



Llywodraeth Cymru  
Welsh Government

# Welsh Government's Evidence to the Independent Welsh Pay Review Body

The 2019 teachers' pay award

March 2019

# Contents

	<b>Page</b>
<b>Introduction</b>	4
<b>Chapter 1: Wider current economic outlook / labour market conditions</b>	
1.1 General economic outlook	5
1.2 Labour market	10
1.3 Wider public sector pay policies	12
<b>Chapter 2: Public Sector Financial Context / Affordability</b>	
2.1 Institute for Fiscal Studies Publication	14
2.2 Local Authority Budgeted Expenditure on schools: 2018-19	14
2.3 Local Government Settlement 2019-20	15
2.4 School Funding Arrangements in Wales	16
2.5 Teachers' Pay	16
2.6 Affordability	17
2.7 Teachers' Pensions	18
<b>Chapter 3: Schools' financial positions and the impact of annual teachers' pay awards on school budgets</b>	
3.1 Welsh Government funding of schools	19
3.2 Education Main Expenditure Group Budget spending	20
3.3 School deficits/reserves	20
3.4 Education grant funding	21
<b>Chapter 4: Data in relation to the school workforce, including recruitment and retention</b>	
4.1 The teacher labour market	23
4.2 The teacher workforce	25
4.3 Age profile of school leaders	27
4.4 Maintain a supply of high quality teachers and leaders	28
4.5 Vacancies	31
4.6 Headteacher vacancies	33
4.7 Demand	34
4.8 Initial Teacher Education (ITE) intake targets	35
4.9 Financial incentives to attract new teachers	39
4.10 The quality of new recruits / minimum entry requirements for ITE	40

4.11 Recruitment against ITE intake targets	41
4.12 Future demand for leaders	47
4.13 Leadership supply	48
4.14 Impact on sixth forms / FE	48

**Chapter 5: Teachers' pay – comparative levels and the implementation of recent reforms**

5.1 No detriment for Welsh teachers in comparison to those in England	50
5.2 Classroom teacher salaries and salaries of school leaders	51
5.3 Teachers' pay bill	54
5.4 Use of allowances	54
5.5 The simplification of the pay system	55

## Introduction

The Minister for Education wrote to Sharron Lusher, the Chair of the newly established Independent Welsh Pay Review Body (IWPRB), on the 26 February, asking for the IWPRB's recommendations on the September 2019 pay award for teachers and school leaders in Wales.

The letter emphasised the tight timescales that will need to be adhered to in order to deliver the pay award by September 2019, under the new teachers' pay and conditions model for Wales. Due to the time restrictions in place for this first year, the IWPRB is asked to only consider matters relating to teachers' pay under this Remit, and not conditions.

To inform your deliberations, the remit letter requested that the IWPRB gives consideration to how the pay arrangements support recruitment and retention of quality teachers and leaders. The IWPRB is also requested to consider the wider economic and public sector financial context and labour market conditions, as in the current economic climate, the need to make any recommendation affordable is key.

This document provides the Welsh Government's evidence to support the IWPRB's consideration of the 2019 pay award for teachers and school leaders in Wales. It includes evidence on the teacher labour market, based on the latest recruitment and retention data, and provides context on the public sector financial constraints currently in place in Wales, which will need to be at the forefront of any recommendations that the IWPRB puts forward.

As requested by the IWPRB, this evidence also includes data in relation to school workforce, particularly in relation to teacher pay, recruitment and retention.

The evidence provides context for a pay award that does not place undue pressure on public sector budgets, whilst allowing for suitable reward for existing practitioners and ensuring that teaching in Wales continues to attract sufficient high quality new entrants to meet future needs.

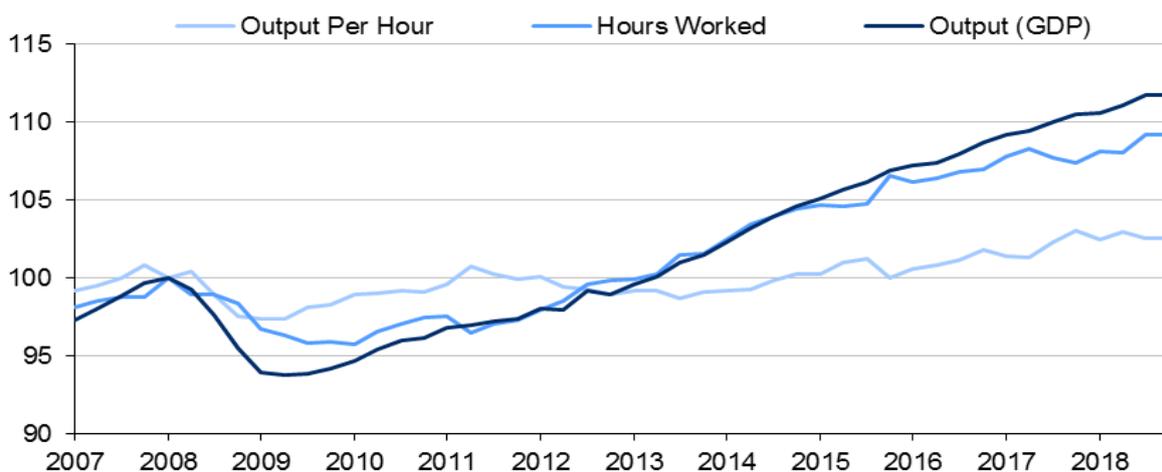
# Chapter 1: Wider current economic outlook / labour market conditions

## 1.1 General economic outlook

### UK GDP

Aggregate GDP increased by 0.2% between the third and fourth quarters of last year while GDP per head was unchanged. For the year as a whole, aggregate GDP increased by 1.4%. GDP per head increased by 0.8%. Both results were the worst since 2012. They compare unfavourably with long term trends. In contrast, employment scaled new heights last year. Consequently, labour productivity continued to languish, increasing by just 0.6% in 2018. Chart 4.1 shows that nearly all of the growth in GDP in recent years has been due to increased employment (specifically more hours worked) rather than gains in productivity. In contrast, in the ten years before the financial crisis, productivity contributed much more to GDP growth than employment. Weakness in productivity is a key factor explaining why real earnings are below pre financial crisis levels.

**Chart 1 – GDP, Productivity and Hours Worked (2008 Quarter = 100)**



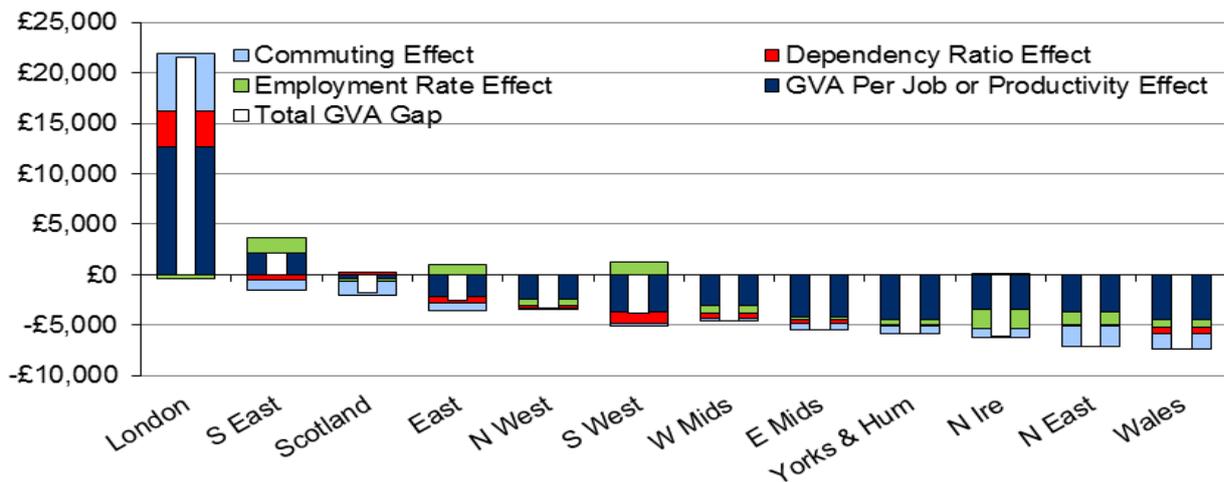
Source: Office for National Statistics

### Output in Wales

Gross value added (GVA) is the difference between the value of goods and services produced net of inputs used in the production of that output. It is conceptually the same as GDP ( $GVA + \text{taxes} - \text{subsidies} = \text{GDP}$ ). Real GVA increased by 1.4% in Wales in 2017 compared with a UK increase of 1.9%. Between 1998 and 2017 real GVA increased by 35.7% in Wales and by 43.3% in the UK. Growth was stronger in Wales than in Yorkshire and the Humber (32.2%), the North East (34.0%) and the West Midlands (34.8%). In 2017 GVA per head was £19,899 in Wales, £7,399 below the UK average. This gap in GVA per head can be broken down into differences in the proportion of the population that is of working age (dependency rate), the proportion of the population that is in work (employment rate) and the market value of output per job (labour

productivity). Each of these components subtract from GVA per head relative to the UK, especially productivity (see Chart 4.2). The latter is not surprising as labour productivity is higher in large population centres with lots of skilled workers. Wales is the least 'agglomerated' UK country or region. Workforce skills are somewhat weaker than the national average. GVA at NUTS1 level is a work-place rather than a residence based concept. So, with more workers going out than coming in to Wales, commuting also explains some of the GVA gap.

**Chart 2 – Decomposition of 2017 GVA Per Head 'Gaps' to the UK Average**

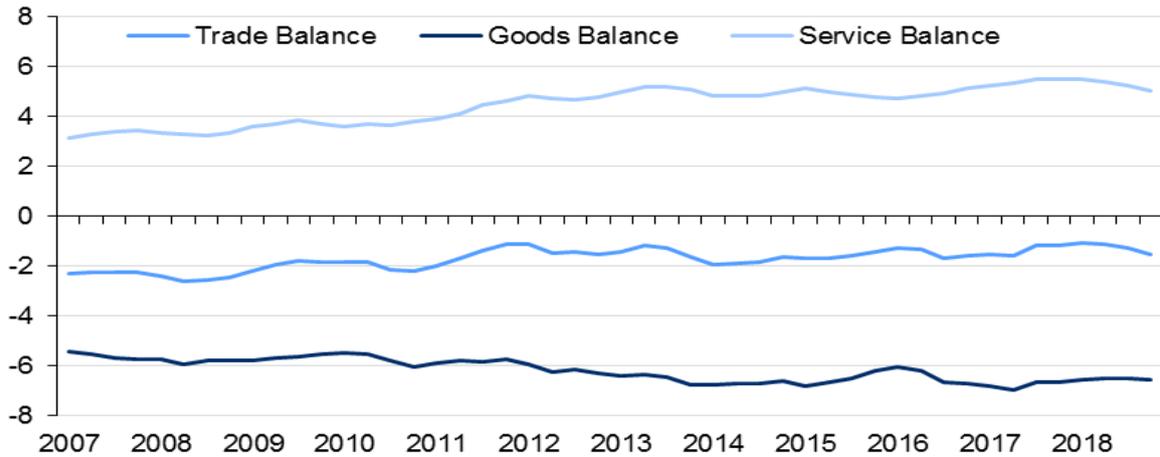


Source: Welsh Government analysis of Office for National Statistics data

## Trade

In 2018, the UK trade deficit in goods and services was equivalent to 1.5% of GDP compared with 1.2% of GDP in 2017. In absolute terms, the deficit was £32.3 billion, some £8.4 billion more than in 2017. The overall balance was comprised of a trade deficit in goods equivalent to 6.5% of GDP (£138.8 billion), up £1.8 billion on the previous year. The goods deficit was partly offset by a service sector trade surplus equivalent to 5.3% of GDP (£106.5 billion), a deterioration of £6.7 billion on the previous year. Before the financial crisis, the trade deficit was around 2.5% of GDP. Some of the narrowing of the trade deficit is likely attributable to the depreciation of sterling's exchange rate. On a trade-weighted basis, sterling is down 25% on its pre-crisis level. Undoubtedly this has boosted exports but not across the board. For example, many exporters of manufactured goods have incurred a marked rise in the price of imported components which has limited the benefit of the more competitive exchange rate. Chart 3 shows that the goods trade balance as a share of GDP has deteriorated slightly since 2007. Service sector exporters are less affected by any increase in imported input prices and so are well placed to take advantage of sterling competitiveness. The service sector trade surplus strengthened viewed over the last decade as a whole.

**Chart 3 – Balance of Trade (% of GDP)**

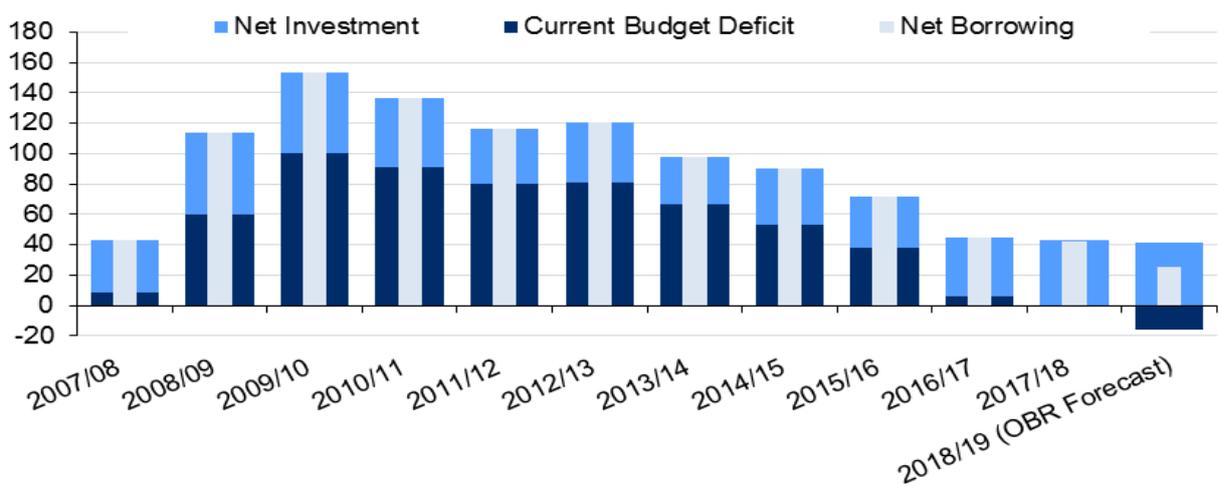


Source: Welsh Government analysis of Office for National Statistics data

## Public Finances

Cumulative public sector net borrowing (PSNB) was £35.9 billion in the three quarters of **2018/19**. Nearly three quarters of this borrowing (£26.0 billion) was for capital - mainly infrastructure - spending. Borrowing for the delivery of day-to-day public services accounted for the rest of the budget deficit i.e. the **current** budget was in deficit. The final quarter of the financial year is invariably the strongest for tax receipts. This is because self-assessment income tax, class 4 national insurance contributions and capital gains tax are mainly paid in January as is a significant proportion of corporation tax. January VAT receipts are usually strong on the back of retail sales over Christmas. Overall then, receipts should more than cover spending on day-to-day public services in the current quarter to the extent that the current budget will be in surplus for the full financial year.

**Chart 4 – Public Sector Net Borrowing (£ Billions)**

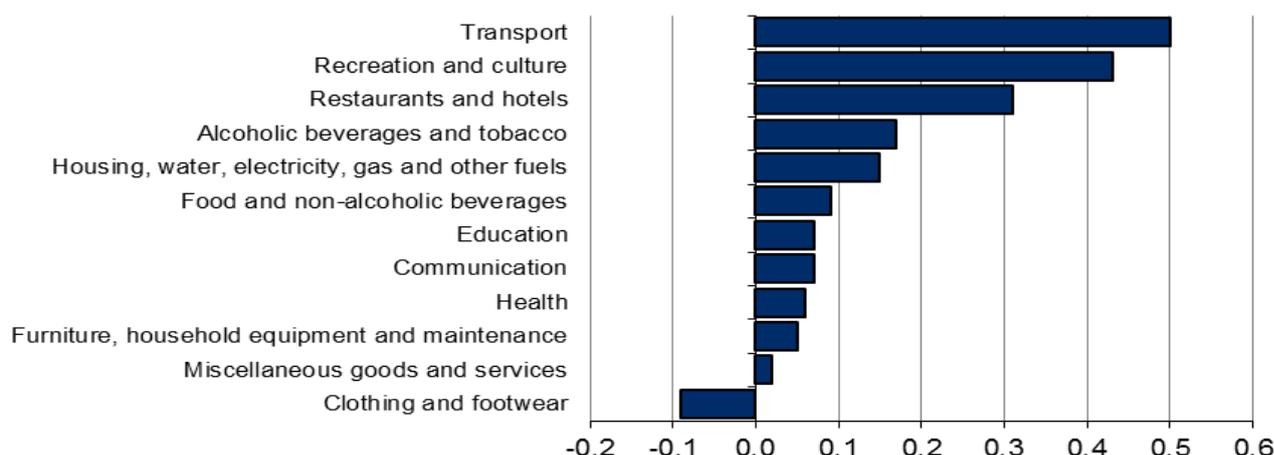


Source: Office for National Statistics

## Inflation

Annual consumer price inflation (CPI) was 1.8% in January compared with 2.1% in December. The Office for National Statistics divides the CPI index into 12 divisions. Of these divisions, the largest contribution to the increase in annual CPI came from the Transport division where rail, sea and air travel prices all increased substantially. The Recreation and Culture division also contributed significantly to the increase in CPI. In this division, prices for 'package holidays' reported a sharp increase possibly owing to exchange rate effects. Price movements are favourable further back in the inflation pipe-line. Producer input prices (materials and fuels for manufacturing) increased by just 2.9% in the year to January compared with double digit hikes over the autumn. Producer output prices (prices leaving factory gates) increased by 2.1% in January, down from over 3.0% a few months ago. These developments augur well for further future reductions in CPI inflation.

**Chart 5 – Contributions to the Annual Increase in CPI, January 2019  
(percentage points)**

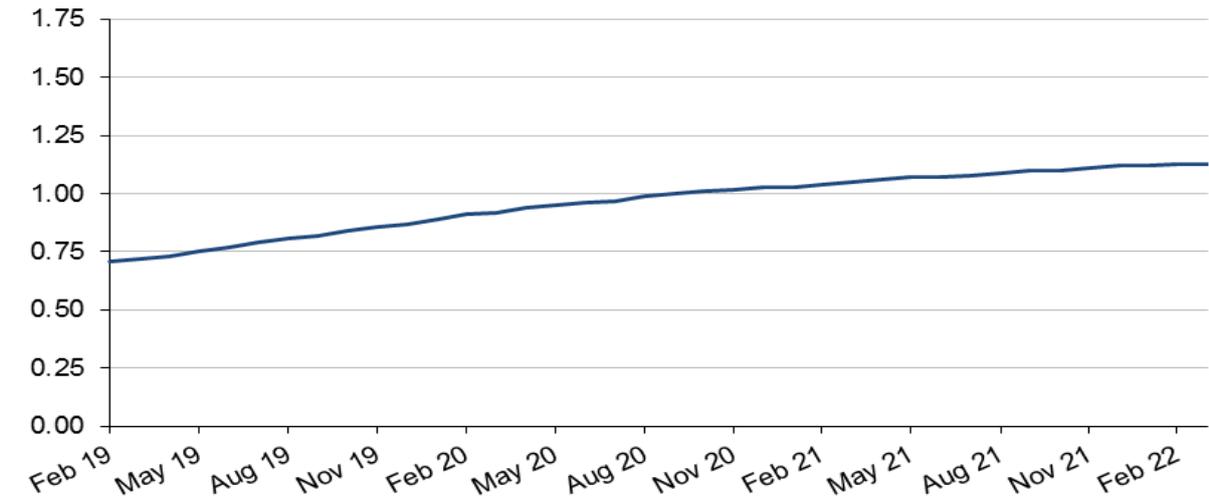


Source: Office for National Statistics

## Financial Conditions

At its February meeting, the Bank of England's Monetary Policy Committee (MPC), which has a remit to meet the Government's 2% annual inflation target, voted unanimously to maintain Bank rate at 0.75%. The MPC also voted unanimously to keep the Bank's stock of financial assets, almost entirely comprised of UK Government bonds and financed by the issuance of 'new' money, at £445 billion. The Bank has indicated that it will start to sell these assets only after the MPC has raised Bank Rate to 1.5%. Judging from financial market prices, this is unlikely to happen anytime soon. Chart 4.6 shows that it is not until September **2020** that markets have fully priced in Bank rate reaching 1.0%. By the end of the Bank's forecast period (three years from now), the probability of Bank rate being above 1.0% is very low. Before the financial crisis, Bank rate averaged 5.0% in nominal terms and 3.5% in real terms. Since the financial crisis, Bank rate has averaged 0.5% in nominal terms and **minus** 1.8% in real terms. Negative real policy rates also feature in several other major developed economies.

**Chart 6 – Financial Market Expectations for Bank Rate**

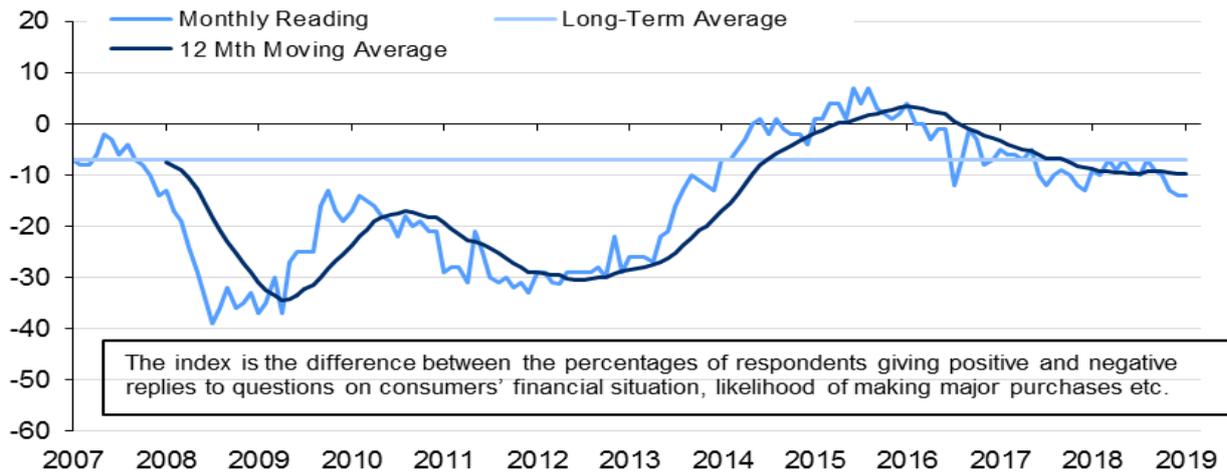


Source: Bank of England

**Consumer Confidence**

The GFK index of consumer confidence (which is based on responses to questions on household finances, the general economic situation and perceptions of the climate for making large purchases) recorded a reading of -14 points in January, unchanged compared with December. Consumer confidence is frequently volatile month to month. The 12 month moving average provides a good gauge of the underlying trend in confidence. On this basis, confidence is trending a little below its long term average reading of -7 points.

**Chart 7 - Consumer Confidence Index**



Source: GFK

## Economic Prospects

The Bank of England published its latest economic forecast in its February [Inflation Report](#). That forecast comes against a backdrop of uncertainty about Brexit. With only a few weeks to go to the official EU exit date, the Bank notes that the Government is “*pursuing an ambitious, broad economic and security partnership*” with the EU but “*the exact form of that partnership, how it will be settled, and when that settlement will take effect are all still unclear*”<sup>1</sup>. The Brexit “*fog of uncertainty*” has made businesses reluctant to invest in physical assets. In fact, business investment declined in each of the last four quarters. Rather, businesses have opted to meet growth in domestic demand by hiring more workers. A proportion of businesses are building stocks so as to be ready for a no-deal no-transition exit from the EU. For consumers, the Bank postulates that “*it is possible that (Brexit) uncertainty is holding back spending on durables, including cars and housing.*” For the purpose of its new forecast, the Bank has assumed that there will be a fairly smooth exit from the EU which will include a transition period. With this conditioning assumption in place, the Bank suggests that “*business investment and economic growth soften further in the near term before picking up sharply as the fog clears. UK GDP growth is expected to rise to 2% by the end of the forecast, building excess demand in the process. Inflation dips below target in the near term before picking up and settling a little above the 2% target for the balance of the forecast.*” Table 4.1 summarises the Bank’s central projections. As usual, the Bank cautions that many other outcomes are probable. Notably, the Bank says that if Brexit uncertainty dissipates more quickly than it currently anticipates then GDP over the forecast period could be around 0.5 percentage points higher than in its published forecast. An intensification of uncertainty would have the opposite effect. Even under a ‘soft’ Brexit scenario, the Bank attaches a 20% – 25% probability to recession unfolding in the second half of this year.

**Table 1 – Bank of England Forecast Summary\***

	2019 Q1	2020 Q1	2021 Q1	2022 Q1
GDP (Year Over Year % Change)	1.5 (1.8)	1.3 (1.7)	1.7 (1.7)	2
CPI (Year Over Year % Change)	1.8 (2.2)	2.3 (2.4)	2.1 (2.1)	2.1
Unemployment Rate	3.9 (3.9)	4.1 (3.9)	4.1 (3.9)	2.8
Excess Supply/Excess Demand (% of Potential GDP)**	0 (0)	-0.25 (0.25)	0.25 (0.25)	0.75
Bank Rate (Financial market assumption)	0.7 (0.8)	0.9 (1.1)	1.0 (1.3)	1.1

\* Figures in parentheses show projections from November’s Inflation Report which extended to 2021 Q3 only

\*\* A negative figure implies output is below potential and a positive that it is above.

## 1.2 Labour market

### Headlines

The latest Labour Force Survey (LFS) results cover the three months October – December 2018. Compared with the previous three months the number of people in employment in the UK increased. The employment rate is the highest on record. The

<sup>1</sup> <https://www.bankofengland.co.uk/inflation-report/2019/february-2019>;

unemployment rate decreased. The rate of economic inactivity decreased. Earnings adjusted for inflation increased.

In Wales, employment increased substantially over the quarter and the year. The employment rate is higher than the UK rate for the first time since records began. LFS results for Wales are volatile because the sample size is relatively small. Consequently, results should be treated with caution and are best interpreted over a period of several months. From that perspective, the labour market position in Wales relative to the UK is positive.

## **Context**

Monthly and quarterly data can be volatile, and should be interpreted in the context of the longer run picture. Key aspects include the following:

- The historic gap in employment rates between Wales and the UK has narrowed markedly 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.

## **UK Data**

The UK employment rate has increased over the quarter by 0.3 percentage points to 75.8% the highest on record (the number of people employed increased by 167,000). Over the year, the employment rate was up 0.7 percentage points (444,000 people).

The unemployment rate, at 4.0% (1.363 million people), was down 0.1 percentage points on the quarter (number down 14,000) and down 0.3 percentage points on the year (number down 100,000).

The inactivity rate was 20.9%, down 0.2 percentage points on the quarter (number down 94,000). Over the year, the inactivity rate was down 0.4 percentage points (number down 153,000).

Regular pay (i.e. average earnings excluding bonuses, which are volatile) in the three months to December increased by 3.4% compared with the same three months a year earlier. After inflation, regular pay increased by 1.2%.

There were 855,000 vacancies in the three months to December, up 12,000 (1.4%) on the quarter and up 41,000 (5.0%) on the year. Vacancies relative to unemployment are

high by historical standards. 91,000 people were made redundant, up 7,000 (8.3%) on the quarter and down 15,000 (-14.4%) on the year. Total weekly hours worked were down 0.1% over the quarter and up 1.5% over the year. Average weekly hours decreased by 0.6% over the quarter and increased by 0.1% on the year.

Figures on workforce jobs by industry for September 2018 show that the number of jobs increased by 0.5% or 185,000 over the year - service sector jobs up 0.5% (152,000), manufacturing jobs up 0.8% (23,000) and construction jobs were up 1.4% (32,000). (Note these series count jobs not people, is based partly on different sources to the LFS and is not directly comparable with the figures for employment).

## **Wales Data**

The employment rate in Wales was 76.2%, up 1.2 percentage points over the quarter (number employed up 32,000 to 1.531 million people). Over the year, the employment rate was up 3.7 percentage points (number employed up 87,000). The employment rate is above the UK for the first time since records began.

The unemployment rate is 4.1%, up 0.1 percentage points on the quarter (number unemployed up 2,000). Over the year, the rate of unemployment decreased by 1.0 percentage points (number of people unemployed down 12,000). The number of people who were unemployed was 66,000.

The economic inactivity rate decreased by 1.4 percentage points over the quarter (the number of people who were inactive decreased by 26,000). Over the year, the rate of inactivity was down 3.2 percentage points (number inactive down 61,000). The inactivity rate is 20.3%. Estimates indicate the rate for Wales fell below the UK rate for the first time in the three months to November 2018, and remains lower in the three months to December (UK rate = 20.9%).

Workforce jobs by industry for September 2018 show that the number of jobs increased over the year by 1,000 (0.1%). (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 3,000 (0.3%) over the year. Manufacturing jobs were up 4,000 (2.8%). The number of construction jobs increased by 4,000 (4.0%). (Data are volatile and should be treated with caution).

### **1.3 Wider public sector pay policies**

The public sector in Wales continues to see significant financial pressures resulting from the wider budgetary cuts imposed by the UK Government. These are all set against a backdrop of wider public sector pay restraints and further fiscal uncertainties as we move towards European Transition. More than ever, all public sector bodies need

to demonstrate good stewardship of their resources in order to deliver appropriate services and support economic stability.

The 2018-19 pay award for the Welsh Government and analogue arms-length bodies reflected a 1% pay bill increase (although actual changes were paid upfront alongside a further 1% pay bill increase in 2017-18). Many arms-length bodies mirrored this approach, two year upfront pay awards, with pay bill increases of between 2% and 3.7%.

For 2018-19 and 2019-20, local authorities in Wales agreed to a national pay deal for their staff (including teaching support staff), which included increases for those on the lower pay points to bring them up to £8.50 an hour in year one and £9.00 in year two and, secondly, for those on higher grades to receive flat rate 2.0% increases. Local government had been planning for at least a 1% increase in the pay bill and further funding was included in both the 2018-19 and 2019-20 settlements, to cover the additional costs implications of the latest pay deal.

Other examples include some parts of the NHS which received up to a 6.5% increase (over three years) which Welsh Minister's agreed to match; and the Scottish Government having a tiered approach to salary increases where lower paid workers get 3%. Such changes tend to focus on headline details rather than the true pay bill impact.

There is not a pay policy covering the whole of devolved public services in Wales. Pay remit guidance for executive arms-length bodies is produced which seeks to ensure pay arrangements are equal to all, appropriate, transparent, provide value for money and reward staff fairly for the work they perform. The guidance includes the following principles:

- Action should be taken to address low rates of pay. All directly employed staff should be paid a Living Wage (as defined by the Living Wage Foundation).
- Equality should be the central feature of pay systems and regular equal pay reporting undertaken. Annual gender pay gap reports should also be undertaken in line with Welsh public sector equality duties.
- Remit proposals should be based on affordable pay bill increases. Value for money considerations should give regard to the stewardship of public funds against a backdrop of wider public sector pay restraints.

## **Chapter 2: Public Sector Financial Context / Affordability**

Any recommendations should still take full account of affordability in relation to the public sector financial context when considering the school system as a whole, i.e. considering existing pressures and the resultant scope for increases in costs nationally. Although the Welsh Government provided funding, through a teachers' pay grant, to support the implementation of the 2018 and for part of the 2019 award, it should not be assumed this will be the case again and spending plans beyond 2019-20 will be set out in a future Spending Review.

### **2.1 Institute for Fiscal Studies Publication**

Recent research by the Institute for Fiscal Studies (IFS) suggests that, in recent years, school funding per pupil has fallen faster in England than in Wales driven by a combination of a greater fall in spending by local authorities and school sixth form spending alongside faster growth in pupil numbers.

Between 2009-10 and 2017-18, total school spending per pupil in England fell by about 8% in real terms. As a result, the IFS consider that the gap in school spending per pupil between England and Wales has been "virtually eliminated".

The IFS research has been possible as they identified that changes to local authority plans arrangements in England provided a new DfE data source that has allowed this analysis to be produced. The Chief Statistician will be considering what this means for future analysis and our statistical releases.

### **2.2 Local Authority Budgeted Expenditure on schools: 2018-19**

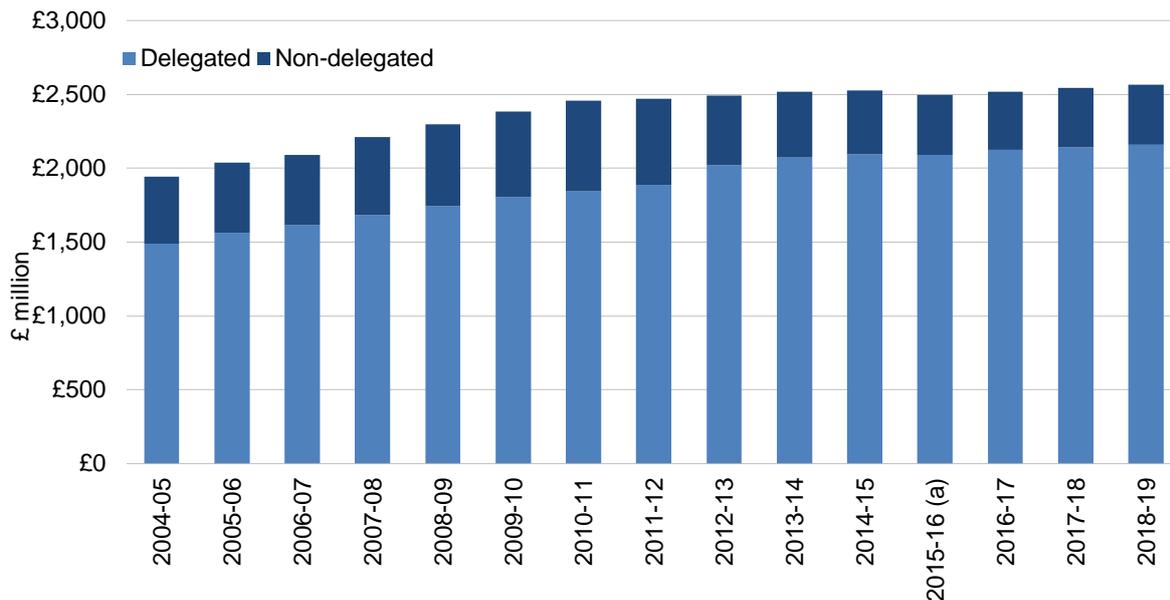
In 2018-19, local authorities intend to spend 36% of their overall budget on schools. Gross schools expenditure is budgeted to be £2,566 million, an increase of 0.9% over the previous year.

Gross schools expenditure per pupil is budgeted to be £5,675, a year on-year increase of 0.8% or £47. This can be broken down into £4,776 per pupil delegated to schools and £899 per pupil retained for centrally funded school services.

The funding delegated to schools is budgeted to be £2,160 million. The amount of funding that local authorities delegate directly to schools ranges between 75% and 90% of overall gross schools budgeted expenditure.

84.2% of the total gross schools budgeted expenditure is delegated directly to schools, a decrease of 0.1 of a percentage point compared to the previous year.

**Chart 8 - Breakdown of gross school budgeted expenditure over time**



(a) The data is not wholly comparable with previous years due to the movement of Flying Start expenditure from Education to Social Services in 2015-16.

The Statistical Bulletin ‘Local Authority Budgeted Expenditure on Schools: 2018-19’ for 2018/19 can be found at the following link: <https://gov.wales/statistics-and-research/local-authority-budgeted-expenditure-schools/?lang=en>

Delegated School budgets and Per pupil funding for 2018-19 can be found here:

<https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Delegated-School-Budgets>

### 2.3 Local Government Settlement 2019-20

Welsh Government has made further allocations to the local government settlement to mitigate the reduction local government had been expecting in 2019-20. As a result, the 1% reduction announced at the 2018-19 final budget has turned into 0.2% increase (or £43m reduction turned into a £10m cash increase).

In line with our programme for government commitment to provide funding for a settlement floor, this settlement includes £3.5 million, fully funded by the Welsh Government, to ensure that no authority has to manage with a reduction of more than 0.3% in its Aggregate External Finance in 2019-20.

## **2.4 School funding arrangements in Wales**

The funding mechanism for schools in Wales is very different from the arrangements in England. In Wales, Local Authorities are responsible for schools funding as is set out in law. As such the Welsh Government does not fund schools directly; funding is directed through local authorities or regional education consortia. Schools are funded via local authorities, through their core funding (a combination of Welsh Government core un-hypothecated funding (Revenue Support Grant and re-distributed Non-Domestic Rates) and council tax), specific grants and other, locally-raised income; activity is also funded through regional consortia.

The core funding provided by the Welsh Government, and authorities' own council tax income is un-hypothecated, meaning that local authorities may determine how they spend this, according to local priorities. The funding allocation arrangements are intended to distribute funding between authorities to reflect variations in the relative need to spend if all authorities responded in a similar way to the demand for services in their area and therefore to enable them to charge the same level of council tax for a similar level of service.

Because the majority of funding provided to local authorities for education is un-hypothecated, it is not possible to identify the schools element in this way. This is in line with Welsh Government policy that local authorities are best placed to judge local needs and circumstances and to fund schools accordingly. Once the core un-hypothecated funding has been distributed to local authorities, it is their responsibility to set budgets for schools in accordance with a local funding formula. The Welsh Government's Green Book publication<sup>2</sup> sets out how the overall local government funding formula is constituted.

Budget information from local authorities is not yet available for 2019-20. In 2018-19, unitary authorities budgeted for general revenue expenditure of £7.2 billion. Education accounts for around 36% of this expenditure, of which 98% (£2.6 billion) is for schools.

## **2.5 Teachers' pay**

The Welsh Government is directing all of the £23.5 million announced by the UK Government on 13 September, to fund the school teachers' pay award for the academic year ending summer 2019. For the financial year 2018-19, £8.7 million will be made available via specific grants.

For 2019-20, £13.7 million has been included in the settlement to fund the increase in teachers' pay in maintained schools from nursery to year 11, and the remaining £1.1 million will continue to be delivered outside the settlement, as a specific grant within the Education MEG, for teachers in school sixth forms.

---

<sup>2</sup> <https://gov.wales/topics/localgovernment/finandfunding/settlement/lg-settlement-2018-19/green-book-2018-19/?lang=en>

This funding meets the difference between the 2018/19 teachers' pay award announced by the DfE and the cost of 1% pay award, which local authorities and schools should have planned for under the previous public sector pay cap.

As part of the additional funding package for local government announced on 20 November, an extra £7.5m in each of 2018-19 and 2019-20 was allocated to support local authorities with teachers' pay pressures.

These one-off payments are intended to alleviate some of the budgetary pressures being faced due to the UK Government's austerity agenda. Specifically, this funding is intended to help alleviate the immediate remaining pressures associated with implementing the 2018/19 teachers' pay award, and allow local authorities some flexibility when planning for 2019/20.

## **2.6 Affordability**

Over the medium term, teachers' pay needs to be considered alongside the affordability of all local authority services, by authorities as part of their financial planning for the medium term and in the context of the Welsh Government budget round.

In the UK-wide context, 2019 is anticipated to involve a comprehensive spending review by the UK Government. No forward indications of revenue funding for Welsh Government have been provided beyond March 2020. Local authorities have, similarly, not been given any indication of future Welsh Government funding. They will be planning for a range of future scenarios taking account of their own income and resources as well as the uncertainty surrounding future public funding. In the immediate term, the affordability of teachers' pay in Wales needs to be considered in the context of all the local authorities' individual priorities and the funding position of local government overall.

A 2% increase in teachers' pay in Wales from September 2019 would equate to a cost of approximately £14.6 million over the remaining seven months of the financial year. For 2018-19, £14.6 million equated to 0.57% of local authority schools budgets; 0.56% of local authority education budgets; and 0.2% of overall local authority budgets. To raise an additional £14.6 million solely through council tax, local authorities would, on average, have to increase council tax bills by around 0.9% (in addition to any planned annual increases). Authorities would need to consider this in the context of other service requirements and the impacts on local taxpayers.

Local authorities have set their budgets for 2019-20 in the context of a requirement to produce medium-term financial plans. In doing so they will have considered anticipated increases in costs, particularly workforce costs, as well as planned opportunities for further efficiencies and changes in services.

Local authority budgets will have accounted for the cost of the teachers' pay award for April 2019 to end August 2019, taking account of the resources provided specifically for this, as detailed above, and would be expected to have made a planning assumption for the cost of an award for the period September 2019 to end March 2020 in order to set their overall budget requirements. In setting their budgets, authorities in Wales have approved increases in council tax ranging from 3.6% to 9.92%.

## **2.7 Teachers' Pensions**

The Minister for Finance and Trefnydd announced in a Written Ministerial Statement on 7 March that, following confirmation of Barnett Consequential funding from the Westminster Government, the Welsh Government will provide additional funding to public sector organisations in 2019-20 to enable them to meet the additional costs associated with these pension changes.

In 2019-20 the Welsh Government is allocating £47.7m to meet in full the identified additional estimated pressure for maintained schools and Further Education colleges in Wales. This breaks down as £42.1m for maintained schools, including sixth forms and £5.6m for Further Education colleges.

The changes to teachers' pensions will be implemented from the start of the new academic year in September, therefore, this funding relates to the period September 2019 through to March 2020.

## **Chapter 3: Schools' financial positions**

### **3.1 Welsh Government funding of schools**

Despite the UK Government's continued austerity programme, the Welsh Government has taken action to prioritise school funding.

In Wales, funding for schools is provided in the main on a non-hypothecated basis through the Local Government Settlement. We believe that local authorities are best placed to judge local needs and circumstances and to fund schools accordingly. Local authorities are accountable to their electorates for the decisions they make.

As mentioned above, the final settlement represents a cash increase overall, compared to 2018/19, equivalent to an increase of 0.2% after adjusting for transfers and includes a floor, fully-funded by the Welsh Government, so that no authority now faces a reduction of more than 0.3%, compared with the current year, on a like-for-like basis.

The decisions the Welsh Government has made as part of the overall budget provide local government with a realistic settlement against the background of the current financial climate and one which is improved on the indicative settlement approved in the last budget, where councils were looking at a reduction of 1% in core funding. The final settlement represents a cash increase overall, compared to 2018/19, equivalent to an increase of 0.2% after adjusting for transfers and includes a floor, fully-funded by the Welsh Government, so that no authority now faces a reduction of more than 0.3%, compared with the current year, on a like-for-like basis.

The duty to ensure that suitable educational provision is made available to all children rests with local authorities. Local authorities receive funding from the Welsh Government via the Revenue Support Grant (RSG). The RSG is not ring fenced as the Welsh Government considers that local authorities are best placed to judge local needs and circumstances. Once the RSG is distributed, it is the responsibility of individual authorities to set budgets for their schools and the local provision that they support. Schools can influence the funding decisions their authorities make by engaging in dialogue with them through for example their Schools Budget Forum, which every authority must have by law.

The Welsh Government supports the principles of consistent financial reporting and of having a consistent approach in how funding is applied pan Wales. However, it does not share the same issues borne of the disparate structures and models in England with free schools, state funded schools and the academies programme.

The School Funding (Wales) Regulations 2010 provide for how Local Authorities set their funding for schools. The Regulations ensure consistency to a point with the requirement for 70% of schools budgets to be set based on pupil numbers.

It is essential to ensure that resources are targeted where they are most needed, and that authorities work closely with schools to ensure that the investment leads to real improvements in the quality of education received by pupils.

### **3.2 Education Main Expenditure Group Budget**

Whilst the settlement is the largest single source of funding available to local government for schools, it is not the only source of funding we provide. We also provide grant funding through the Education Main Expenditure Group (MEG) budget to support improved outcomes for learners in Wales, including through the Pupil Development Grant and the Regional Consortia Improvement Grant.

Any specific grants allocated from the Education MEG which support outcomes delivered by schools already have clear grant terms and conditions in place that are agreed with relevant stakeholders.

The Education resource and capital budget stands at £1.7bn for 2019-20 (Final Budget 2019-20), an increase of £85m from previously published plans (Final Budget 2018-19). Whilst the majority of this budget funds Higher Education and Further Education, the element that supports schools directly or indirectly amounts to £0.5bn. This includes funding for 21st Century Schools Education Programme, Pupil Deprivation Grant and the Regional Consortia Improvement Grant.

The Education MEG is fully committed for 2019/20. For 2019-20, in addition to the £13.7m included in the local government settlement for the 2018/19 teachers pay award, the Education MEG was allocated an additional £1.1m for teachers in school sixth forms, and a further £7.5m to help alleviate the immediate pressures associated with the 2018/19 teachers' pay award and allow local authorities some flexibility when planning for 2019-20. Any additional costs associated with the 2019/20 teachers pay award would represent a pressure on the Education MEG. We currently have a revenue budget for one year only, and therefore any implications on 2020-21 as a result of the 2019/20 teachers pay award will need to be considered within the context of the Comprehensive Spending Review later this year once indicative allocations are available.

### **3.3 School deficits/reserves**

The latest statistical release on school reserves was published on 17 October 2018. The overall level of reserves held by schools in Wales was £50m at 31 March 2018, the equivalent of £111 per pupil, and an increase of 10% compared with the previous year. Reserves in primary schools accounted for £49 million or 97% of the total reserves. Reserves in secondary schools decreased, as they have done in recent years, and are

now in deficit (by £2.4 million) for the first time since the series began. Together, this results in an overall increase of £4.4 million in total reserves.

146 primary, 79 secondary, 8 special, 1 nursery and 7 middle schools in Wales had negative reserves totaling £25 million. The remaining 1,328 schools had positive reserves, 171 of which had reserves in excess of 10% of their total delegated expenditure.

### **3.4 Education grant funding**

The Welsh Government continues to provide significant additional grant funding over and above the core funding for schools through Local Authorities.

The Welsh Government is determined to raise standards and reduce the gap in attainment for all learners and we are providing more than £187 million for the two year period 2018/19- 2019/20 through the Pupil Development Grant to help our most disadvantaged learners. We are also providing more than £236 million through the Regional School Improvement grant, of which the EIG is part and £20 million for curriculum reform, which is at the heart of our plan of action for education.

In recognition of the costs associated with the introduction of the new Additional Learning Needs system we are investing £20 million to support the skills development of the education workforce to help build capacity within the system and ensure learners' needs can be met in a range of education settings.

We are providing more than £187 million over the next two years through the Pupil Development Grant to help our most disadvantaged learners and more than £236 million through the Education Improvement Grant to provide support for all learners.

The Welsh Government is making available £5 million in revenue and a further £5 million in capital in 2019/20 as part of our overall £36 million commitment over this Assembly term to reduce infant class sizes.

Over this Assembly term, the Welsh Government has committed to invest £100 million to raise school standards and more than half of this investment is prioritised towards improving teaching and learning, recognising that our teachers are our single greatest agents of change and improvement in the classroom.

We continue to provide significant capital funding through our 21st Century Schools programme to secure improvements to our school estate to positively impact on future learning.

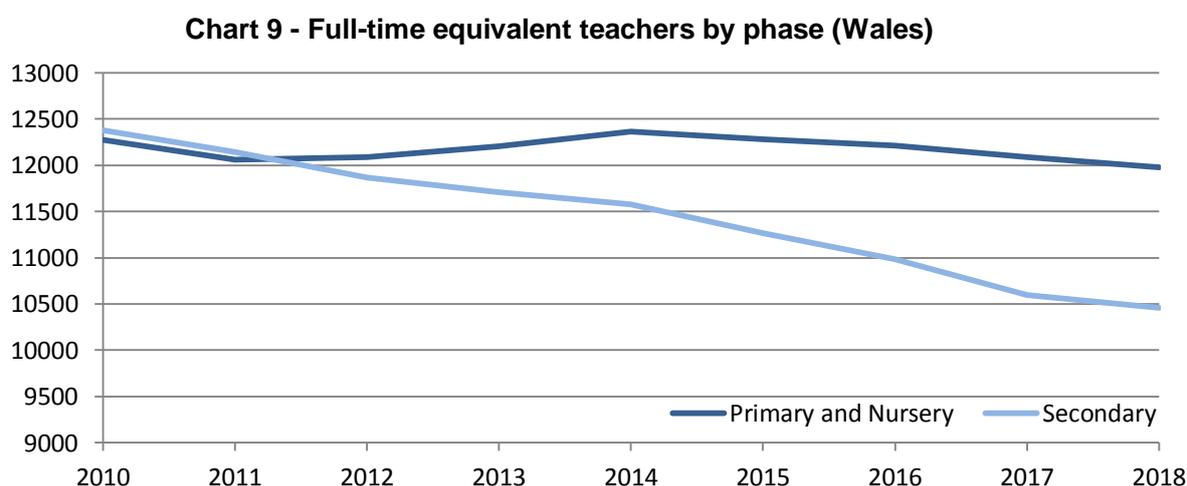
The National Approach to Professional Learning (NAPL), announced in November, will see £9 million in this financial year, increasing to £15 million next financial year - the single biggest investment in support for teachers in Wales since devolution. The funding will give schools the time and resources they need to plan ahead for the new curriculum

and ensure that changes are made in a way that will prioritise the wellbeing of teachers and minimise disruption to pupils' learning. The funding will also help ensure that there is cover for staff to be released for professional learning.

## Chapter 4: Data in relation to the school workforce, including recruitment and retention

### 4.1 The teacher labour market

Chart 9 shows the change in full-time equivalent (FTE) teacher numbers by phase since 2010.



Source: PLASC (Welsh Government)

[\[View the data\]](#)

In January 2018, there were 23,871 full-time equivalent qualified teachers working in Wales compared to 23,910 in 2017, a decrease of 0.2%. Whilst there has been an overall decrease in the number of FTE teachers in nursery and primary schools (a decrease of 3.1% from 2014 to 2018), the number of teachers in secondary schools has seen a larger decrease (a decrease of 9.7% from 2014 to 2018). The number of FTE teachers in Middle schools has more than doubled during this period, additionally; the number of teachers in special schools has also increased (an increase of 8.7 percent from 2014 to 2018).

**Table 2 - FTE teachers by grade and phase in Local Authority maintained schools (Wales, January 2018)**

	Nursery and Primary	Middle	Secondary	Special	All schools
Headteachers	1,072	18	174	35	1,298
Acting headteacher	124	.	22	6	152
Deputy headteacher	880	23	214	41	1,158
Assistant headteacher	263	42	553	48	906
Classroom teachers	9,641	631	9,496	589	20,357
<b>Total qualified teachers</b>	<b>11,980</b>	<b>714</b>	<b>10,459</b>	<b>719</b>	<b>23,871</b>

Source: PLASC (Welsh Government)

[\[View the data\]](#)

Table 2 shows the FTE numbers of teachers in Wales split by grade and phase. The majority of teachers are classroom teachers (85.3%) whilst 14.7% are in leadership positions.

There has been a slight decrease in the number of FTE headteachers (-4.4) and classroom teachers (-62.8) in maintained schools in Wales in 2018 compared to 2017.

Teacher numbers broadly reflect pupil numbers in schools. The total number of pupils in maintained schools was 467,112 in January 2018, an increase of around 2,000 pupils since January 2014.

**Table 3 - Pupil teacher ratios within maintained schools by sector, 2014-2017 (Wales)**

	Nursery	Primary	Middle	Secondary	Special	<b>Total</b>
January - 2014	14.9	20.8	15.8	16.1	6.5	<b>18.2</b>
January - 2015	14.6	21.2	14.9	16.2	6.6	<b>18.4</b>
January - 2016	14.0	21.6	15.3	16.3	6.5	<b>18.6</b>
January - 2017	15.4	21.8	16.8	16.5	6.8	<b>18.9</b>
January - 2018	12.6	22.0	16.7	16.5	6.7	<b>18.9</b>

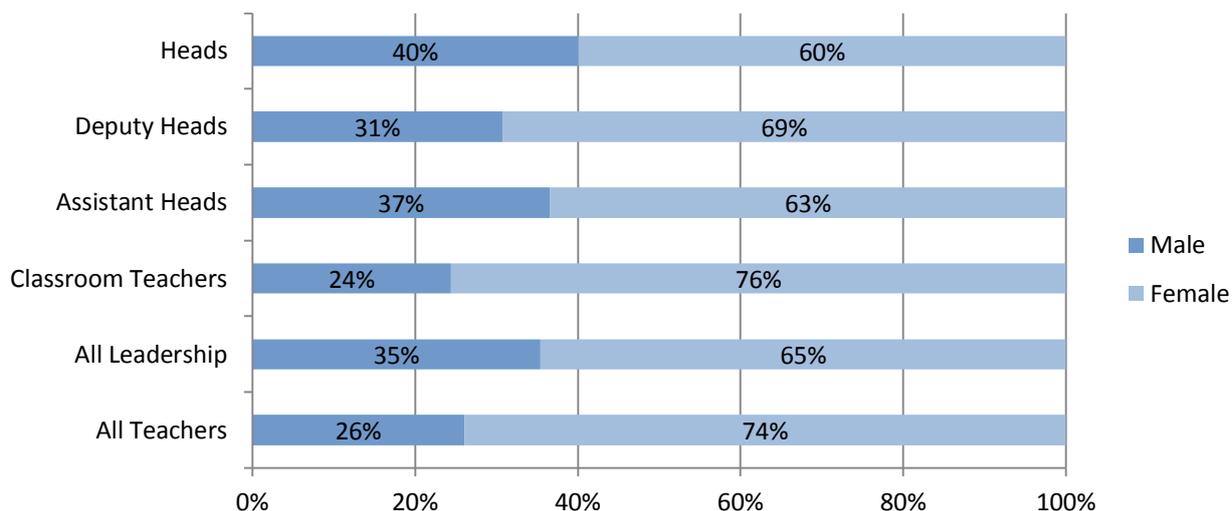
Source: PLASC (Welsh Government)

Whilst over recent years there has been a reduction in numbers of teachers, the pupil teacher ratio for all maintained schools was 18.9 in January 2018, unchanged from 2017 (see Table 3 above). In 2018, the pupil teacher ratio was highest in primary schools at 22.0 and lowest in special schools at 6.7. The pupil teacher ratio in secondary schools was 16.5.

## 4.2 The teacher workforce

Chart 10 shows the percentages of male and female teachers for each teacher category.

**Chart 10 - Full time equivalent teachers in maintained schools by teacher category and gender (Wales, January 2018)**



Source: PLASC (Welsh Government)

[\[View the data\]](#)

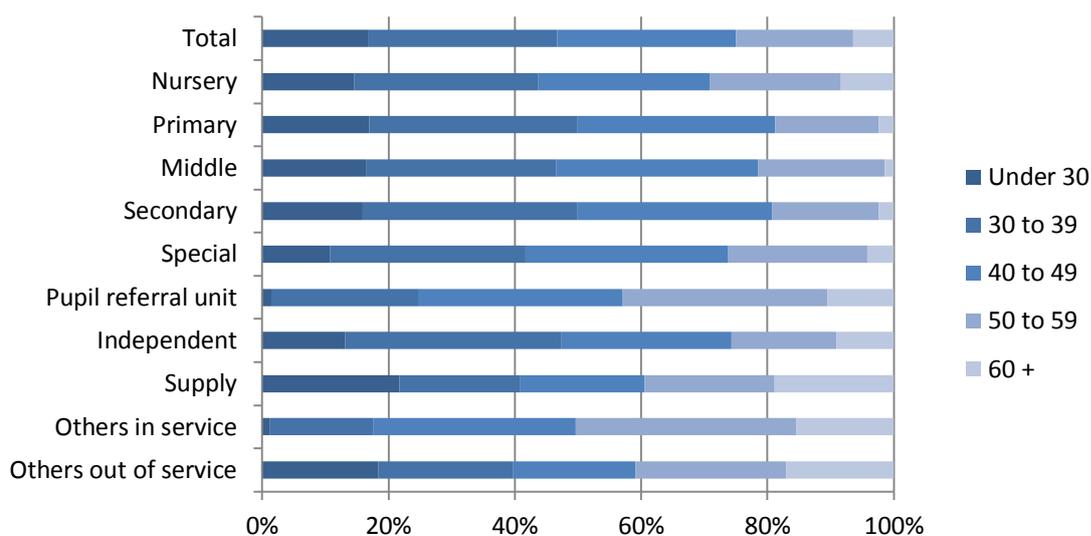
Across all teacher categories the gender split of teachers has remained relatively constant over time where, 74.0% of teachers are female. For classroom teachers the proportion of females is slightly higher at 75.6%. For the leadership groups there are slightly lower proportions of females, at 64.6%.

The gender split of teachers also varies across school sector, with 82.2% of primary teachers and 64.9% secondary schools are female.

*A greater level of information on the demographics of the school workforce, including ethnicity and age of teachers in Wales, will be collected by the Welsh Government as part of the School Workforce Annual Collection (SWAC) which will be collected from November 2019.*

The Education Workforce Council's (EWC) Register of Education Practitioners holds information on the education workforce, including the age profile of teachers. The following information on age profile is based on data extracted as at 1st March of each year. Numbers represent all registrants, not just those in post and are measured in terms of actual headcount rather than full-time equivalents.

**Chart 11 - Teachers (headcount) by phase and age, Wales 2018**



Source: EWC Register of Education Practitioners

All data is based on the primary employment recorded on the individual's record, regardless of the number of active employment records a registrant may have.

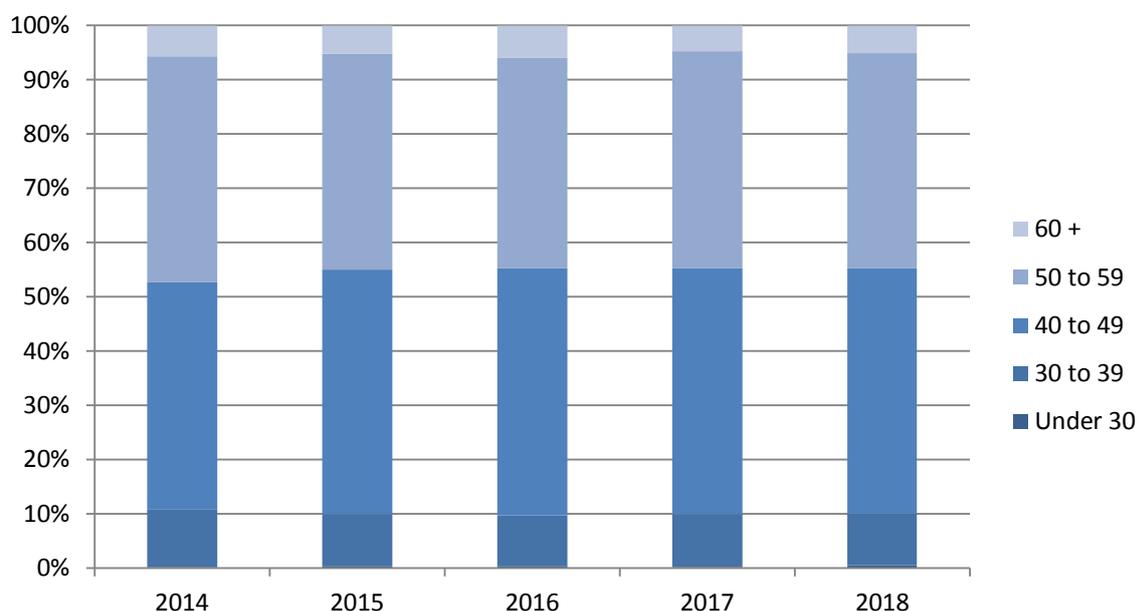
### Registered Teachers by Age

In 2018:

- 25% of all teachers on the EWC Register of Education Practitioners were aged 50 and over, whilst 16.8% of teachers were aged under 30.
- the highest proportion of teachers in the nursery and primary sector were aged 30-39, (29.2 per cent and 33.1 per cent respectively).
- similarly, for the secondary phase the highest proportion of teachers were aged 30-39 (34.1 per cent).
- the second largest proportion for both primary and secondary phases is the 40-49 age group (31.3 per cent primary) and (30.7 per cent secondary).
- the largest proportion for those registered under 'supply' was the under 29 category at 21.7 per cent, followed by 20.6 per cent in the 50 to 59 age category.

### 4.3 Age profile of school leaders

Chart 12 – Headteachers registered with the EWC by age, Wales 2014-2018



Source: EWC Register of Education Practitioners

Chart 12 shows that the age distribution for headteachers on the EWC Register of Education Practitioners has remained broadly consistent between 2014 and 2018.

Overall in 2018, the highest percentage of headteachers were aged 40 to 49 (45.1%) followed by 39.8 per cent aged 50 to 59, whilst just 0.5 per cent were under the age of 30.

#### Phase and Other leadership

In 2018:

- almost half of headteachers in the primary sector were in the 40 to 49 age range (46.8%) and 38.3 per cent were in the 50 to 59 age category.
- for headteachers in the secondary sector, 49.2 per cent are in the 50 to 59 age range with 38.1 per cent aged between 40 to 49.
- the highest percentage of deputy and assistant headteachers on the EWC Register of Education Practitioners were aged between 40 to 49 (48.2% and 46.4% respectively) followed by those aged 50 to 59 (25.5% deputy and 29.8% assistant heads), whilst the lowest percentage were under the age of 30 (0.8% for both deputy and assistant headteachers).

#### 4.4 Maintaining a supply of high quality teachers and leaders

The remit letter outlined the importance of considering how any pay award can best support recruitment and retention, and encourage a sufficient quantity and quality of teachers and leaders into the profession, whilst ensuring that pay arrangements are reasonable and consistent.

The overall recruitment picture in Wales has not changed significantly over recent years. Whilst overall recruitment and retention rates throughout Wales show little evidence of concern, we are aware of anecdotal evidence that there are pockets of difficulty in recruiting to certain secondary subjects, in some geographical locations across Wales as well as with certain Welsh medium subject provision. These recruitment issues for priority subjects are targeted via various policy programmes and financial incentives. For example, schools can pay recruitment bonuses if required (although we are not aware that these are used that often); bursaries are available for those training in priority subjects - these are detailed in section 5.

Data on teacher retention, including teachers who left the profession by number of years experience and destination is collected as part of the Pupil Level Annual School Census (PLASC) returns supplied by schools in January each year. The figures in the following tables exclude teachers who left at normal retirement age.

**Table 4 - Teachers leaving the profession by sector (headcount), Wales 2010-2017**

	2010	2011	2012	2013	2014	2015	2016	2017
Teachers leaving the profession								
All schools*	772	753	691	722	742	780	814	698
Primary	345	322	345	356	369	377	382	364
Secondary	427	431	336	360	369	387	422	321
Total number of teachers (headcount)	27,108	26,869	27,056	27,064	26,755	26,453	26,172	26,129
Percentage of teachers leaving	2.8%	2.8%	2.6%	2.7%	2.8%	2.9%	3.1%	2.7%

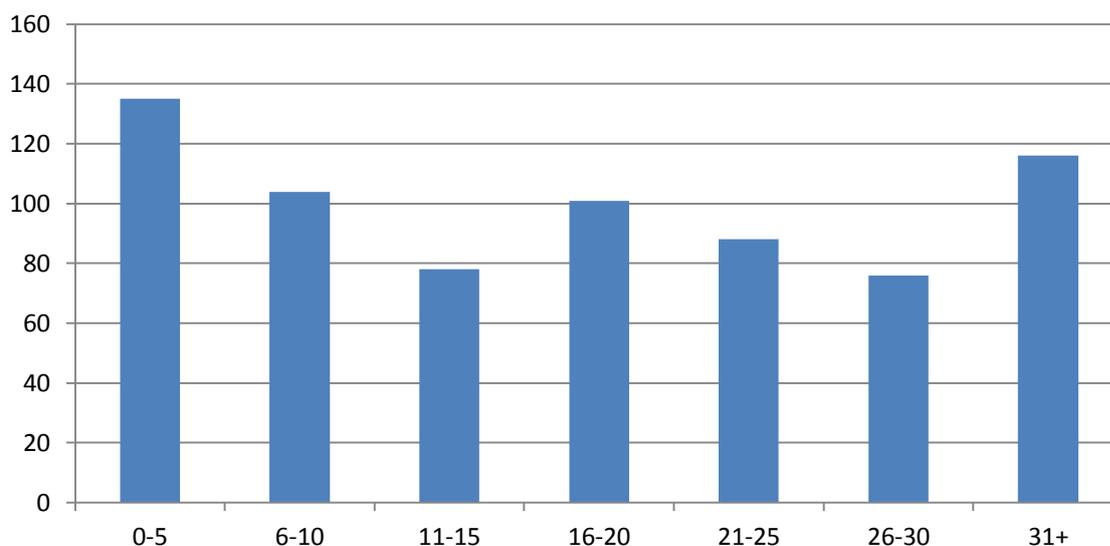
\*All schools includes nursery, primary, middle, secondary and special schools

Source: PLASC (Welsh Government)

[\[View the data\]](#)

The percentage of teachers leaving the profession each year has stayed relatively consistent since 2010, fluctuating between 2.6% and 3.1% (Table 4).

**Chart 13 - Number of teachers leaving the profession by number of years experience, Wales 2017**



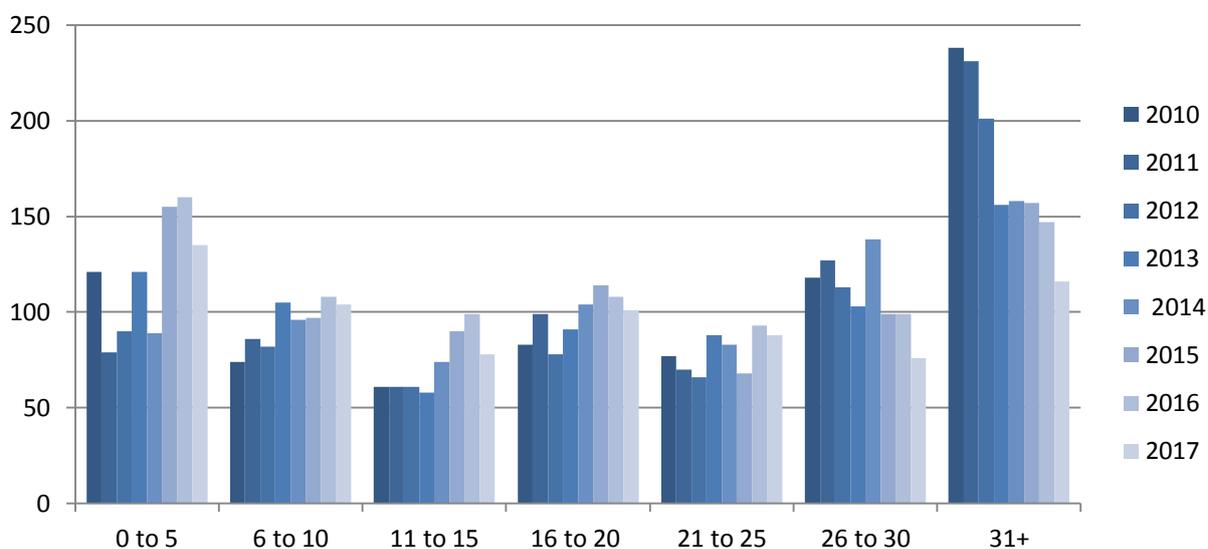
Source: PLASC (Welsh Government)

[View the data](#)

The largest group of teachers leaving the profession is seen in those with 0-5 years experience, making up 19.3% of leavers, followed by those with 31+ years experience, making up 16.6% of leavers (Chart 13). The smallest group of leavers by experience were those with 26-30 years experience, making up 10.9% of the leavers.

Chart 14 shows that for each category of number of years experience, the number of teachers leaving the profession fluctuates year to year. There is no clear trend for most categories over the last 10 years, with the exception of teachers with 31+ years experience, which has decreased since 2008.

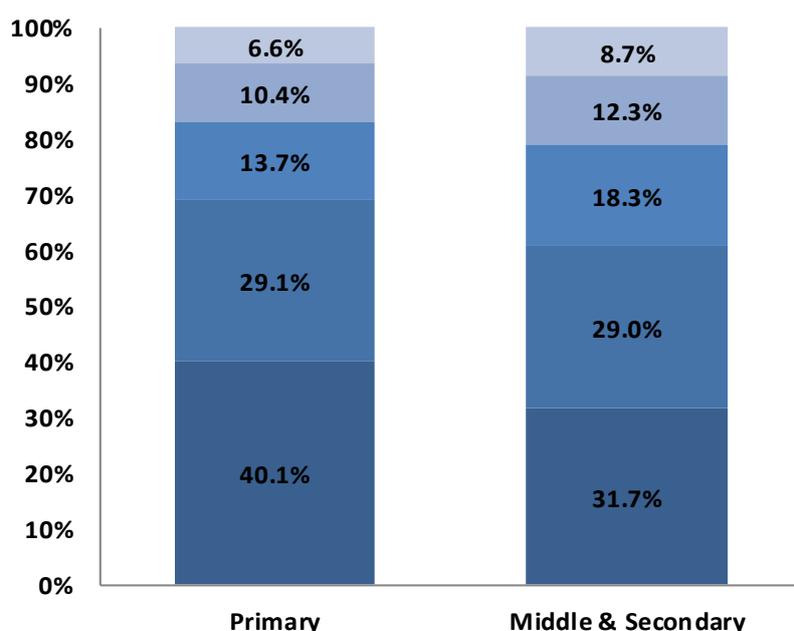
**Chart 14 - Number of teachers who left the profession by number of years experience, 2010-2017, Wales**



The number of teachers with 0-5 years experience leaving the profession is relatively low. The number of leavers with 0-5 years experience has varied over the last 10 years from a high of 160 in 2016 to a low of 79 in 2011. Trends over recent years do not appear to highlight any significant change in retention of NQTs in the profession.

As shown in Chart 15, in 2017 the most common destination of teachers leaving the profession in the primary and middle / secondary sectors (after 'other') was 'early retirement', at 29.1 per cent for primary and 29.0 per cent for secondary and middle. The smallest proportions were those leaving to employment within education but in a non teaching capacity, at 6.6 per cent of primary leavers and 8.7 per cent of secondary and middle leavers.

**Chart 15 - Teachers who left the profession by destination, Wales 2017**



- Employed in a non-teaching capacity within education
- Unknown
- Employed outside education
- Early retirement
- Other

## 4.5 Vacancies

The latest published statistics for teaching posts advertised in Wales show that between 1 January and 31 December 2017 (as shown in table 5 and 6):

- 848 teacher vacancies were advertised for primary schools with an average of 15.5 applications received per post.
- English medium posts in primary schools attracted an average of 19.4 applications per post and Welsh medium posts attracting an average of 7.3 applications per post.
- 963 teacher vacancies were advertised for secondary schools (including middle schools) with an average of 7.6 applications received per post.
- English medium posts in secondary schools attracted an average of 8.5 applications per post and Welsh medium posts attracted an average of 3.4 applications.
- The number of applications per post in both Welsh medium and English medium in both primary and secondary phases decreased between 2013 and 2017.

The number of posts being advertised shows an increasing trend at primary phase. For secondary phase, Welsh medium and English medium posts there was a peak in 2012/13 followed by another increasing trend since drops in 2014.

**Table 5 - Number of teaching posts advertised and applications per post in maintained schools, by phase (Wales)**

		2010	2011	2012	2013	2014	2015	2016	2017
<b>Primary</b>	No. of posts advertised	611	653	787	728	785	795	782	848
	Applications per post	24.9	25.6	24.5	18.1	17.6	16.0	14.1	15.5
<b>Secondary</b>	No. of posts advertised	670	692	898	1,021	752	830	881	963
	Applications per post	11.4	14.8	11.8	8.4	9.8	8.9	8.4	7.6
<b>All Posts</b>	No. of posts advertised	1,281	1,345	1,685	1,749	1,537	1,625	1,663	1,811
	Applications per post	17.8	20.0	17.7	12.4	13.8	12.4	11.1	11.3

Source: PLASC (Welsh Government)

[\[View the data\]](#)

**Table 6 - Number of teaching posts advertised and applications per post in maintained schools, by medium (Wales)**

		2010	2011	2012	2013	2014	2015	2016	2017
<b>Welsh Medium</b>	No. of posts advertised	323	309	408	517	416	406	455	441
	Applications per post	11.8	9.3	8.9	6.9	6.3	6.1	5.5	5.8
<b>English Medium</b>	No. of posts advertised	958	1,036	1,277	1,232	1,121	1,219	1,208	1,370
	Applications per post	19.9	23.2	20.5	14.8	16.6	14.5	13.1	13.1

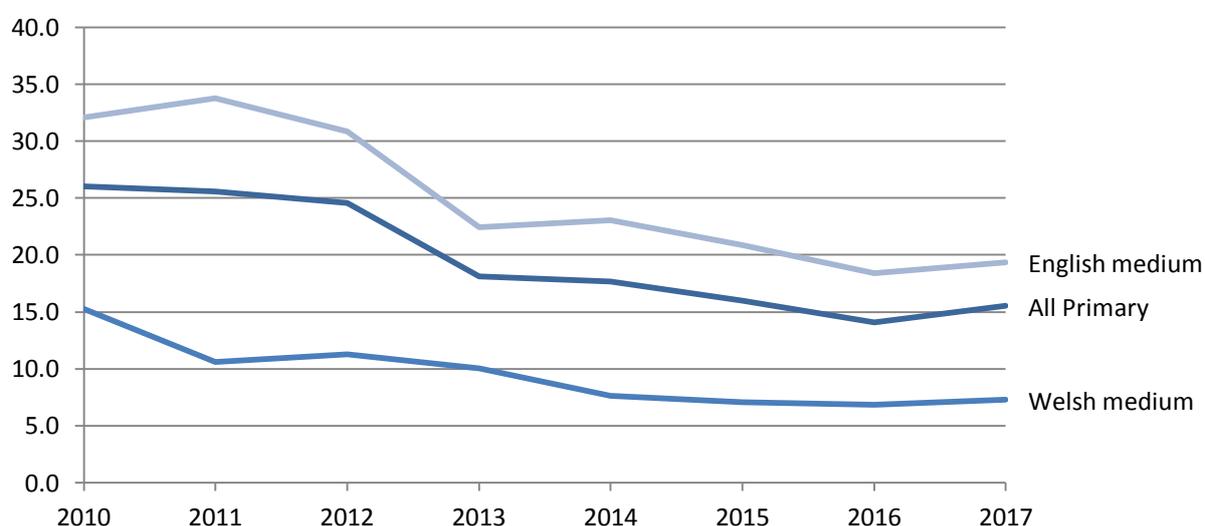
Source: PLASC (Welsh Government)

[\[View the data\]](#)

Charts 14 and 15 show the trends in average applications per post since 2010 by phase and medium. All phases and mediums show decreasing trends in average number of applications per post. Welsh medium posts have a lower average number of applications per post than English medium posts for both primary and secondary schools. Primary posts have a higher average number of applications per post than secondary posts.

Analysis of these figures has been taken into consideration when planning intake targets/numbers to ITE (see para 4.6 below).

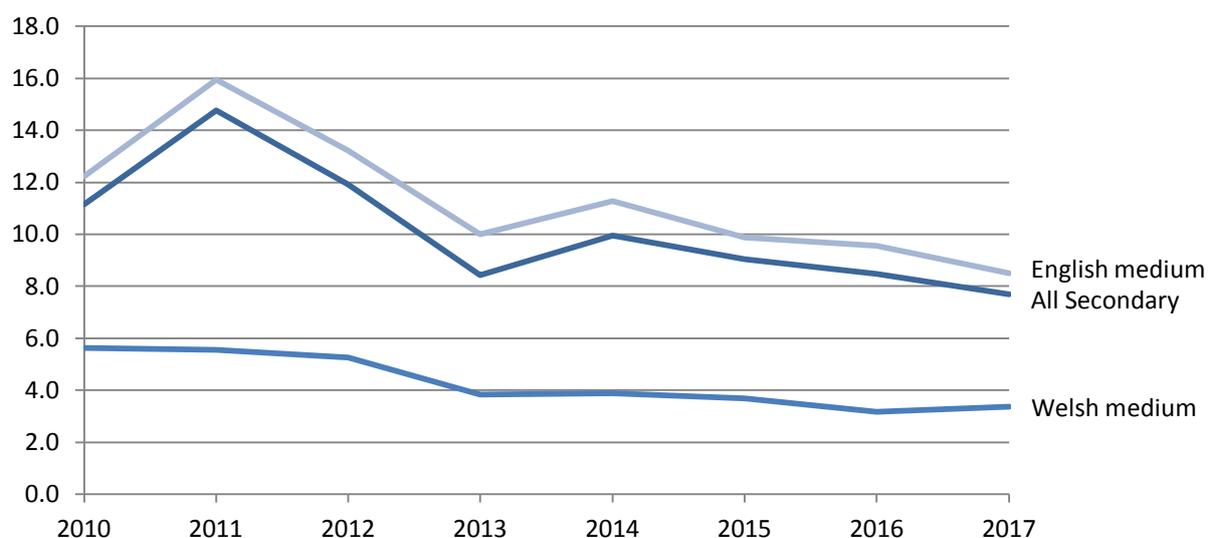
**Chart 16 - Average number of applications per advertised teaching post in maintained primary schools, by teaching medium (Wales, January 2018)**



Source: PLASC (Welsh Government)

[\[View the data\]](#)

**Chart 17 - Average number of applications per advertised teaching post in maintained secondary schools, by teaching medium (Wales, January 2018)**



Source: PLASC (Welsh Government) [View the data]

#### 4.6 Headteacher vacancies

Table 7 shows the number of headteacher posts advertised, applications and applications per post since 2010. The average number of applications per post shows a downward trend, decreasing from 29.5 in 2012 to 5.6 in 2016 before increasing to 12.3 in 2017.

*Figures only cover headteacher posts in secondary schools with no teaching commitments.*

**Table 7 - Number of teaching headteacher posts advertised, number of applications and number of applications per post in maintained schools (Wales, 2017)**

Leadership posts	2010	2011	2012	2013	2014	2015	2016	2017
<b>No. of posts advertised</b>	14	4	10	24	10	16	11	22
<b>No. of applications</b>	246	106	295	451	185	154	62	271
<b>Applications per post</b>	17.6	26.5	29.5	18.8	18.5	9.6	5.6	12.3

Source: PLASC (Welsh Government)

Anyone wishing to be considered for Headteacher posts will need to have achieved the National Professional Qualification for Headship (NPQH) qualification. Over the past 2 years the number of candidates has grown and in 2018/19 there are 220 candidates undertaking the qualification. However the NPQH programme is currently being enhanced and future numbers for the programme are subject to further work by Welsh Government and stakeholders to ensure that a more accurate system of identifying demand is developed. Many successful candidates who achieve the NPQH do not take up headship posts although this may be due to a lack of suitable local vacancies.

Recruitment for the NPQH programme is targeted at those ready for headship within the next two years.

## 4.7 Demand

### Pupil projections for Wales

Pupil projections are based on the school population of Wales at January 2018 from the Pupil Level Annual School Census (PLASC) and the trends indicated by the 2016 based mid year projections of the home population of Wales produced by the Office for National Statistics. To calculate the school projections, it is assumed that the participation rates of all age groups and types of school will each remain constant.

Primary pupil numbers are projected to fall from 266,550 in 2018 to 255,309 in 2025 before seeing a slight increase to 256,779 in 2028.

Over the same period, the number of secondary school pupils is expected to rise from 180,402 in 2018 to a peak of 200,920 in 2024 – an increase of 20,518 pupils. Secondary pupil numbers are then projected to gradually decrease to 195,720 in 2028.

This may present an increased demand for secondary school teachers in the next few years, in some parts of Wales.

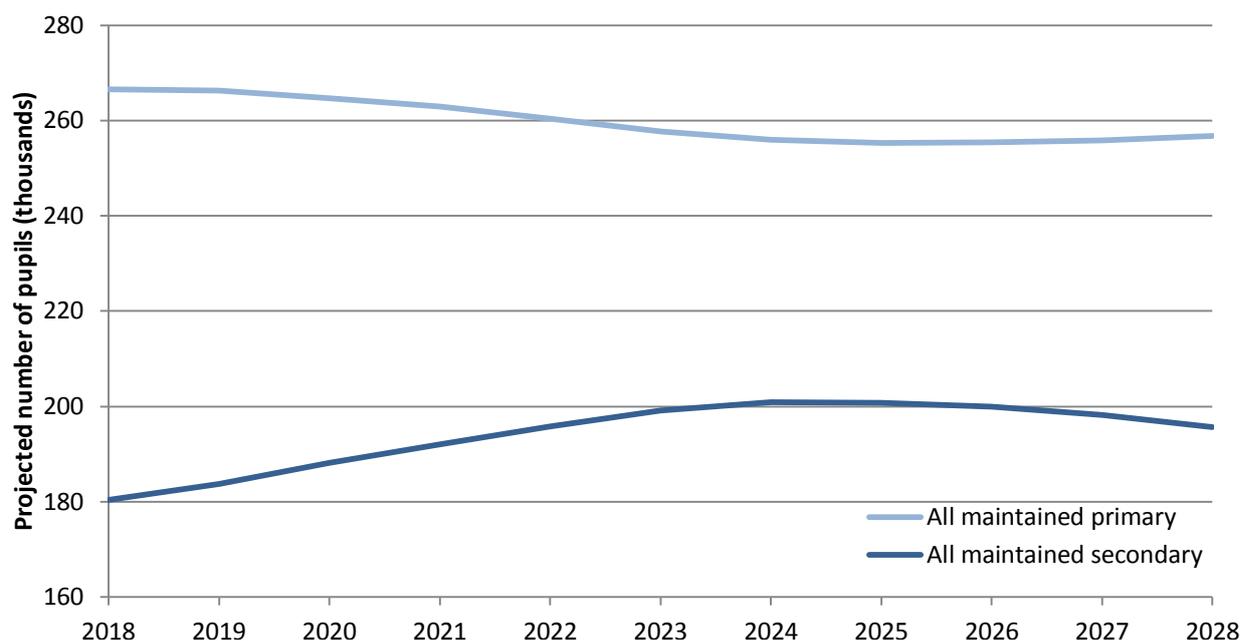
**Table 8 - Projected number of pupils in primary, secondary and all maintained schools, Wales 2018-2028.**

	<i>(thousands)</i>										
	2018 (actual)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Maintained Primary	266.5	266.4	264.7	262.9	260.4	257.8	256.0	255.3	255.4	255.9	256.8
Maintained Secondary	180.4	183.7	188.1	192.1	195.8	199.1	200.9	200.8	199.9	198.2	195.7
All Maintained schools*	452.3	455.4	458.2	460.4	461.7	462.4	462.4	461.6	460.9	459.5	458.0

\*Includes maintained nursery, primary, middle, secondary and special schools

[\[View the data\]](#)

**Chart 18 - Projected number of pupils in maintained primary and secondary schools in Wales, thousands**



#### 4.8 Initial Teacher Education (ITE) intake targets

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. Following several key reports into Wales ITE system, including most recently Professor Furlong’s independent report, Teaching Tomorrow’s Teachers<sup>3</sup>, ITE in Wales continues to be in a significant period of reform. As such we have kept ITE intake target numbers at a steady state for a number of years following a period of substantial reduction to better match the needs of schools in Wales.

Intake targets are set annually based on the forecast of demand for newly qualified teachers. For previous academic years up to and including AY1819 these were notified to the Higher Education Funding Council for Wales (HEFCW), which in turn notified ITE Centres of their allocation by phase, subject and level of study. Under the ongoing ITE Reforms the EWC now have responsibility for the allocation by phase, subject and level of study as part of their accreditation functions<sup>4</sup>.

The overall level of ITE Intake targets are set annually by the Welsh Government based on the forecasted demand for teachers calculated by the Teacher Planning and Supply Model (TPSM) for Wales (see below). The allocations are notified to HEFCW early

<sup>3</sup> <http://gov.wales/topics/educationandskills/publications/wagreviews/teaching-tomorrows-teachers/?lang=en>

<sup>4</sup> Education Workforce Council (Accreditation of Initial Teacher Training) (Additional Functions) (Wales) (Amendment) Order 2017

autumn for distribution across the accredited ITE Centres. The latest published allocations refer to intake for academic year 2018/19<sup>5, 6</sup>.

## Teacher Planning and Supply Model (TPSM)

The TPSM was introduced from 2007/08 following an independent Review of ITE in Wales, 2006<sup>7</sup> and is used by the Welsh Government to forecast future demand for newly qualified teachers from maintained schools in Wales. The TPSM models the number of newly qualified teachers required by the maintained schools sector in Wales by school phase based on changes in pupil numbers and turnover of teachers. The model is updated annually to reflect changes in actual and projected figures.

Between 2004/05 and 2016/17 intake numbers have reduced by approximately one third - based on the outputs of the TPSM and policy considerations including evidence of significant over supply of qualified teachers<sup>8</sup>. As a result of using the model, oversupply has been controlled and the number of newly qualified teachers is more reflective of demand. For a number of years an ongoing period of steady state in the ITE targets has been maintained to ensure a level of stability for the ITE sector during the ongoing ITE reforms.

In parallel with the development and implementation of the new ITE Accreditation process, a review was undertaken of the TPSM in 2017 to provide greater clarity in how intake targets are derived and enable greater functionality to investigate the impact of changes in key assumptions on teacher need and setting targets.

The TPSM calculates the desired stock of teachers for future years by sector (primary, secondary and special schools) based on historical information on pupil numbers (from the Pupil Level Annual School Census (PLASC)), teacher numbers (from PLASC and the Education Workforce Council's Register of Education practitioners) and pupil-teacher ratios. Using pupil projections, the desired stock of teachers is calculated for future years for both primary and secondary schools.

Data from the EWC Register of Education Practitioners is used to derive wastage rates, entrant rates (through ITE and non-ITE routes) and re-entrant rates by sector, gender and age, which are used to model the flow and profile of teachers in and out of the 'active' teaching pool. Comparing the stock of teachers after accounting for teacher

---

<sup>5</sup>

[https://www.hefcw.ac.uk/documents/publications/circulars/circulars\\_2017/W17%2036HE%20Secondary%20Initial%20Teacher%20Training%20Intake%20targets%202018\\_19.pdf](https://www.hefcw.ac.uk/documents/publications/circulars/circulars_2017/W17%2036HE%20Secondary%20Initial%20Teacher%20Training%20Intake%20targets%202018_19.pdf)

<sup>6</sup>

[https://www.hefcw.ac.uk/documents/publications/circulars/circulars\\_2017/W17%2034HE%20Primary%20Initial%20Teacher%20Education%20Intake%20targets%202018\\_19.pdf](https://www.hefcw.ac.uk/documents/publications/circulars/circulars_2017/W17%2034HE%20Primary%20Initial%20Teacher%20Education%20Intake%20targets%202018_19.pdf)

<sup>7</sup> *Review of Initial Teacher Training Provision in Wales. A report to the Welsh Assembly Government.* Furlong, John; Hagger, Hazel; Butcher, Cerys; Howson, J.

<sup>8</sup> *Review of Initial Teacher Training Provision in Wales. A report to the Welsh Assembly Government.* Furlong, John; Hagger, Hazel; Butcher, Cerys; Howson, J. 2006.

wastage with the desired stock of teachers provides the number of teachers needed each year.

Using historical data from the EWC Register of Education Practitioners and the Higher Education Statistics Agency (HESA) student record and Destination of Leavers from Higher Education (DLHE) survey, the proportion of teachers expected to enter a teaching post from the different routes is calculated. These are applied to the number of teachers needed calculated in the previous step to set the number needed to enter from ITE in future years.

The ITE intake targets for primary and secondary are calculated by applying the proportion of students completing (“completers”) an undergraduate or PGCE course (using HESA data); then applying the proportion of “completers” seeking or available to teach in Wales (using DLHE data). At present we do not include separate Welsh medium intake targets because of the relatively small numbers of places available overall. However, we are mindful of the need to ensure access to suitable Welsh-medium provision across Wales. HEFCW monitor the position in respect of take-up of Welsh medium provision and report to the Welsh Government accordingly and we continue to review the TPSM to ensure available data is utilised where possible, to inform planning for the Welsh-medium sector.

### Initial Teacher Education intake targets - Academic Year 2019/20

Table 9 - ITE intake targets for academic year 2019/20

	Undergraduate	Postgraduate	Total
Primary	278	418	696
Secondary			1,006
<b>Total</b>			<b>1,702</b>

A baseline projection from the TPSM for the period 2016/17 – 2026/27 using updated data shows that without any change to numbers there would be no over supply of primary or secondary ITE entrants. There will be a reliance on primary sector re-entrants and an increasing reliance on secondary sector re-entrants to fill vacant positions. Please refer to section 4.4, Table 5 - Number of teaching posts advertised and applications per post in maintained schools, by phase (Wales).

Primary phase:

- Average applications for primary posts have been decreasing year-on-year since 2010. The average number of primary applications peaked at 26.0 in 2010 falling

to 15.6 in 2017. Average number of applications for English medium primary posts was 19.4 in 2017 compared with 7.3 for Welsh medium primary posts.

- The latest pupil projections suggest that from a figure of 2018 of 266,550 primary pupil numbers will begin to decrease to 255,309 in 2025, a decrease of 11,214 pupils during this period. From 2025 pupil numbers will start to increase.
- For academic year 2019/20 the TPSM suggests a gradual fall in the total number of primary teaching entrants required from all routes from 1,017 in 2018/19 to 986 2022/23. Following this, the number is projected to start increasing to 1,157 by 2025/26.

Secondary phase:

- Average applications for secondary posts have been decreasing year-on-year since 2011. The average number of secondary applications peaked at 14.8 in 2011 falling to 7.6 in 2017. Average number of applications for English medium secondary posts was 8.5 in 2017 compared with 3.4 for Welsh medium secondary posts.
- Pupil projections suggest that secondary pupil numbers will increase by 20,518 between 2018 and 2024. Following this, the number of secondary pupils is expected to begin decreasing from this high point of 200,920 pupils.
- The total number of secondary teaching entrants required from all routes is expected to increase from 1,312 in 2018/19 to 1,410 in 2019/20. Following this the number is projected to remain fairly constant before decreasing to 1,112 in 2025/26).

The targets set as per the table above suggest that no position of over supply would occur. This level of intake also provides a degree of stability in this critical first year for delivery of new ITE programmes under the ITE Reforms.

We are mindful of the need to ensure access to suitable Welsh medium provision across Wales. The average number of Welsh medium applicants for posts is low when compared to English medium applicants.

The secondary sector will become more reliant on re-entrants, peaking in 2019/20. This is partly the result of a particularly low intake of trainees combined with low under graduate survival rates over the last three years.

### **Education Workforce Council's allocations for Initial Teacher Education providers 2019/20**

The intake targets derived from the Welsh Government's forecast demand for newly qualified teachers to which the EWC, in exercising its functions, is required to have regard to under the *Education Workforce Council (Accreditation of Initial Teacher Training) (Additional Functions) (Wales) Order 2017*.

In allocating the intake targets for 2019/20 to newly accredited programmes of ITE, the EWC must do so on the basis of methodology devised on a fair and equitable method of identifying regional targets by phase, region, and language and including for secondary, subject specialism. This should be based on robust methodology and statistical techniques. The allocations need to be justified and able to stand up to independent scrutiny or challenge.

EWC calculate allocations for each individual ITE Partnerships' programmes and submit these in writing to the Welsh Government. Welsh Government gives due regard to the submission and responds to the EWC. Once approved by the Welsh Government the EWC notifies ITE Partnerships of their allocations. At the time of preparing this advice, intake numbers for academic year 2019/20 have been agreed with EWC.<sup>9</sup>

Acting on advice from the EWC Welsh Government has agreed for the period of accreditation that the newly accredited ITE programmes allocated intake targets will be maintained at a minimum of 80% for the period of accreditation. It must be noted that this is conditional upon continued compliance with the accreditation criteria, and achieving at least 80% of recruitment to the recruitment target. The new ITE Partnerships that fail to recruit to this target will have their numbers reviewed on an annual basis and those numbers may be re-allocated to other partnerships accordingly.

Welsh Government has also determined that where a partnership recruits above 80% of their allocated numbers, in subsequent years they will be considered for a higher allocation. This will help to ensure stability in the sector during this transition period and enable institutions to engage in long term planning and investment.

#### **4.9 Financial incentives to attract new teachers**

To address areas of concern for recruitment of teachers of certain subjects, the Welsh Government makes available incentives to students undertaking postgraduate ITE courses.

##### **Priority subject incentives**

For new eligible students starting postgraduate ITE courses in the 2019/20 academic year incentives are available of up to £20,000 in the subjects of mathematics, physics, chemistry, and Welsh.

Eligible postgraduate students with a first class degree (and / or Masters or PhD) 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 (and / or Masters or PhD) will receive the highest funding levels with a lower amount for those with a 2.1.

---

<sup>9</sup> <https://www.ewc.wales/site/index.php/en/ite-accreditation/ite-intake-targets.html>

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)

### laith Athrawon Yfory Incentive Scheme

Financial incentives are available for initial teacher education entrants who aim to teach the Welsh language and those teaching through the medium of Welsh.

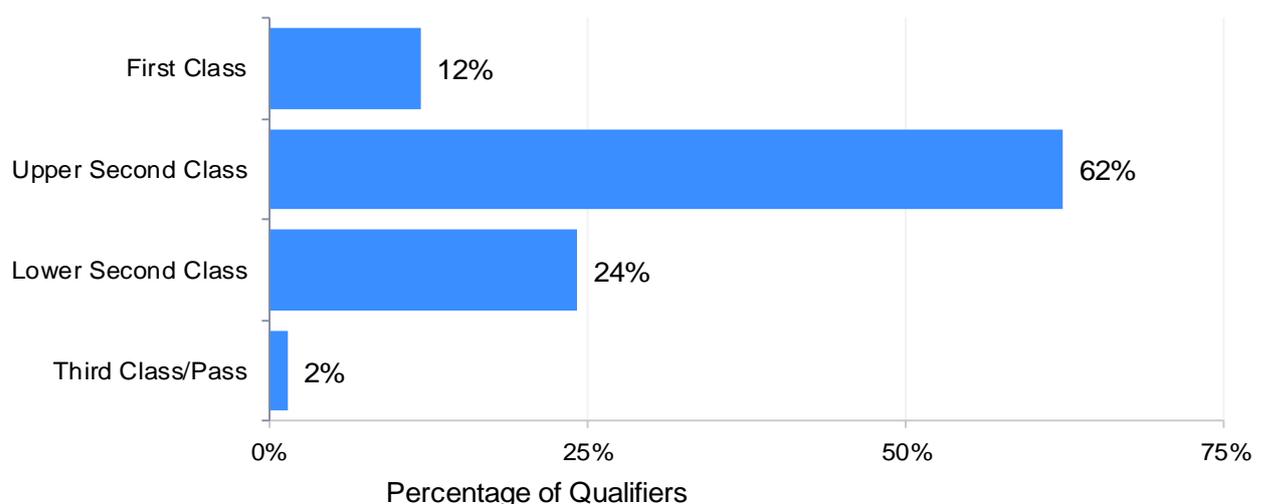
We have extended and enhanced the Welsh Medium Improvement Scheme (WMIS), to support improvements to the quality and confidence of teaching delivered through the medium of Welsh at secondary level.

In addition the laith Athrawon Yfory (IAY) Welsh medium incentive of £5,000 will compliment arrangements for existing support under the Welsh Medium Improvement Scheme with up to £2,500 payable on successful completion of QTS and a further £2,500 payable on successful completion of induction in a Welsh-medium or bilingual secondary school, or on successful completion of induction teaching Welsh in any secondary setting.

Some ITE Students maybe eligible for both the Priority Subject Incentive and the IAY and able to received the highest level of funding of £25,000.

## 4.10 The quality of new recruits / minimum entry requirements for ITE

Chart 19 - Class of degree for non-PGCE qualifiers on ITE courses in Wales in 2016/17



Source: HESA Student Record

[\[View the data\]](#)

12% (30 students) of qualifiers in Wales received a First Class Honours. Around 6 out of every 10 people who qualified in Wales received an Upper Second Class Honours (2-1).

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 / or Welsh (First Language) and mathematics. The aim of this requirement is to ensure that candidates can evidence 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.

If individuals do not hold these qualifications, the requirement allows the initial teacher education (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.

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.

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.

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.

#### 4.11 Recruitment against ITE Intake Targets

##### Graduate Teacher Programme (Employment (school) based scheme)

**Table 10 - GTP Recruitment to target academic year 2013/14 to 2017/18**

	Target	Actual								
Primary	30	30	30	30	30	28	36	36	36	37
Secondary	30	11	12	12	12	12	21	21	36	36
Unfunded	-	14	9	10	18	10	18	13	18	14
<b>Total</b>	-	55	51	52	60	50	75	71	90	87

For academic year 2016/17, 75 GTP places were made available in Wales and 71 places were filled. Allocations for GTP places for academic year 2017/18 increased to 90 with 87 placements filled. Demand for these places remains high and as such available placements for academic year 2018/19 remain at this level. This includes 36 secondary, 36 primary and 18 unfunded places.

### Full time University led ITE Programmes

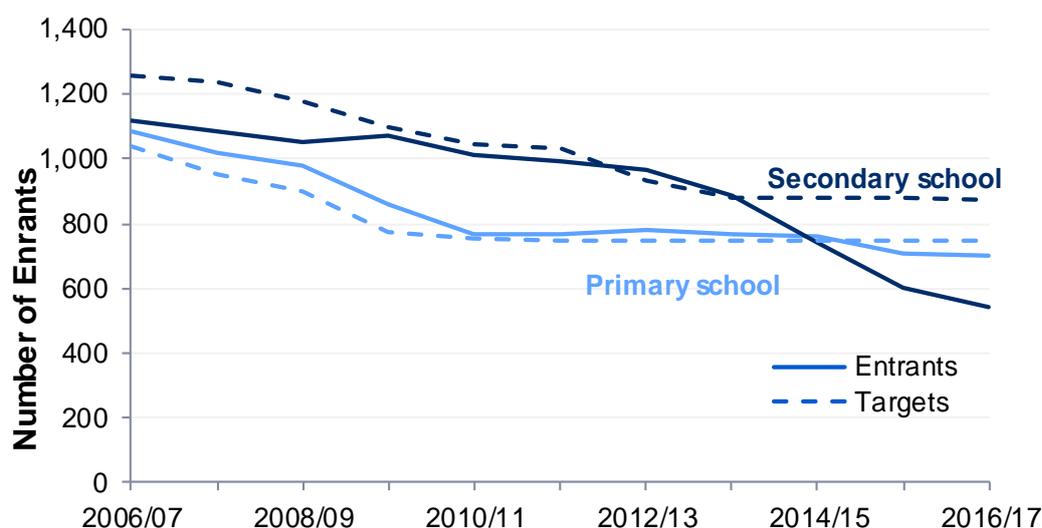
Intake targets for primary ITE programmes have remained static since 2011/12 until the TPSPM output for academic 2019/20 where the intake target has reduced by 54 places. Intake targets for secondary ITE programmes decreased from 2009/10 to 2013/14 and have since remained static until the recent TPSPM output for academic 2019/20 where the target has increased by 135.

Recruitment to target for both undergraduate and postgraduate primary ITE courses has been consistently high. Recruitment to undergraduate secondary courses remains low. However, these courses represent around 5% of all available higher education ITE places in 2017/18.

Provisional statistical returns from individual providers show that overall between 2016/17 and 2017/18 overall recruitment to target fell by 4.9 percentage points (60 places).

Higher Education Statistics Agency (HESA) Student Record data showing the final position of enrolments for the 2017/18 academic year will be published by the Welsh Government in May 2019.

**Chart 20 - Entrants and targets to ITE courses in Wales: academic year 2006/07 to 2016/17**



Source: HESA Student Record

**Table 11 - School level and degree type of entrants onto ITE courses in Wales against targets**

<u>Primary School</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
PGCE	470	465	465	440	425
Other Degree	305	300	290	270	270
Primary School Total	780	765	760	710	700
Primary School Target	750	750	750	750	750
<u>Secondary school</u>					
PGCE	870	820	695	560	530
Other Degree	95	65	45	35	20
Secondary School Total	965	885	740	600	545
Secondary School Target	930	880	880	880	871
Total Enrolments	1,740	1,650	1,500	1,310	1,245
Total Target	1,680	1,630	1,630	1,630	1,621

*Source: HESA Student Record*

In academic year 2016/17 the target for primary courses was 750, with 700 students enrolled, (7%) short of the target. The number of primary school ITE students had been fairly steady for 5 years, declining in 2015/16 and again in 2016/17. Against the same target initial, unverified data from individual providers for academic year 2017/18 and 2018/19 suggests this pattern is continuing.

In academic year 2016/17 the target for secondary courses was 871, with 545 students enrolled, (37%) short of the target. The total number of secondary school ITE students has been declining for some years.

**Table 12 - Postgraduate subject level recruitment to target: Academic Year 2016/17**

	<u>Target</u>	<u>Total students on course</u>	<u>% Recruitment to target</u>
<u>Primary</u>	450	425	94
Secondary Total	785	530	68
Mathematics	77	60	78
Chemistry	43	30	70
Physics	31	20	65
MFL	74	35	47
Welsh	48	35	73
IT	40	20	50
Art & Design	45	10	22
Biology & Integrated Science	68	35	51
Drama	22	15	68

Business Studies	13	15	115
Design & Technology	52	30	58
English	81	65	80
Geography	32	25	78
History	42	50	119
Music	27	10	37
Outdoor Activities	5		0
PE	53	60	113
RE	32	25	78
<b>Total</b>	<b>1235</b>	<b>955</b>	<b>77</b>

*Source: HESA Student Record*

**Table 13 - Undergraduate subject level recruitment to target: Academic Year 2016/17**

	Target	Total students on course	% Recruitment to target
<u>Primary</u>	300	270	90
Secondary			
Mathematics	22	10	45
Science	11	5	45
Design & Technology	33	*	*
Welsh	10	*	*
Music	10	*	*

*Source: HESA Student Record*

Science, Maths and English were the most common subjects for people training to be secondary school teachers in Wales. Although Science was the most popular group of subjects overall, individually Physics, Chemistry and General Science were all in the lower half of subjects studied.

Initial unverified data from individual providers for academic year 2017/18 and 2018/19 shows a continuing decline in recruitment to target across most subject areas.

### **Ability to teach through the medium of Welsh**

A student counted as training to teach in Welsh is either doing a course that leads to a certificate for bilingual education, or a course which is designed to enable students to teach in English and Welsh. Fluent Welsh speakers may go on to teach in Welsh whether or not their course was designed for that purpose.

**Table 14 - Entrants onto ITE courses in Wales by course language and school level academic year 2012/13 to 2016/17**

	School level	2012/13	2013/14	2014/15	2015/16	2016/17
<u>Training to teach in Welsh</u>	Primary School	195	180	135	150	145
	Secondary school	105	140	120	95	90
	All	305	320	255	245	235
<u>Not training to teach in Welsh</u>	All	1,440	1,330	1,245	1,065	1,010

Source: HESA Student Record

[\[View the data\]](#)

The number of students training to teach in Welsh has remained fairly constant, unlike the number of students training to teach in English which has fallen each year since 2007/08 (in part due to the introduction of the TPSM for intake targets as a whole). Around 1 in 4 new ITE students in Wales were on courses enabling them to teach in Welsh in 2016/17.

**Table 15 - Subject of entrants onto secondary school ITE courses in Wales by ability to teach in Welsh, academic year 2016/17**

	Not training to teach in Welsh	Training to teach in Welsh
Total Science	85	10
General Science	5	*
Biology	30	5
Chemistry	30	5
Physics	15	*
Mathematics	60	5
DT	30	*
IT	20	*
Art	10	*
Business	15	*
Drama	15	5
English	65	*
Geography	25	5
History	45	5
Modern Languages	20	15
Music	10	*
PE	45	10
RE	20	*
Welsh	*	35
<u>Total Secondary School</u>	<u>455</u>	<u>90</u>

Source: HESA Student Record

[\[View the data\]](#)

One quarter of new students training to teach in Welsh chose a STEM subject – proportionately less than those training to teach in English only. The STEM subjects are Science, Maths, Design & Technology and IT.

**Table 16 - Self-reported Welsh speaking ability of entrants onto ITE courses in Wales by ability to teach in Welsh, Academic Year 2016/17**

	Able to speak Welsh fluently	Unable to speak Welsh Fluently (a)	All (a)
Training to teach in Welsh	220	15	235
Not training to teach in Welsh	130	840	1,010
All	350	855	1,245

*Source: HESA Student Record*

a) 'Unable to speak Welsh fluently' includes students that speak Welsh but do not consider themselves fluent. Those with unknown Welsh ability are included in totals.

[\[View the data\]](#)

Of those who spoke Welsh fluently, two thirds started courses training them to teach in Welsh. However, the other third that were fluent, were not training to teach in Welsh. The number of entrants training to teach in Welsh at both primary and secondary school levels has fallen since 2012/13.

### **Black, Asian and Minority Ethnic Recruitment**

Currently there are no specific targets regarding the recruitment of minorities into ITE. The Equality Act 2010 places a duty on the public sector (referred to as the public sector equality duty), including HEI's, to have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.

Fewer than 30 (2%) non-white people started training to be a teacher in Wales in academic year 2016/17, remaining, for a second year, at the lowest point this decade. According to the census, 4% of the Welsh population were non-white<sup>10</sup> in 2011.

### **Students from Wales studying elsewhere in the UK**

Information on the [destinations of ITE students from Wales](#)<sup>11</sup> suggests that many return home to start teaching. While other UK nations may not teach the Welsh Curriculum those ITE students may still return to Wales when they start teaching.

<sup>10</sup> [2011 Census: Key Statistics for Wales, March 2011](#)

<sup>11</sup> Someone came from Wales if their home address was in Wales before they started their ITE course.

**Table 17 - School level and country of study for first years from Wales on ITE courses in the UK**

	Country of Study	2012/13	2013/14	2014/15	2015/16	2016/17
<u>Primary school</u>	Wales	660	680	665	640	630
	England	295	280	295	280	315
	All (a)	955	960	960	920	945
<u>Secondary school</u>	Wales	765	690	585	510	470
	England	190	160	165	180	245
	All (a)	955	850	750	690	720
	<u>Total (a)</u>	1,915	1,810	1,715	1,610	1,670

*Source: HESA Student Record*

(a) Students from Wales studying in Northern Ireland or Scotland have been included in the totals.

[\[View the data\]](#)

The number of Welsh entrants to secondary school courses in Wales dropped by 39% over 4 years. The number of Welsh students starting to train in England, however, increased by 30% over the same period.

The number of students from Wales that studied in England increased over the past 5 years. Around half as many Welsh students now start to train in England as in Wales to be secondary school teachers. Four years ago this proportion was only one quarter. This does not, however, imply that there will be a future shortage of teachers in Wales. Analysis has shown that trainee teachers are likely to return to their home regions after training is completed.

#### **4.12 Future demand for leaders**

In May 2018 the Minister launched the National Academy for Educational Leadership aimed at supporting leaders across the educational system and at all levels. The National Academy for Educational Leadership is a strategic organisation that will not be a deliverer of leadership programmes but will quality assure, support and build on what currently exists, ensuring that provision is universally available but delivered locally ensuring equity of access and provision.

The National Academy for Educational Leadership will secure, nurture and inspire leaders now and for the future across the entire system in both Welsh and English medium settings. It will draw on and reflect the practice of inspirational, experienced and effective leaders already working in Wales. It will do this in partnership with all those who have a part to play in realising the ambition for the Welsh Education system and the National Mission for Wales.

The National Academy of Educational Leadership will be a strategic organisation that will as part of its remit consider planning and workforce issues. The National Academy for Educational Leadership and the Welsh Government will continue to work with partners and stakeholders on issues relating to Leadership development with the Academy being an advocate for leadership and representing the voice of leaders within the system. The National Academy for Educational Leadership will be there to support all leaders at whatever stage of their careers they are at, whether they are just thinking of taking the next steps into formal leadership or are experienced leaders, it will give them the confidence, support and development that they can achieve and be the best.

#### **4.13 Leadership supply**

The National Academy for Educational Leadership has endorsed programmes that support both New and Acting Heads and Experienced Heads. We estimate that these programmes will support the leadership journey of over 300 heads currently in the system over the coming year, with more calls for Endorsement due to be made in May for Aspiring and Middle leaders. These programmes will assist in ensuring the supply and quality of leaders.

The Welsh Government, through the National Academy for Educational Leadership will support the system to develop a strong and sustainable pipeline of talented, motivated staff in leadership positions – people who are ready to meet the challenges of today's and tomorrow's system. Working with the sector, Welsh Government will continue to develop a range of reformed leadership provision to better prepare teachers for the leadership roles in the school system. The new programmes endorsed by the National Academy for Educational Leadership will cover the full range of leadership roles including New and Acting heads, Experienced Heads, Aspiring heads and Middle Leadership roles.

In addition, the Welsh Government continues to ensure that teachers and leaders are prepared for the new curriculum with the development of the National Approach to Professional Learning.

#### **4.14 Impact on sixth forms/FE**

In the case of Local Authority Sixth Forms the impact of teachers pay requires disaggregation from the overall agreed budget. This is to reflect that sixth form funding is dealt with via a separate grant. The result would mean the same level of funding reaching the Local Authority but recognises a sum is for the distinct purpose of Sixth Form provision.

Current ministerial priority is to maintain pay parity between teachers and FE lecturers. Therefore, any change to teachers pay is likely to have the same impact on FE.

However, it should be noted that as autonomous bodies FE institutions negotiate pay issues with the Joint Trade Unions, although in recent years any agreement of teachers pay has given a strong guide as to the outcome of these negotiations.

In 2019/20 each 1 per cent increase in FE pay required an additional £2.4m.

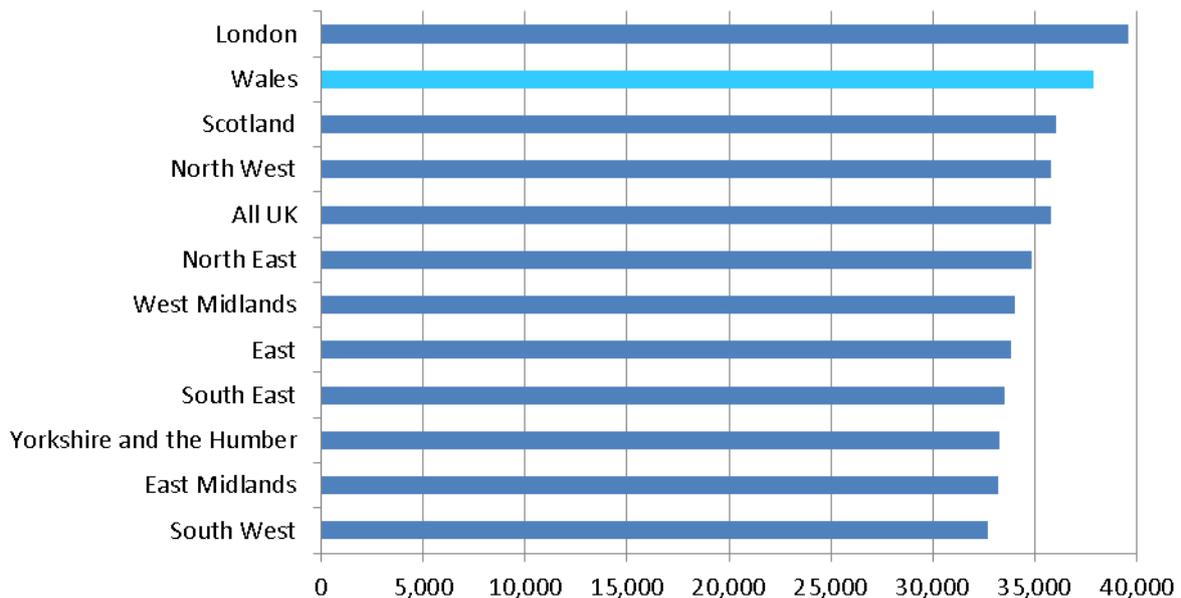
It should also be noted that the same parity of pay is not extended to our training provider network that are contracted to deliver apprenticeships.

## Chapter 5: Teachers' pay – comparative levels and the implementation of recent reforms

### 5.1 No detriment for Welsh teachers in comparison to those in England

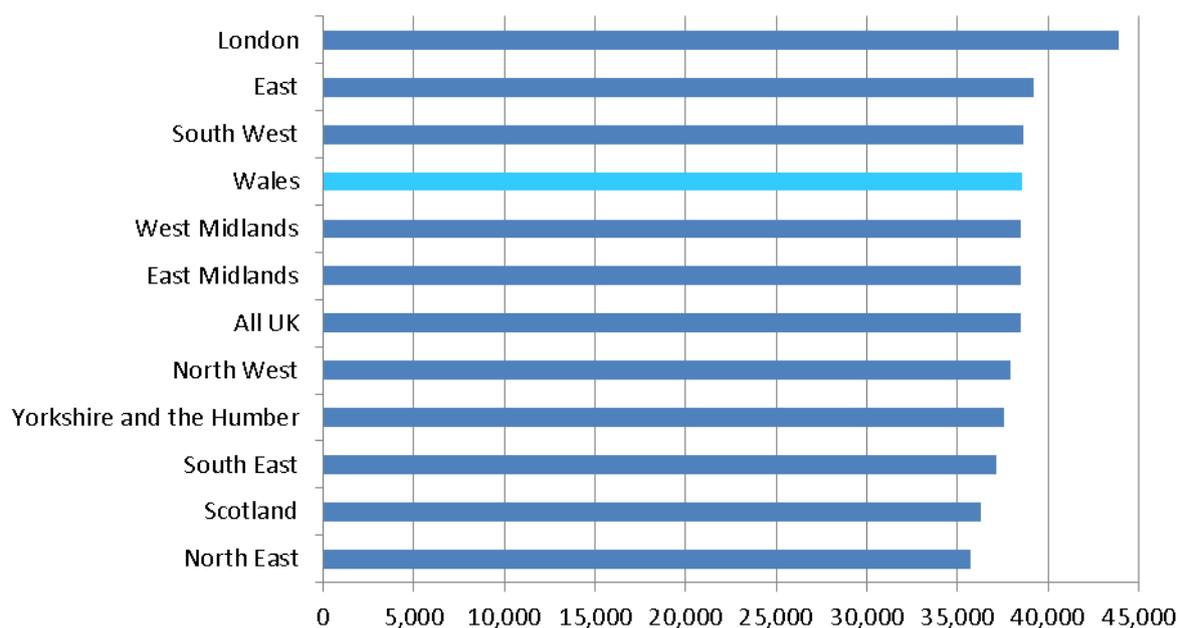
The Welsh Government has publicly stated that following devolution of pay and conditions to Wales, teachers and school leaders in Wales will suffer 'no detriment' in comparison to those in England. To support the IWPRB's considerations, Figures 1 and 2 show median pay of teachers in primary and secondary schools (respectively) by UK region in 2018 – derived using data from the Annual Survey of Hours and Earnings (ASHE). Median Welsh classroom teacher pay ranks second for primary school teachers and fourth for secondary school teachers in the UK regions. Full time classroom teachers were included in the averages, excluding teachers in leadership positions. Full time teachers only were included, as the percentage of part-time teachers varied by region and no equivalent of fulltime equivalents (FTE) was available to standardise part-time counts.

**Chart 21: Median annual pay of full time primary school classroom teachers in UK regions (2018)**



Source: Annual Survey of Hours and earnings (ASHE) (2018)

**Chart 22: Median annual pay of full time secondary school classroom teachers in UK regions (2018)**



Source: Annual Survey of Hours and earnings (ASHE) (2018)

## 5.2 Classroom teacher salaries and salaries of school leaders

Data on salaries and allowances of teachers in Wales has been derived from a pay data collection from all local authorities which was undertaken to support policy development. Data were collected at an aggregated level as at November 2017 and is and will not be published. Individual level data on teacher pay will be collected as part of the School Workforce Annual Collection (SWAC) in future.

In 2018-19 the minimum main pay range salary threshold for classroom teachers in Wales is £23,720 with a maximum upper pay range threshold of £39,406. The minimum salary for unqualified teachers is £17,208 with a maximum of £27,216.

Table 18 shows the mean gross salary of qualified classroom teachers on the main and upper pay range and of unqualified classroom teachers in each phase. In November 2017 the mean gross salary of all qualified classroom teachers in maintained schools (excluding allowances) was £35,232 and for all unqualified teachers was £21,634.

Average gross salary for classroom teachers in nursery and primary schools was slightly lower than in secondary schools. The gross salary in special schools and middle schools was similar to in secondary schools. Average unqualified teacher salary was similar for teachers in primary and nursery, middle and secondary schools, but notably higher in special schools.

**Table 18 - Mean gross salary (excluding allowances) for qualified and unqualified classroom teachers by phase (Wales, November 2017)**

	2017/18 min / max pay	Nursery and primary	Middle	Secondary	Special	All
Qualified teachers	£22,917 - £38,633	£34,767	£35,600	£35,586	£35,896	£35,232
Unqualified teachers	£16,626 - £26,295	£20,584	£21,041	£21,360	£24,567	£21,634

Source: Local Authority teacher pay collection (Welsh Government)

### Salaries of school leaders

The leadership pay range covers headteachers, deputy headteachers and assistant headteachers, for which the minimum is £39,965 and the maximum is £111,007 in 2018-19 in Wales.

Table 19 shows the mean leadership salary by grade and phase in 2017. In Wales the mean gross pay for all teachers on the leadership pay range was £55,783 in November 2017. The leadership group pay range for 2017/18 was £39,374 to £109,366.

Mean primary school leadership salary is notably lower than in other phases.

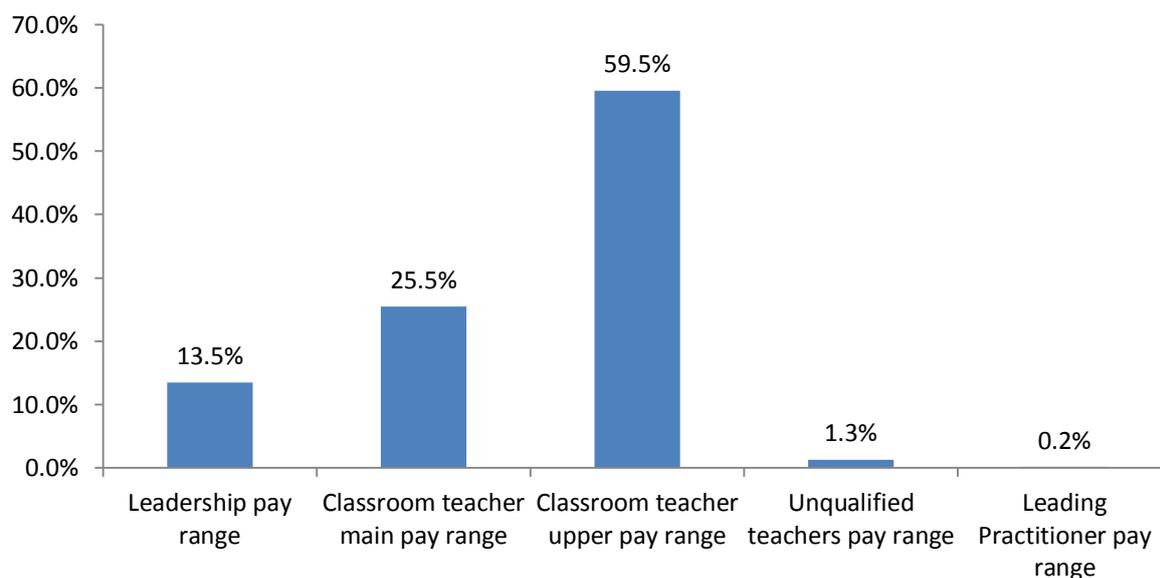
**Table 19 - Mean leadership gross salary by grade and phase in maintained schools (Wales, November 2017)**

	Nursery and primary	Middle	Secondary	Special
<b>Headteacher</b>	£58,148	£75,941	£83,756	£71,061
<b>Deputy headteacher</b>	£47,972	£62,125	£63,513	£57,319
<b>Assistant headteacher</b>	£44,364	£50,121	£54,565	£51,451
<b>All leadership</b>	£52,762	£58,545	£62,382	£59,488

Source: Local Authority teachers pay collection (Welsh Government)

The pay range that the largest percentage of teachers is receiving a salary from is the Classroom teacher upper pay range, at 59.5% of teachers (Chart 22). This is more than twice the percentage of teachers on the Classroom teacher main pay range, of which 25.5% of teachers are paid on. Teachers on the leadership pay range make up 13.5% of all teachers.

**Chart 23 - Percentage of teachers in Wales on each pay range in maintained schools, based on headcount (2017)**



Source: Local Authority teachers pay collection (Welsh Government)

**Table 20 - Mean gross salary (excluding allowances) of teachers by sector and pay range in maintained schools (Wales, 2017)**

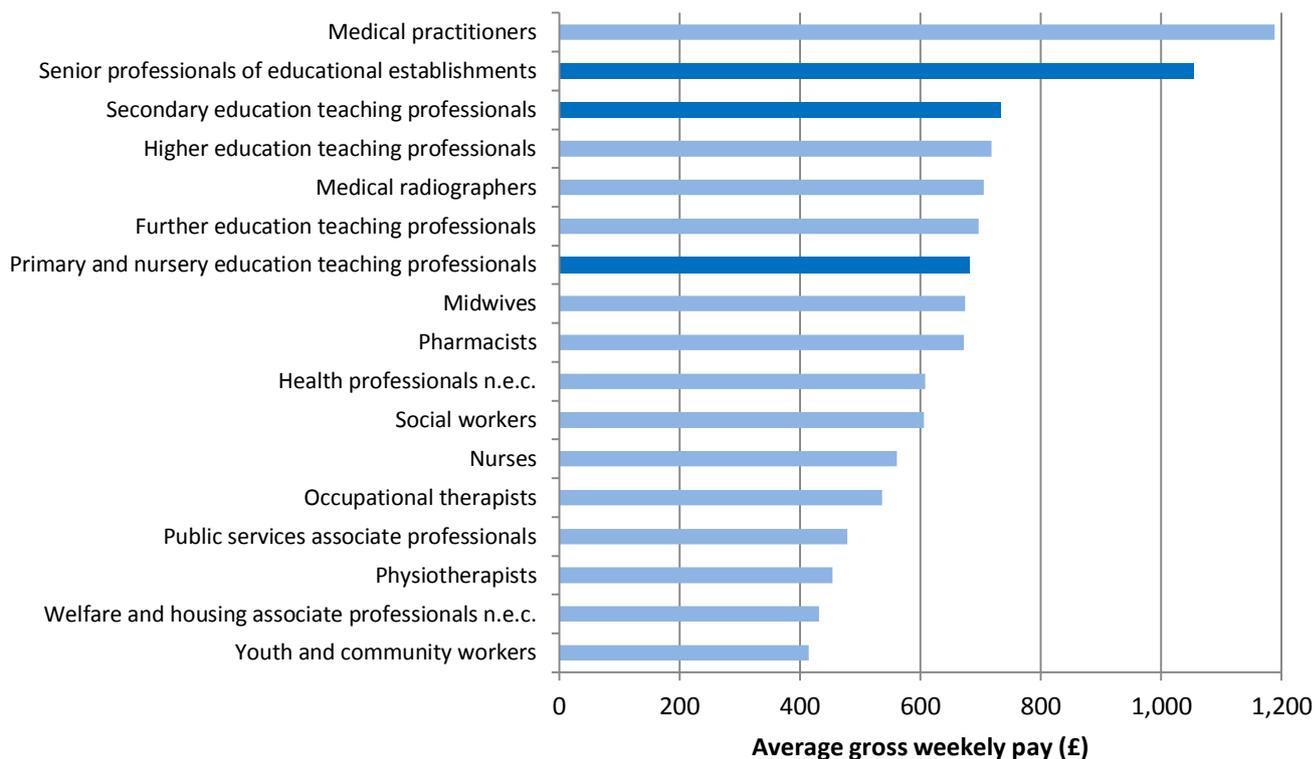
Pay Scale	Average FTE salary			
	Primary and Nursery	Middle	Secondary	Special
Unqualified Teacher	£20,584.47	£21,040.88	£21,359.78	£24,566.90
Classroom Teacher Main	£28,309.98	£28,270.93	£28,026.25	£29,528.78
Classroom Teacher Upper	£38,093.96	£38,300.86	£38,372.72	£38,257.57
Leading Practitioner	£46,710.45	-	£53,357.53	-
Leadership	£52,761.50	£58,545.10	£62,381.88	£59,487.85

Source: Local Authority teachers pay collection (Welsh Government)

Chart 24 compares the average gross weekly pay of jobs considered to be graduate professions, and that are typically public sector. Weekly pay was used because more categories were available than for annual pay, and figures are for full- and part-time workers from both the private and public sector.

Senior professionals of education establishments come in second of 17 professions for which data was available, although this will include professionals from schools, colleges and further education establishments, as data for school senior professionals is not available separately. Secondary education teaching professionals rank third, whilst Primary education teaching professionals rank seventh.

**Chart 24 - Median gross weekly pay of education, medical, social and public services professionals in Wales (2017)**



Source: Annual Survey of Hours and earnings (ASHE) 2018

### 5.3 Teachers' pay bill

The current gross pay bill for teacher salaries, allowances, pensions and national insurance is approximately £1.3 billion. A pay award of 2% increase in pay for all pay scales and allowances would cost approximately £25 million (for a full financial year).

### 5.4 Use of allowances

Teaching and learning responsibility (TLR) payments are paid to classroom teachers for undertaking a sustained additional responsibility. TLR1 values for 2018/19 ranged between £7,853 and £13,288 (£7,699 to £13,027 in 2017/18); TLR2 ranged between £2,721 to £6,646 (£2,667 to £6,515 in 2017/18); and TLR3 ranged from £540 to £2,683 (£529 to £2,630 in 2017/18). These payments recognise the sustained additional responsibility for which the teacher is accountable and can account for a significant proportion of a teacher's pay.

Table 21 shows the percentage of classroom teachers in Wales receiving each type of TLR by phase. Use of TLR payments is higher in secondary schools than in primary schools.

**Table 21 - Percentage of classroom teachers in receipt of TLRs in maintained schools, by school phase (Wales, November 2017)**

	TLR1	TLR2	TLR3	TLR1 or 2
Nursery and primary	1%	17%	3%	18%
Secondary	13%	39%	5%	52%
All schools	7%	27%	4%	34%

Source: Local Authority teachers pay collection

(Welsh Government)

## 5.5 The simplification of the pay system

Under the existing STPCD, it is a requirement that all relevant bodies adopt a policy setting out the basis on which it determines teachers' pay. Within that policy, it is for individual schools to consider how changes to the national pay framework should apply to individual salaries and allowances in payment. These should set out how the school will take account of changes to the minima and maxima of the pay ranges and allowances in making individual pay awards.

We understand that in practice in Wales most (if not all) schools have adopted a "model policy" provided by their local regional Consortia. In general in Wales, these policies provide indicative scale points and for increments for all teachers, up to the scale maximum. Feedback from key stakeholders, as well as anecdotal evidence from practitioners, suggests that this approach is well supported within schools in Wales.

With regards to pay and conditions, recently published research by the Welsh Government<sup>12</sup> suggests that pay is not a key driver for teachers. A national pay and conditions framework should provide a degree of flexibility to both recognise and reward effective teaching and leadership but this should be within a national system of pay and conditions. Such a system is far more cost effective to administer; more transparent, impartial and fairer for all staff wherever they teach.

Ideally we would prefer the re-introduction of scale points to provide national rates for all teachers. Such clear points are far simpler to administer and provide greater consistency and transparency across the profession. They also remove potential for dispute and the associated increased administrative burden. However, the re-

<sup>12</sup> <https://gov.wales/statistics-and-research/research-study-attractiveness-teaching-retention-teachers/?lang=en>

introduction of statutory scale points could involve significant changes to the statutory framework of teachers pay in Wales.

Therefore, consideration could be given to the reintroduction of “indicative scale points”, as since their removal by DfE in 2014, local authorities in Wales, as indicated above, have provided their own indicative scales to schools. This has helped schools to calculate / decide on individual progression points between the pay range minimum and maximum. Following changes to min and max rates over recent years, Welsh local authorities have also provided advice and potential annual amendments to these intermediate scale points.

Nationally recommended pay ranges could therefore help provide schools with a simplified pay system, with national standardised scales for pay to be applied for all teachers and school leaders in Wales.