduate ITT courses for English Baccalaureate subjects – percentage of target

Subject	2014/15	2015/16	2016/17 (provisional)
English	137%	105%	98%
Mathematics	92%	95%	84%
Physics ³²	67%	70%	81%
Chemistry	121%	94%	99%
Biology	95%	90%	115%
Modern Foreign Languages ³³	90%	88%	94%
Geography	81%	83%	116%
History	121%	113%	112%
Computing	85%	70%	68%

Source: NCTL, ITT Census 24 November 2016

Table 11 : Recruitment to postgraduate ITT courses broken down by gender 2016/17

Gender breakdown by phase	Provider led	School Direct (Fees)	School Direct (salaried)	Total
Males on primary ITT programmes	19%	20%	23%	20%
Females on primary ITT programmes	81%	80%	77%	80%
Total	100%	100%	100%	100%
Males on secondary ITT programmes	42%	38%	40%	40%
Females on secondary ITT programmes	58%	62%	60%	60%
Total	100%	100%	100%	100%

Source: NCTL, ITT Census 24 November 2016

D6. Over the last three years approximately 45,000 new teachers start each year in English state schools. Of these, just over half (25,250) are newly qualified teachers (NQTs), just under a third (14,060) are returning to teaching³⁴, and just under one in seven (6,500) qualified earlier³⁵ but are working in the state sector for the first time.

³² Recruitment for physics includes courses designated as physics with mathematics.

³³ Comprises modern foreign languages and classics.

³⁴ Teacher was not in service in the previous year, but had some previous service in the English publicly funded schools sector.

³⁵ Teacher has no known service in the English publicly funded schools sector, and qualified before the previous calendar year.

- D7. We do not assume that all trainees will complete their training successfully and/or teach immediately in a state school, and that is built into our estimates of the numbers required.³⁶
- D8. Recruitment to STEM subjects is always very challenging, especially during a period of economic recovery.
- D9. The Department has recently embarked on an exploratory STEM international recruitment project, which is part of the additional £67million package of measures announced by the Prime Minister in March 2015 to target recruitment of 2,500 additional specialist mathematics and physics teachers over the next Parliament and up-skill up to 15,000 existing non specialist teachers in these subjects.
- D10. The vast majority of these additional 2,500 teachers will come from within the UK, but the aim of the STEM International Recruitment project is to boost direct recruitment of high quality mathematics and physics teachers coming from overseas and help widen the existing recruitment pool by supporting schools to recruit confidently where necessary internationally.

ITT allocations 2017/18

- D11. Every year the Department for Education estimates the number of trainees required in each subject, based on a range of factors. Based on these estimates, NCTL makes teacher training places available to accredited ITT providers and to lead schools involved in the School Direct scheme (who have to be partnered with an accredited ITT provider). We have previously done this by allocating a specific number of places to individual schools and ITT providers.
- D12. In response to feedback from the sector and knowledge gained in recent years, the approach to ITT allocations for the 2017 to 2018 academic year has changed. A more flexible system has been built which accounts for recruitment patterns to different types of subjects and opens up multi-year allocations to some providers, beginning a journey towards introducing longer term allocations more widely.
- D13. This approach for postgraduate ITT retains and refines the most effective aspects of the processes used in previous years. Subjects have been grouped into three separate categories reflecting the varying recruitment patterns across different types of subjects.

³⁶ Proportions of new teachers based on School Workforce Census data July 2015.

- D14. We have differentiated between subjects so that all places in the most popular subjects are fully allocated, whilst providers will have freedom to recruit in as many subjects as possible, some of which will be uncapped. More subjects will be uncapped this year, extending the approach we have taken to maths and physics in previous years.
- D15. For subjects that are not uncapped and may reach their TSM target more slowly than the most popular subjects, we are taking a more managed approach to provider recruitment. Places in these subjects will be allocated to universities and SCITTs, whilst School Direct partnerships will not receive a fixed allocation and will be free to continue recruiting until national targets are met. We have learned lessons from the challenges posed to providers and applicants by this year's recruitment controls: we will now give 5 working days' notice to lead schools before we have to stop recruitment in any subject. Providers will be permitted to continue receiving applications and carry out interviews during this notice period.
- D16. Multi-year allocations for the top SCITTs and HEIs have been awarded, giving these providers longer term certainty. Top performing providers have been identified on the basis of assessment of key data, including the quality of trainees recruited, the quality of the provision itself, and the outcomes that providers get for their trainees. We will consider increasing the number of providers that receive multi-year allocations in future.
- D17. Undergraduate ITT providers have again been individually allocated places, determined by the same criteria as for postgraduate (excluding degree class).
- D18. Individual providers, including Early Years ITT providers, were notified of their allocation in September 2016. UCAS Teacher Training 'search' and 'apply' opened during October 2016.

The quality of new recruits 2016/17

- D19. The provisional 2016/17 census data³⁷ show that the overall proportion of trainees with a 2:1 or higher is 74%. This is a similar proportion to 2015/16 (75 per cent) and, over the last six years, shows an overall trend towards more new entrants with a degree class of 2:1 or better. The overall proportion of trainees with a first class degree remains the same as last year at 18 per cent, up from 14 per cent in 2012/13.

³⁷ The 2015/16 and 2016/17 trainee number censuses include Teach First, these trainees were excluded on previous census publications.

- D20. The provisional data in Table 12 shows the proportion of trainees with a 2:1 or above since 2011/12.

Table 12 : Proportion of first year postgraduate trainees with a 2:1 or higher classified degree, 2012/13-2016/17 (selected subjects only)

Subject	2012/13	2013/14	2014/15	2015/16	2016/17 ⁸ (provisional)
English	84%	84%	84%	84%	83%
Mathematics	62%	67%	64%	70%	65%
Biology	73%	74%	70%	75%	73%
Chemistry	64%	65%	62%	68%	66%
Physics	62%	65%	60%	63%	65%
Modern Foreign Languages	74%	80%	73%	78%	76%
Geography	75%	76%	76%	79%	76%
History	87%	88%	88%	88%	87%
Total Secondary	72%	75%	73%	76%	74%
Primary	70%	73%	74%	74%	74%
Total	71%	74%	73%	75%	74%

Source: NCTL, ITT Census 24 November 2016

Bursaries and scholarships

- D21. The government's ITT strategy: Training Our Next Generation of Outstanding Teachers; published in November 2011, proposed new financial incentives, including higher bursaries than in previous years, particularly for trainees with good degrees in subjects where recruitment is traditionally hard. From 2012/13 bursaries were differentiated to provide a stronger focus on shortage subjects and high quality candidates.
- D22. For 2017/18 physics trainees with a first class degree will continue to receive a £30,000 bursary this year. Those trainees with a 2:1 or 2:2 will similarly continue to receive £25,000. Trainees with a first class, 2:1 or 2:2 degree training to teach geography will now receive £25,000 tax-free, an increase from £15,000 in 2016/17. We have also increased bursaries in other EBacc subjects, including computing and modern foreign languages; with almost all other subjects retaining their 2016/17 bursary amounts. Table 13 summarises the bursaries available to trainees in 2017/18.

D23. We have removed bursaries in all subjects for those with a third class or other degree.

Table 13 : Bursaries and scholarships available to trainees in 2017/18

	Eligibility 2017/2018 ³⁸			
	Scholarships ³⁹	Bursaries		
		1st/PhD	2:1/Master's	2:2
Physics	£30,000	£30,000	£25,000	£25,000
Maths	£27,500	£25,000	£25,000	£25,000
Modern Foreign Languages ⁴⁰	£27,500 ⁴¹	£25,000	£25,000	£25,000
Computing	£27,500	£25,000	£25,000	£25,000
Geography	£27,500	£25,000	£25,000	£25,000
Chemistry	£27,500	£25,000	£20,000	£20,000
Classics ⁴²	-	£25,000	£25,000	£25,000
Biology	-	£15,000	£12,000	£10,000
D&T	-	£12,000	£9,000	£0
English	-	£9,000	£9,000	£0
History, Music, RE	-	£9,000	£4,000	£0
Primary Maths ⁴³	-	£6,000	£6,000	£6,000
Primary	-	£3,000	£0	£0

D24. Scholarships are designed to recognise the very best applicants who have excellent subject knowledge and outstanding potential to teach. The organisations who award the scholarships set the bar high in their assessment and selection of ITT scholars. Table 14 provides details of performance in 2015/16, for trainees starting their initial teacher training in 2016/17.

³⁸ Bursaries and scholarships are available to trainees on a fee-based teacher training course in England that leads to the award of qualified teacher status. Availability is dependent on your highest relevant academic award and the subject in which you are training to teach. To receive a bursary or scholarship you must be entitled to support under the [Student Finance England](#) criteria. Both elements will be assessed by your teacher training provider. If you have a degree from outside the UK, you should refer to the [overseas degree equivalency table](#) to see the bursary your degree may attract. You can also contact your training provider for clarification on your degree's equivalency and your eligibility for a bursary and student finance.

³⁹ Trainees in physics, maths, modern foreign languages, chemistry, geography and computing with a 2:1 or above are able to apply for a teacher training scholarship with the appropriate professional body. You can still apply if you have a 2:2, but you'll need to provide evidence of significant relevant experience. Scholarships are awarded in place of a bursary.

⁴⁰ Bursaries are available for trainee teachers in modern foreign languages. The core modern foreign languages are French, German and Spanish. Bursaries are also available for other modern or community languages, for example: Italian, Russian, Mandarin, Japanese, Urdu and Bengali.

⁴¹ Languages scholarships are only available if you train to teach French, German or Spanish.

⁴² Bursaries are available to trainees on a classics course where the course is in an ancient language (Latin or Ancient Greek).

⁴³ Bursaries are available to trainees on either primary maths specialist courses or primary general (with mathematics) courses with at least grade B maths A level or equivalent. Trainees on other primary courses may be eligible for the standard primary bursary.

Table 14 : Provisional scholarship performance in 2015/16

	2015/16 Scholarships		
Subjects	Number available	Applications	Awarded
Chemistry	180	274	104
Computing	120	253	76
Maths	250	437	104
Physics	150	544	131
Total	700	1518	415

D25. For 2017/18 we have expanded the scholarship schemes by introducing two new £27,500 tax-free scholarships in modern foreign languages and geography. All other scholarship schemes have had their award increased to £27,500, except physics, which maintains the £30,000 award introduced last year, reflecting the fact that we need to do more to attract the top graduates in these subjects. All successful scholars are supported by professional bodies through their training and early teaching career.

School-based ITT

D26. Table 15 shows the proportion of postgraduate trainees in 2016/17 who came through the routes recorded in the ITT Census.

Table 15: Proportion of trainees training through each ITT route 2016/17

	2016/17 Census (provisional)	
HEI	11,992	44%
SCITT	3,057	11%
School Direct (fee)	7,470	28%
School Direct (salaried)	3,159	12%
Teach First	1,375	5%
Total	27,053⁴⁴	100%

Source: NCTL ITT Census 24 November 2016

⁴⁴ The total number of trainees including forecasted in-year starts is 27,229 trainees.

Teaching schools and school-based ITT

- D27. There are currently 765 teaching schools across 598 alliances. Our longer term target is to designate up to 800 alliances by 2020. Teaching schools lead the school system in training and developing outstanding teachers. Their remit includes both the development of existing teachers through professional development opportunities, such as peer-to-peer training and coaching and mentoring, as well as training new teachers.
- D28. Teaching schools co-ordinate ITT in schools across their alliance in their role as system leaders, to improve the range and quality of trainees' experience.

School Direct

- D29. School Direct was launched as a pilot with the School Direct Training Programme (tuition fee places) in February 2012. The School Direct (salaried) route was introduced in 2013/14, offering employment-based places to career changers. Demand for School Direct places continues to increase. In 2015/16 there were 773 lead schools and 7,847 partner schools, rising to 820 lead schools and 8,554 partner schools in 2016/17.
- D30. In 2016/17 10,629 trainee teachers commenced training through School Direct. This contributed to 40% of the postgraduates training to be teachers in 2016/17 doing so via School Direct, up from 37% in 2015/16. Published data⁴⁵ show that in 2014/15, the latest year for which data is available, 96% of trainees on a School Direct (fee) course, and 97% of trainees on a salaried course, who achieved QTS were in a teaching post within 6 months compared to 94% in HEIs.

School Direct (salaried) training and salary grants

- D31. NCTL provides training and salary grants to School Direct lead schools to cover training costs for salaried trainees to achieve qualified teacher status (QTS); amounts vary on a regional basis (see Table 16).
- D32. Additional qualifications, such as a postgraduate certificate in education (PGCE), are not funded. School Direct trainees on the salaried route are not eligible for bursaries or scholarships.

⁴⁵ Initial Teacher Training Performance Profiles: 2014 to 2015 academic year

Table 16 : School Direct (Salaried) 2017/18 funding, per place, by region

Subject	National	London Fringe	Outer London	Inner London
High priority subjects: (chemistry, computing; languages, maths and physics)	£19K	£20.2K	£22.6K	£23.9K
Other priority subjects: (English; biology; design and technology; geography; history; music; religious education)	£14K	£14.9K	£16.6K	£17.6K
Primary (maths specialist) ⁴⁶	£14K	£14.9K	£16.6K	£17.6K
Primary (non-specialist)	£9K	£9.6K	£10.8K	£11.4K

D33. Grant funding for chemistry, computing or modern foreign languages remains at £19k nationally and £14k nationally for English, biology, design and technology, geography, history, music and religious education. We have maintained the primary maths specialist grant at 14k nationally.

School-centred initial teacher training (SCITT)

D34. Some of the best schools are taking on full responsibility for the design and delivery of training by gaining accreditation as a school-led and SCITT provider.

D35. There are currently 180 SCITT providers; NCTL provides a support package to new SCITTs until the end of the first year of delivery of ITT programmes.

D36. Since April 2014 72 new SCITTs have been accredited.

Teach First

D37. The Government is also continuing to build on Teach First's outstanding record in recruiting top graduates into teaching in challenging schools.

D38. The recruitment target figures in 2009/10 were 560. In 2016/17, 1,375 trainees joined the programme and, with presence in every region in the country, allowing Teach First to place participants in more schools in low income communities. We continue to support the programme and have committed to funding two further cohorts of Teach First: 2017/18 and 2018/19.

Quality of ITT providers

D39. The Ofsted guidance for inspecting ITT providers focuses on outcomes for trainees as one of the key judgements of the effectiveness of providers.

⁴⁶ This funding only applies to trainees with at least grade B at A level and who are on primary maths specialist courses.

Inspectors consider the attainment and completion rates of trainees; also how well trainees teach and how successful they are in finding employment upon qualification.

- D40. Ofsted is also working to ensure that ITT providers involve schools fully in their provision. The inspection framework⁴⁷ for ITT providers recognises the features of outstanding university/SCITT-school partnerships, where schools are closely involved in the selection of trainees and the design and delivery of training.

Teacher recruitment and training in Wales

Initial Teacher Education and Training

- D41. The recruitment climate in Wales has not changed significantly in Wales during the past 2 years.
- D42. We have kept Initial Teacher Training intake target numbers at a steady state following a period of substantial reduction.
- D43. The Welsh Government has a key role in managing teacher supply for maintained schools in Wales by forecasting demand for newly qualified teachers through the setting of intake targets for recruitment to accredited ITE courses in Wales.
- D44. Intake targets are set annually based on the forecast of demand for newly qualified teachers. These are notified to the Higher Education Funding Council for Wales (HEFCW), which in turn notifies ITE Centres of their allocation by phase, subject and level of study.
- D45. The overall level of ITE Intake targets are set annually by the Welsh Government having taken account of the statistical runs undertaken each year following annual data updates to the TPSM for Wales. The allocations are notified to HEFCW early autumn for distribution across the accredited ITE Centres. The latest published allocations refer to intake for academic year 2016/17. The TPSM was introduced from 2007/08 following a Review of ITE in 2006 which recommended that a more robust teacher supply model should be adopted to better gauge the number of newly qualified teachers required to meet demand for teachers from maintained schools in Wales.
- D46. Overall intake targets have been reduced based on the outcome of the TPSM and policy considerations, including evidence of significant over supply of

⁴⁷ <https://www.gov.uk/government/publications/initial-teacher-education-inspection-handbook>

qualified teachers. Between 2004/05 and 2016/17 intake numbers have reduced by approximately one third.

- D47. The recommendation to hold a steady state intake for 2016/17 academic year for primary with a slight reduction in secondary was based on the preliminary findings of a review on the quality and consistency of ITE 'Teaching Tomorrow's Teachers' (published in March 15) and the TPSM. Total intake target numbers for 2016/17 are as follows:

Table 17 : Intake target numbers for 2016/17

	Undergraduate	Postgraduate	Total
Primary	300	450	750
Secondary	86	785	871
Total	386	1,235	1,621

- D48. The report included a qualitative analysis of the ITE provision overall in Wales and set out options and recommendations for reforming the sector. Work is continuing to transform the way ITE is currently delivered to help raise standards and support the introduction of a revised curriculum for Wales.
- D49. Maintaining stability in respect of ITE numbers through this period of reform will protect viability of current provision and also support the supply of Welsh medium teachers. All three ITE Centres currently provide opportunities for students to train to teach through the medium of Welsh, but provision is the most comprehensive in the North and mid Wales Centre. However, in terms of overall targets the South East and South West centres continue to recruit strongly and serve significant regional catchment areas.
- D50. At the time of preparing this evidence, intake numbers for courses commencing in academic year 2017/18 were being considered following scrutiny of the TPSM projections. However, it is unlikely that a significant variance for allocations will be recommended, given the work underway to transform how ITE is currently delivered in Wales.
- D51. The Welsh Government makes available training incentives to students undertaking postgraduate ITE courses. Incentives are available of up to £20,000 for new eligible students starting postgraduate ITE courses in the 2016/17 academic year in the subjects of mathematics, physics, chemistry, and Welsh. 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. Incentives of up to £15,000 will be available for new eligible students studying modern foreign languages and ICT. Again eligible postgraduate students with a first class degree will receive the highest funding levels with a lower amount for those with a 2.1. Outside of the priority

subjects, the Welsh Government only offers incentive grants to students with a first class degree (£3,000). Alongside the incentive support for their first class degree (£3,000) a further supplement is offered to primary students whose first class degree is in English, Welsh, mathematics, physics or chemistry (an additional £3,000).

- D52. In Wales the current number of places on employment-based routes is relatively small, around 5% of overall places leading to QTS in Wales. The Welsh Government funds a contribution toward the trainee salary costs (£14,500 for 2016/17) and training costs (£4,500 in 2016/17) for a limited number of applications in priority secondary subjects of mathematics, physics, chemistry, modern foreign languages, ICT and Welsh and a £4,500 training grant for primary places. An additional number of unfunded places are available to support existing overseas qualified and further education qualified teachers to gain QTS, and those wishing to train to teach vocational subjects to support the 14-19 local curriculum.
- D53. For academic year 2016/17 75 Graduate Teacher Programme (GTP) places are available in Wales. Allocations for GTP places for academic year 2017/18 will be considered following the allocation of mainstream ITE places, depending on the projections from the TPSM.
- D54. From academic year 2013/14 places have been available on the Additional Training Graduate Programme (ATGP) in Wales, which is delivered by Teach First. Teach First recruits high quality graduates to work in challenging schools in Wales. Each programme is two years in length and across the life of the pilot programme up to 150 participants will take part.

Minimum entry requirements for ITE courses

- D55. The current statutory minimum entry requirements for all routes to Qualified Teacher Status (QTS) in Wales are GCSE grade B (or equivalent) in both English and mathematics. The aim of this requirement is to ensure that candidates have a minimum standard of educational attainment, with a key focus on high standards of literacy and numeracy. For individuals wishing to train to teach Primary, a minimum GCSE grade C in Science is also required.
- D56. If individuals do not hold these qualifications, the requirement allows the ITE provider the discretion to consider whether exceptional candidates may be given an opportunity to show that they can meet the required standard by taking an equivalency test.
- D57. Whilst the Welsh Government sets the statutory minimum entry requirements for ITE courses, ITE providers are free to set individual standards above these minimum requirements for their courses.

- D58. Secondary teachers are expected to have at least 50% degree relevance to the specialist teaching subject being applied for. There may be flexibility in some subjects; other degrees may contain very relevant subject knowledge, for example, engineering, economics, business studies, management science, health science.
- D59. Primary teachers teach all the subjects in the National Curriculum (English, mathematics, science, design and technology, information and communication technology, geography, history, physical education, art, music, religious education and Welsh). Trainees' previous education (degree, A level, and equivalent qualifications) should match at least one of these National Curriculum subjects.
- D60. The current QTS Standards Wales 2009 are outcome statements which set out what trainees must know, understand and be able to do at the end of an ITE course or employment based programme to gain QTS. The standards are accessible at the following link:
<http://gov.wales/legislation/subordinate/nonsi/educationwales/2009/3220099/?lang=en>

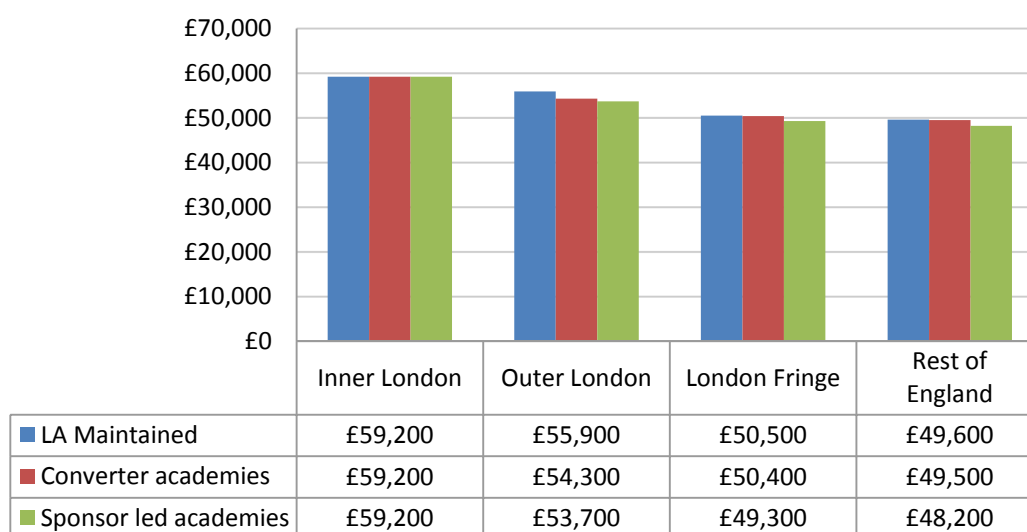
Annex E: School leaders

- E1. The leadership group in the School Teachers' Pay and Conditions Document (STPCD) covers headteachers, deputy headteachers and assistant headteachers. There is a single leadership pay range which has eight headteacher groups (HTGs) for each of the four regional pay bands. The minimum on the Rest of England and Wales pay band is worth £38,984, and the highest on the Inner London pay band is worth £115,582.
- E2. The relevant body determines how the pay of leaders at its school relates to the leadership pay range by assigning the school to one of the eight HTGs, based on the number and age of the school's pupils, and then adopting the three-stage process recommended in the STRB's 23rd Report.

Salaries of school leaders

- E3. In November 2015 the average (median) gross pay of regular school leadership teachers in publicly funded schools in England was £54,000. This was an increase of 0.6% compared to November 2014 (£53,700).
- E4. Leaders in maintained secondary schools get paid significantly more than their counterparts in maintained primary schools. The average salary of leadership teachers in primary schools varied between £48,200 (average for sponsor academies in the Rest of England) and £59,200 (schools in Inner London), compared to £55,400 (average for secondary sponsor led academies) and £67,400 respectively in secondary maintained schools and convertor academies.

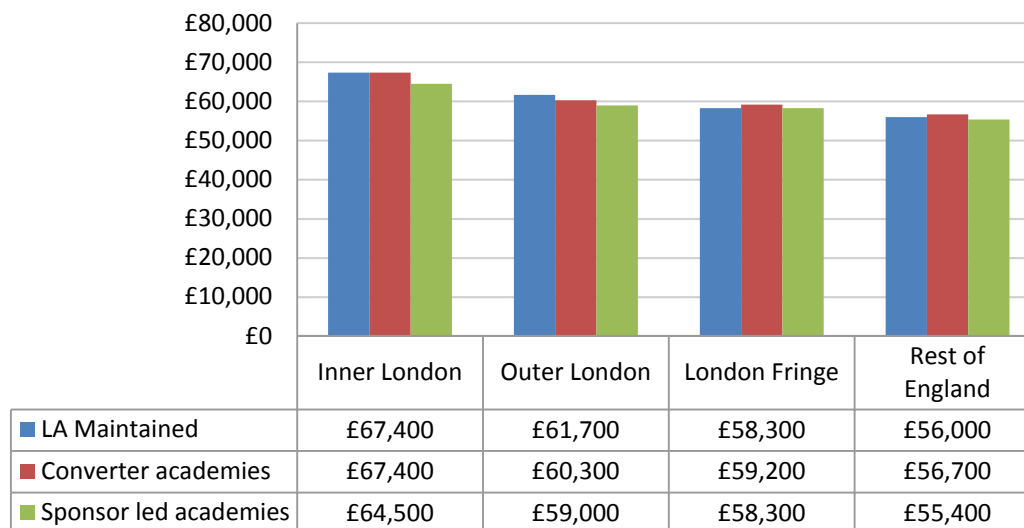
Figure 14 : Average (median) salaries of school leadership teachers in primary schools



Source: **School Workforce Census**, November 2015

- E5. In primary academy converters average salaries for the leadership group are slightly lower than those in LA maintained primary schools in outer London, but are higher on average in Inner London and similar in the London fringe and the rest of England. Sponsor-led primary academies in Inner London show the highest average salaries, but in all the other pay bands the respective average salaries are lower than in LA maintained schools.

Figure 15 : Average (median) salaries of school leadership teachers in secondary schools



Source: **School Workforce Census**, November 2015

- E6. In secondary academy converters leadership pay is on average higher than in LA maintained secondary schools, except for those in Inner 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.

Age

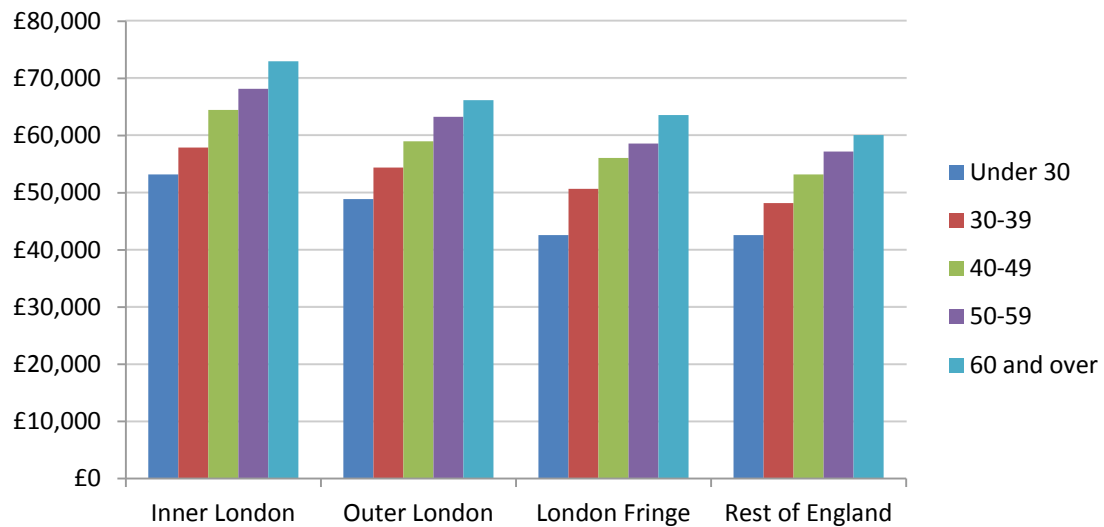
- E7. Average salaries of leadership teachers increase with age. Table 18 and Figure 16 show that in all pay bands older school leaders are paid more on average than younger leaders.

Table 18 : Average (median) salaries of school leadership teachers in publicly funded schools, by age

	Under 30	30-39	40-49	50-59	60 and over	Total
Inner London	£53,200	£57,900	£64,500	£68,200	£73,000	£61,800
Outer London	£48,900	£54,400	£59,000	£63,300	£66,200	£58,400
London Fringe	£42,600	£50,700	£56,100	£58,600	£63,600	£54,200
Rest of England	£42,600	£48,200	£53,200	£57,200	£60,100	£52,700
England	£44,400	£49,800	£54,500	£58,100	£61,800	£54,000

Source: **School Workforce Census**, November 2015

Figure 16 : Average (median) salaries of school leadership teachers in publicly funded schools, by age



Source: **School Workforce Census**, November 2015

Headship vacancies

E8. The School Workforce Census shows a very low and fairly stable picture of overall headship vacancies at around 0.2%.

Leadership supply in Wales

E9. The head teacher population in Wales was stable for a number of years before declining from 1,750 in 2011 to 1,478 in 2016 due mainly to school closures and an increase in head teachers managing more than one school. The age profile of head teachers in Wales continues to get younger, with the proportion of head teachers aged 50 or above falling from 65.2% to 44.8% between 2008 and 2016.



Department
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