

# Summary of changes to teachers' pay: 2018–20

Nathan Waites summarises the October 2018 changes to the STPCD, the September 2018 teachers' pay grant, and what these mean for different school budgets.

## Summary points

- Changes to the *School teachers' pay and conditions document* (STPCD) came into force from 1 September 2018. It details pay range uplifts for unqualified teachers, leading practitioners and members of the leadership team.
- In September 2018, the DfE announced a teachers' pay grant, to help support the cost of rises above and beyond the previous 1% pay cap.
- Each school will perceive the benefit of the teachers' pay grant differently compared with their original budget, based on a number of factors.

## School teachers' pay and conditions

The new *School teachers' pay and condition document* (STPCD) came into force with effect from 1 September 2018 and was finalised by the government in October 2018. The STPCD applies to all teachers in maintained schools, and to any teachers who were employed at time of conversion from a maintained school to an academy, assuming there was no other revision of contracts. The document sets out that:

- a 3.5% uplift is applied to the statutory minima and maxima of the main pay range and of the unqualified teachers' pay range
- a 2% uplift to the statutory minima and maxima of the upper pay range, the leading practitioner pay range and all allowances across all pay ranges
- a 1.5% uplift to the leadership pay ranges (including headteacher groups).



Many schools will, however, choose to follow the previous 'M' scale bandings in between the minima and maxima, applying the same percentage increases. You can see a summary of these changes on the National Education Union website (<https://neu.org.uk>).

## Academies

While this statutory guidance applies to teachers employed in maintained schools, and teachers who have not been subject to revision/renegotiation of contracts in previously maintained schools upon academy conversion, it does not necessarily apply to all.





Academies must ensure that they adopt their own pay policy. This is commonly in line with recommendations made in the STPCD, but there is some flexibility for academies to set their own pay scales. It is, however, worth noting that paying below the market rate may not attract the best candidates in a competitive market place, while setting higher pay rates will also attract increased 'on-costs', (employer national insurance and pension contributions), and so should be considered for their long-term viability.

**“Each school will perceive the teachers’ pay grant differently compared with their original budget.”**

**What’s the impact?**

After a period of austerity and the public sector pay cap, some schools may only have been forecasting a flat 1% pay rise for teachers. Others may have taken the view that at some point it would rise, and budgeted a 2% rise from September 2018, particularly after the National Joint Council (NJC) pay scales for support staff rose in April 2018. Some may have taken the view that there could be a flat 3.5% pay rise for all teachers at all levels in line with recommendations from the school teachers review board.

However, some schools will have been left struggling to find the additional funds required to meet the additional cost base. In September 2018, the Department for Education (DfE) announced a teachers’ pay grant, to help support the cost of rises above and beyond the previous 1% pay cap. This is worth £187m in the 2018–19 fiscal year (April to March) and £321m in 2019–20.

The DfE calculated the overall annual pay bill for teachers, including additional costs such as pensions and national insurance, and applied the average percentage uplift of the announced 2018–19 pay award, then subtracted the 1% that schools would have been planning for, in line with the previous public sector pay cap.

The 2018–19 grant represents 7/12 of this figure, to provide for the 7 months between September 2018 and March 2019, and was paid at the end of October/early November 2018. The 2019–20 figure represents the ongoing cost of the 2018 pay award and so is for the 12 months of that financial year, which will be paid around May 2019. The grant will be paid based on the number of pupils at the rates per pupil shown in the tables (published September 2018).

**So how do I know where I stand?**

Each school will perceive the teachers’ pay grant differently compared with their original budget, based on a number of factors; primarily on what percentage increase they originally budgeted for (1% or greater), and the proportion of teachers in each element of the pay scale. Some may have benefited from the grant if they have

**Rates**

**Rates for primary schools**

Region	Rate in 2018–19 (£)	Rate in 2019–20 (£)
Inner London	19.51	33.65
Outer London	18.05	31.13
London fringe	16.90	29.14
Rest of England	16.40	28.29

**Rates for secondary schools (with the same rate for all 11- to 19-year-olds)**

Region	Rate in 2018–19 (£)	Rate in 2019–20 (£)
Inner London	31.57	33.65
Outer London	29.20	31.13
London fringe	27.34	29.14
Rest of England	26.54	28.29

**Rates for special and alternative provision schools**

Region	Rate in 2018–19 (£)	Rate in 2019–20 (£)
Inner London	78.10	134.97
Outer London	72.25	124.87
London fringe	67.64	116.89
Rest of England	65.65	113.46

budgeted for a higher percentage increase, while those that have budgeted for a 1% flat increase, with a predominantly main scale staff base, may find that the grant does not cover increased costs. Some budgeting systems, particularly those provided by some of the larger software companies, may allow you to alter the percentage increases/pay scales to compare the increased costs and additional income.

### What does the future hold?

To date, only the above information has been published to cover the period until March 2020. At the time of writing, there is no further indication of what may happen to teachers' pay scales from September 2019. This will always remain a talking point among school business leaders, school staff, governors and trust boards, with guidelines frequently not being confirmed until they are published. Some may feel it prudent to budget for a flat 2% increase in future years, or choose to base their calculations around inflation at around 2.4%, or base it on their own assumptions.

It is important to note that it has been reported that teachers' pension scheme contributions are also set to rise in September 2019, from 16.48% to 23.6%. This would see an increase in those costs to schools of over 40%. The government has initially indicated that it will help fund the increased costs of these rises, perhaps in the form of a similar teachers' pension grant or through central funding.

**“In times of uncertainty, decisions must be made with a collaborative and collegiate approach.”**

### Summary

Whatever your budgeting decisions, it is important to ensure that key colleagues are consulted, including, for example, the headteacher, governors and trustees, and auditors or local authority representatives



who may all have input in reaching budgeting decisions in which the school can have confidence. It goes without saying that in times of uncertainty, decisions must be made with a collaborative and collegiate approach, as such budgeting calculations can affect other decisions made across the school.

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#### Further information

- *School teachers' pay and conditions document*, DfE, October 2018: <http://bit.ly/Pay-and-conditions>
- National Education Union, pay scales 2018–19: <http://bit.ly/NEU-pay-scales>
- 'Teachers to receive up to 3.5% pay rise', Hélène Mulholland, TES, July 2018: [www.tes.com/news/teachers-receive-35-pay-rise](http://www.tes.com/news/teachers-receive-35-pay-rise)
- 'Exclusive: Schools hit by devastating rise in pension costs', Dave Speck, TES, September 2018: [www.tes.com/news/exclusive-schools-hit-devastating-rise-pension-costs](http://www.tes.com/news/exclusive-schools-hit-devastating-rise-pension-costs)



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