

NATIONAL EMPLOYERS' ORGANISATION FOR SCHOOL TEACHERS (NEOST): EVIDENCE TO THE REVIEW BODY

Introduction

1. The joint evidence submitted by the Rewards and Incentives Group (RIG), of which NEOST is a member, sets out agreed information for the Review Body to consider in reviewing the level of the teachers' pay award for teachers in England and Wales for 2009 and 2010. However, the overview statement in Section 1 provides the opportunity for the RIG partners to submit a separate statement on this issue.

2. This evidence acknowledges the joint RIG evidence, but sets out additional considerations which the National Employers would want the Review Body to take into account.

3. In their evidence submitted on 22 May 2007 the Employers stressed that the salary award for the 3-year period from September 2008 to 31 August 2010:

- needed to be affordable;
- needed to be sufficient to recruit, retain and motivate teachers; and
- should be applied as equal percentages across-the-board.

4. The Employers re-affirm these underlying principles, but would want to re-assess how far the recommended salary increases from 1 September 2009 and 1 September 2010 continue to meet these criteria.

The economic downturn

5. A key point for the Employers is an assessment of the effect of the recent economic downturn and future prospects for the remaining period of the three year salary award.

6. When the Review Body made its original recommendations in January 2008 (17th Report Part 1), the economy was buoyant, with relatively low levels of unemployment. Inflation, measured by both RPI and CPI, was running at a significant level. The Employers were not surprised that, taking into account these economic indicators, the Review Body recommended increases of 2.45% from 1 September 2008, with indicative increases of 2.3% from 1 September 2009 and 1 September 2010.

7. However, in recent months the economy has suffered a significant downturn. The RPI figure for December 2008 was 0.9%; the CPI figure was 3.1%. Predictions are that these figures will reduce further over the coming period. Unemployment is also increasing, meaning that public sector employment – including teaching – is likely to become an attractive option for others who have not previously considered such a career.

8. Against this background it could be argued that the indicative figures recommended for increases in teachers' salaries from 1 September 2009 and 1 September 2010 are not based on the current economic environment and need some adjustment. Certainly, there is less of an argument that increases of 2.3% are required from these dates to recruit new teachers into the profession. And, as far as retention and motivation are concerned, the key issues which need to be addressed relate more to workload, bureaucracy and pupil behaviour than the size of the annual salary increase.

Funding

9. Schools in England are, of course, funded directly through the Dedicated Schools Grant (DSG) and, therefore, it could be argued that local authorities should not be directly concerned about the size of any salary award. However, local authorities are responsible for the provision of other centrally-run education services. These include centrally-employed teachers running essential services, such as the language support service and the SEN service. The provision of these central services are not funded in the same way as schools through the DSG arrangements and a significant number of authorities are now struggling to maintain these services at the desired level. The economic downturn has exacerbated these difficulties.

10. In addition there are other associated education services in local authorities which traditionally draw their workforce from the teaching profession. These include education improvement services which employ educational advisers and inspectors and educational psychologists. There is always pressure to maintain some sort of relationship between salary increases for teachers and increases for this part of the local government workforce. Clearly, local authorities will have concerns in the current climate about how the national negotiating process will respond to these pressures.

11. Although the arguments in the previous paragraphs are based on the funding arrangements which apply to local authorities and schools in England, schools and local authorities in Wales will also have concerns over funding pressures.

Employers' position

12. The issues highlighted above give the Employers serious cause for concern. They ask the Review Body to take this concern into account when reviewing the proposed increases in salaries to be effective from 1 September 2009 and 1 September 2010.

NEOST
12 February 2009