



Llywodraeth Cymru
Welsh Government

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

The 2020 teachers' pay award

May 2020

Contents

	Page
Introduction	4
Chapter 1: Wider current economic outlook / labour market conditions	
1.1 Latest Development and Short Term Economic prospects	5
1.2 Labour market	10
1.3 Wider public sector pay policies	13
Chapter 2: Public Sector Financial Context / Affordability	
2.1 Institute for Fiscal Studies Publication	14
2.2 Local Authority Budgeted Expenditure on schools: 2019-20	14
2.3 Local Government Settlement 2020-21	15
2.4 School Funding Arrangements in Wales	15
2.5 Teachers' Pay	16
2.6 Affordability	17
2.7 Teachers' Pensions	18
Chapter 3: Schools' financial positions and the impact of annual teachers' pay awards on school budgets	
3.1 Welsh Government funding of schools	19
3.2 Education Main Expenditure Group Budget	20
3.3 School deficits/reserves	20
3.4 Education grant funding	21
Chapter 4: Data in relation to the school workforce, including recruitment and retention	
4.1 The teacher labour market	22
4.2 The teacher workforce	24
4.3 Age profile of school leaders	26
4.4 Maintaining a supply of high quality teachers and leaders	27
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	49

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 Teaching professionals pay compared to other professions	53
5.4 Use of allowances	54
5.5 The simplification of the pay system	56
5.6 Potential Options for the 2020-21 Pay award and associated costs	57

Introduction

The Minister for Education wrote to Sharron Lusher, the Chair of the Independent Welsh Pay Review Body (IWPRB), on the 26 February, asking for the IWPRB's recommendations on the September 2020 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 2020, under the teachers' pay and conditions model for Wales.

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 2020 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.

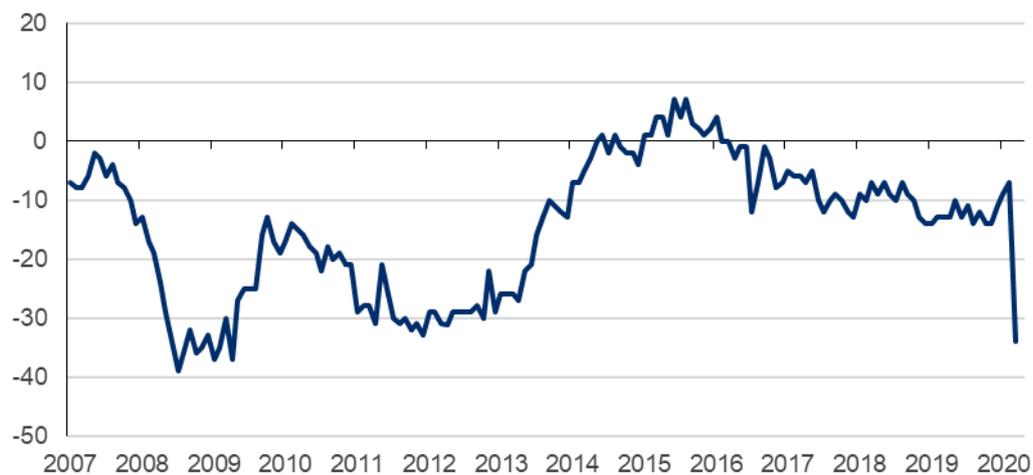
The evidence provides context for a pay award that does not place undue pressure on public sector budgets, whilst allowing for suitable reward for existing practitioners and ensuring that teaching in Wales continues to attract sufficient high quality new entrants to meet future needs.

Chapter 1: Wider current economic outlook / labour market conditions

Latest Developments and Short-Term Economic Prospects

For the main part, available official economic data capture activity that occurred before the widespread outbreak of the coronavirus and the consequent on-going disruption to production and consumption. Survey data point to an economy operating well below capacity. For example, the long established purchasing managers index (PMI) of service sector firms (service sector output accounts for approximately 80% of the UK economy) posted a reading of 34.5 in March down from 53.2 in February. An index reading lower than 50 indicates output is contracting. March's result was worse than that reported at the height of the global financial crisis and "*signalled by far the fastest downturn in service sector output since the survey began in July 1996*".¹ Data for the PMI were collected between 12th and 27th March. GFK's index of consumer confidence, based on data gathered between 16th and 27th March, recorded its biggest ever decline between surveys.

Chart 1: Consumer Confidence Index



Source: GFK

The latest official GDP data show that the UK economy grew by just 0.1% in the three months to February. In the month of February itself, GDP decreased by 0.1% compared with January. February's decline in output was caused primarily by reduced construction work owing to bad weather. Nonetheless, the bigger picture is that the economy had little positive momentum even before coronavirus started to register an impact.

The economic consequences of the coronavirus crisis are highly uncertain – the scale of the adverse effects probably rests more on the length of economic disruption than on the depth of the decline in output and income. This is because the longer disruption and

¹ <https://www.markiteconomics.com/Public/Home/PressRelease/61f043b216da42618ff2559dd8435bc6>

the associated uncertainty persist, the more businesses will collapse, the economic links between businesses through supply chains will erode, business investment will be inhibited, new business formation, growth and innovation will be restricted, and workers' firm-specific and more general human capital will lose value.

In all likelihood, the economy will experience a fall in output in the second quarter of a magnitude without precedent. A coronavirus reference scenario developed by the UK Government's independent economic forecaster – the Office for Budget Responsibility (OBR) - suggest that GDP could decrease by 35% on the quarter compared with their previous estimate of output in the first quarter. Some sectors of the economy will fare worse than others. Chart 2 below shows the potential change in output by sector. The actual numbers are broad brush and should be interpreted as illustrative of expected outcomes.

Chart 2: Potential Output Losses by Sector in the Second Quarter – OBR Reference Scenario

Sector	Per cent	
	Weight in whole economy value added	Effect on output relative to baseline*
Agriculture	0.7	0
Mining, energy and water supply	3.4	-20
Manufacturing	10.2	-55
Construction	6.1	-70
Wholesale, retail and motor trades	10.5	-50
Transport and storage	4.2	-35
Accommodation and food services	2.8	-85
Information and communication	6.6	-45
Financial and insurance services	7.2	-5
Real estate	14.0	-20
Professional, scientific and technical activities	7.6	-40
Administrative and support activities	5.1	-40
Public administration and defence	4.9	-20
Education	5.8	-90
Human health and social activities	7.5	50
Other services	3.5	-60
Whole economy	100.0	-35

Source: Office for Budget Responsibility

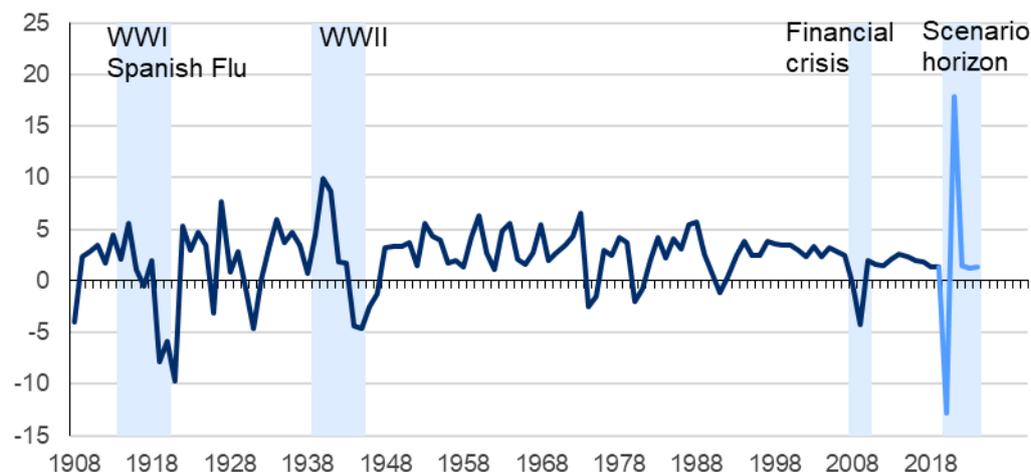
Note; the baseline is the forecast the OBR published in March for Budget 2020

Unemployment will increase as in all probability will economic inactivity. Such labour market dislocation should be proportionately less severe than the prospective fall in GDP owing to the policy measures put in place by the UK Government, notably the coronavirus job retention scheme and self-employed income support scheme. These schemes apply in Wales. Separately, the Welsh Government has already committed more than £1.7 billion to mitigate the impact of the coronavirus on the Welsh economy,

matching and building on measures introduced in England to support businesses and charities through the crisis.²

There is a wide range of both possible initial impacts and recovery trajectories from the virus. The variety of these trajectories emphasise the extent of the uncertainty generated by the virus outbreak which is itself a factor weighing on growth. A rapid recovery is included in the OBR's reference scenario. On the assumption that people's movements (and thus economic activity) is heavily restricted essentially for the entire second quarter and moves towards normality in the second half of the year, the OBR thinks GDP could increase by around 25% in the third quarter and by around 20% in the fourth quarter. On this trajectory, GDP would regain its pre-virus level in the fourth quarter. For the 2020 calendar year, the OBR's reference scenario has GDP decreasing by 13% compared with 2019; a decline that would exceed any annual decline recorded previously. In 2021, GDP increases by around 18%, which would be the fastest pace of expansion on record.

Chart 3: OBR's Projected GDP Decline in Historical Perspective (year over year percentage change)



Source: Office for Budget Responsibility

The recovery profile included in the OBR's reference scenario is illustrative and should not be over-interpreted. Given the likelihood of longer lasting effects from the persistence of social distancing, even after formal restrictions have been lifted, a rapid recovery may be beyond reach. A three month lockdown, similar to the OBR's assumption, could, according to the Resolution Foundation, see GDP decrease by 10% this year. A six month lockdown could result in a decline of 20%. A year-long lockdown (and so extending into next year) could push GDP in 2020 down by 24%.³

² <https://gov.wales/business-and-employers-coronavirus>

³ <https://www.resolutionfoundation.org/publications/doing-more-of-what-it-takes/>

By definition, the coronavirus pandemic is a global phenomenon. The International Monetary Fund (IMF) estimate that world GDP could contract by 3.0% in 2020 and increase by 4.5% next year. For context note that global GDP decreased by 0.1% during the financial crisis. Strikingly, but consistent with the point made in the third paragraph of this update noting how uncertain the potential consequences of the crisis are, the IMF project a considerably smaller annual loss in UK GDP this year than the OBR or the Resolution Foundation (-6.5%) and, accordingly, a less fast recovery (+4.0%) in 2021.

Table 1: IMF Real GDP Projections (Year Over Year Percentage Change)

	2019	2020	2021
World Output	2.9	-3.0	5.8
G7			
US	2.3	-5.9	4.7
Germany	0.6	-7.0	5.2
France	1.3	-7.2	4.5
Italy	0.3	-9.1	4.8
UK	1.4	-6.5	4.0
Canada	1.6	-6.2	4.2
Japan	0.7	-5.2	3.0
Selected Other Major Economies			
China	6.1	1.2	9.2
India	4.2	1.9	7.4
Russia	1.3	-5.5	3.5
Brazil	1.1	-5.3	2.9
Low Income Developing Economies	5.1	0.4	5.6

Source: IMF, *World Economic Outlook*

It is worth emphasising that recession and recovery may not occur in a “V” shaped manner. If social and work restrictions are lifted too early a second surge in infections could materialise necessitating further lockdowns resulting in a further wave of losses in GDP and employment. In these circumstance, the economy could experience a number of false starts so that the path the taken by GDP would resemble more of a “W” shape. Should the pandemic last so long such that a greater proportion of output losses are permanent causing greater workforce ‘scarring’, the recovery could ‘bump along the bottom’ at a relatively low level of activity for an extended period (an “L” or “U” shaped recovery).

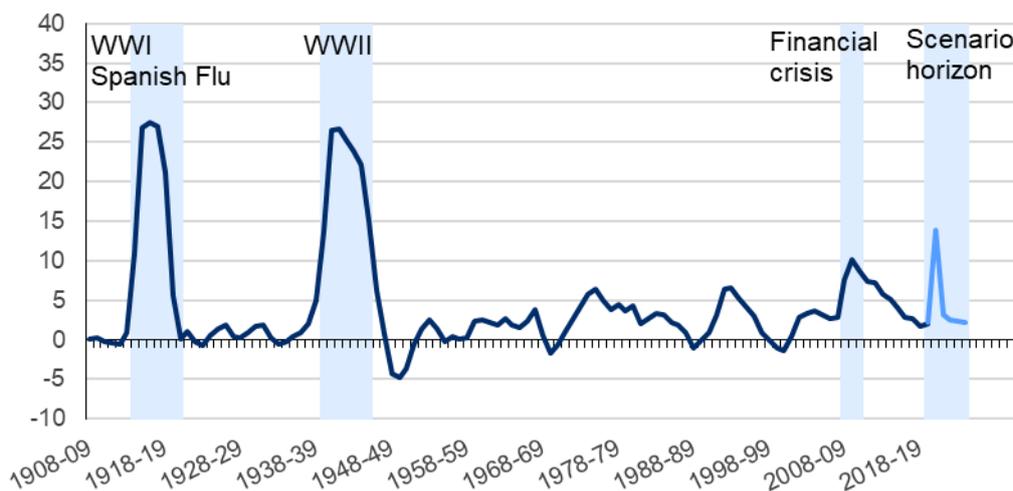
Lessons from previous pandemics are of limited value in informing the economy’s future trajectory: economic structures and policy responses change over time; crucially, the current pandemic does not appear to affect ‘prime age’ labour to the extent witnessed in some previous pandemics (so, for example, “number of deaths” may not be a good metric for comparing economic scale). Moreover, in dealing with the debilitating effects

of the virus, the UK faces a particular challenge as the uncertainties associated with the end of the Brexit transition period and future trading relations with the EU will further impact business confidence, compounding the pandemic's damage.

Public Finances

High uncertainty also attaches to fiscal outcomes, which will reflect the policy choices of the UK Government as well as the depth and duration of the downturn in the economy. In the OBR's coronavirus reference scenario government borrowing would rise sharply in the current financial year to £273 billion (51.2% of GDP) compared with an estimated £47 billion in 2019/20. Borrowing this year would be £218 billion higher than the Budget forecast published a little over a month ago. For each additional month of full lockdown as compared with the three months included in their reference scenario, the OBR estimate a further £25 billion would be added to the deficit with a similar reduction for each month if the lockdown is shorter. Consistent with the reference scenario's trajectory for economic recovery, the deficit falls back quickly to the level forecast prior to the virus shock. As the scenario involves a transient increase in borrowing with fairly limited consequences for the level of debt (see below), the UK Government may not in the reference scenario need to implement a new round of fiscal austerity when the crisis ends. Should the crisis prove more prolonged than assumed in the reference scenario leading to an increase in structural government borrowing, then a period of fiscal austerity could be expected at some point. The chart below provides historical context for the reference scenario's budget deficit assumptions.

Chart 4: Public Sector Net Borrowing (% of GDP)



Source: Office for Budget Responsibility

The increase in borrowing will raise the stock of UK Government net debt. Debt will also rise owing to measures taken by the Bank of England to counter the crisis (namely the Bank's new purchase of gilts and the re-introduction of a term funding scheme). Both schemes are designed to ensure that the economy has sufficient liquidity to function as

close to normal as possible but they add to Government liabilities.⁴). Unlike the budget deficit which could return to levels previously expected in a relatively short space of time, debt relative to GDP would be around 10% higher by 2024/25. A more protracted crisis would magnify the increase in debt just as a shorter crisis would result in a smaller increase. Debt in the reference scenario is somewhat short of that reached after World War 1 and World War 2.

Chart 5: Public Sector Net Debt (% of GDP)



Source: Office for Budget Responsibility

1.2 Labour market

Headlines

The latest Labour Force Survey (LFS) results released on 21 April cover the three months December 2019 – February 2020 and so do not capture coronavirus impacts in any meaningful sense.

In the UK, employment increased over the quarter and the year while economic inactivity decreased. The unemployment rate increased over the quarter and was unchanged over the year. In Wales, the employment rate decreased over the quarter and over the year. Inactivity increased over the quarter and the year. Unemployment in Wales increased over the quarter but decreased over the year. 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 this perspective, the labour market position in Wales relative to the UK was positive.

Average weekly earnings before inflation (regular pay excluding bonuses) for Great Britain increased by 2.9% in the three months to February 2020 compared with the same three months a year earlier. After inflation, earnings increased by 1.3% over the

⁴ <https://www.bankofengland.co.uk/coronavirus>

same period. In real terms earnings remain below the level recorded before the last recession occurred.

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 increased by 0.2 percentage points over the quarter to 76.6%, a record high (the number of people employed increased by 172,000). The number of people in employment in the UK was at a record high level. Over the year, the employment rate was up 0.4 percentage points (352,000 people).

The **unemployment** rate, at 4.0% (1.364 million people), increased by 0.1 percentage points over the quarter (number unemployed up 58,000). The unemployment rate was unchanged compared with a year ago (number up 22,000).

The **inactivity** rate was 20.2%, down 0.3 percentage points on the quarter (number inactive decreased by 136,000). Over the year, the inactivity rate was down 0.4 percentage points (number down 166,000).

Regular **pay** for Great Britain (i.e. average weekly earnings excluding bonuses, which are volatile) in the three months to February increased by 2.9% compared with the same three months a year earlier. Adjusted for inflation, average weekly earnings increased by 1.3%. The level of earnings adjusted for inflation was below the level recorded before the last recession.

There were 795,000 **vacancies** in the three months to **March**, down 6,000 (-0.8%) on the quarter and down 52,000 (-6.2%) on the year. The number of unemployed people per vacancy was 1.7 in the three months to **February**, up slightly from 1.6 a year ago. At the end of the last recession, the number of unemployed people per vacancy reached 5.8.

107,000 people were made **redundant** in the three months to February, down 8,000 on the quarter (-7.1%) and up 19,000 (21.7%) compared with a year ago.

Total weekly hours worked decreased by 0.2% over the quarter and decreased by 0.1% over the year. **Average** weekly hours decreased by 0.7% over the quarter and decreased by 1.1% over the year.

Figures on **workforce jobs** by industry for December 2019 show that the number of jobs increased by 1.5% (541,000) over the year - service sector jobs up 1.7% (505,000), manufacturing jobs increased by 0.7% (18,000), construction jobs decreased by 1.4% (-34,000), agriculture, forestry and fishing jobs increased by 9.7% (36,000). (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 74.0%, down 0.9 percentage points over the quarter (number employed down 24,000 at 1.469 million people). Over the year, the employment rate decreased by 1.5 percentage points (number employed down 36,000).

The **unemployment** rate was 3.7%, up 0.7 percentage points on the quarter (number unemployed up 10,000). Over the year, the rate of unemployment decreased by 0.8 percentage points (number unemployed decreased by 15,000). The number of people who were unemployed was 56,000.

The economic **inactivity** rate, at 23.1%, increased by 0.4 percentage points over the quarter (number of people who were inactive increased by 8,000). Over the year, the rate of inactivity increased by 2.3 percentage points (number inactive up 43,000).

Workforce jobs by industry for December 2019 show that the number of jobs decreased over the year by 4,000 (-0.3%) - service sector jobs up 0.8% (10,000), manufacturing jobs down 1.7% (-3,000), construction jobs down 18.4% (-21,000), agriculture, forestry and fishing jobs increased by 25.3% (8,000). (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. Results are particularly volatile for Wales).

As noted earlier and worth repeating, LFS results for Wales are highly 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. Typically, changes in headline employment, unemployment and inactivity reported in any single period that are markedly different from UK changes are subsequently reversed. For example, periods of reported out-sized gains in employment in Wales, which can persist for several months, are followed by results where changes in employment appear to under-perform relative to the UK.

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 as well now as the uncertainty of future public funding responses following the emergency coronavirus responses. 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 2019-20 pay award for the Welsh Government reflected a 2.3% pay bill increase. Arms-length bodies with analogue pay arrangements will have seen a comparable pay bill increase. Many other arms-length bodies implemented a similar approach.

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 to 2020-21) 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.

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 2018-19, 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: 2019-20

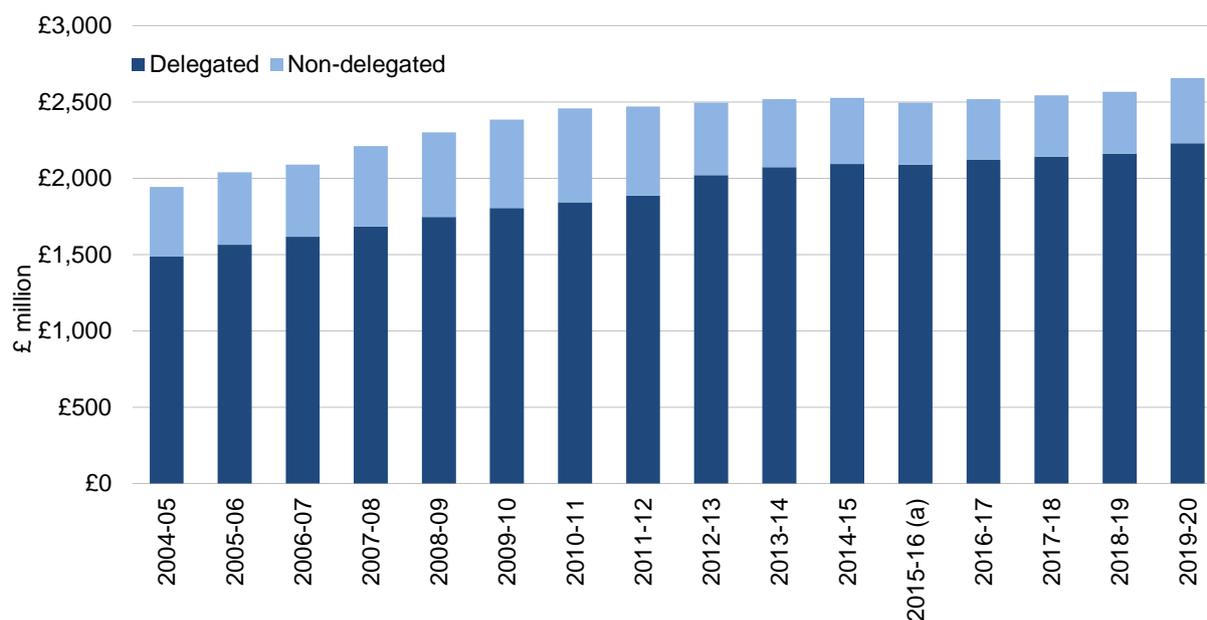
In 2019-20, local authorities budgeted to spend 35% of their overall budget on schools. Gross schools expenditure is budgeted to be £2,657 million, an increase of 3.5% over the previous year.

Gross schools expenditure per pupil was budgeted to be £5,857, a year on-year increase of 3.2% or £181. This can be broken down into £4,914 per pupil delegated to schools and £943 per pupil retained for centrally funded school services.

The funding delegated to schools was budgeted to be £2,229 million. The amount of funding that local authorities delegate directly to schools ranges between 77% and 90% of overall gross schools budgeted expenditure.

83.9% of the total gross schools budgeted expenditure was delegated directly to schools, a decrease of 0.3 of a percentage point compared to the previous year.

Chart 6: Breakdown of schools 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: 2019-20' 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 2019-20 can be found here:

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

2.3 Local Government Settlement 2020-21

In 2020-21, local authorities will receive nearly £4.5 billion from the Welsh Government in core revenue funding and non-domestic rates to spend on delivering key services. This equates to an increase of 4.3% or £184 million on a like-for-like basis compared to the current year. Every authority will receive an increase in funding over 2019-20 of at least 3%, on a like-for-like basis. This was a better settlement than many in local government had been expecting.

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 publication⁵ sets out how the overall local government funding formula is constituted.

Budget information from local authorities is not yet available for 2020-21. In 2019-20, unitary authorities budgeted for general revenue expenditure of £7.4 billion. Education accounts for around 37% of this expenditure, of which 98% (£2.7 billion) is for schools.

2.5 Teachers' pay

Within the 2020-21 local government settlement, a significant factor to increase funding for local government was recognition of additional pressures facing local government as a result of both the 2019/20 pay deal and upcoming 2020/21 pay deal. This does not pre-empt the recommendation of the review group.

In respect of academic year 2019/20, £34.8 million has been distributed via the schools service area in the 2020-21 settlement to support the cost of the 2.75% pay award for teachers in maintained schools for years' nursery to year 11. This covers the full financial year (i.e. the remaining five months of the 2019/20 academic year and the first seven months of the 2020/21 academic year that overlap with the 2020-21 financial year).

In respect of academic year 2020/21, £18.4 million has been distributed via the schools service area in the settlement to support the cost of the first 7 months of the upcoming 2020/21 pay deal (i.e. those 7 months which overlap with the 2020-21 financial year). This estimated amount was calculated using a best forecast, at the time of calculation, of inflation for the relevant year by the Office for Budget Responsibility (OBR) of 2.6%.

⁵ <https://gov.wales/topics/localgovernment/finandfunding/settlement/lq-settlement-2018-19/green-book-2018-19/?lang=en>

This funding, again, is to support the pay deal for teachers in maintained schools for years' nursery to year 11. An additional £1.5m was allocated to the Education MEG in 2020-21 to support the costs of the 2.75% pay award for teachers in sixth forms. It should be noted that no additional funding has been made available for consideration of the 20/21 pay deal for sixth form and FE provision.

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 was due to involve a comprehensive spending review by the UK Government. Due to the uncertainty brought about by Brexit, the spending review was postponed and, consequently, no forward indications of revenue funding for Welsh Government have been provided beyond March 2021. Consequently, local authorities have similarly not been given any indication of future funding from Welsh Government. 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 public finances as a result of Covid-19, local authorities' individual priorities and the funding position of local government overall.

During the preparation of the 2020-21 settlement, it was calculated that a 2.6% increase in teachers' pay in Wales from September 2020 would equate to a cost of approximately £18.4 million over the remaining seven months of the 2020-21 financial year. This amount has been identified in calculating the distribution of the 2020-21 local government settlement. New data has since become available and the estimate of this cost has increased by around £1m. Around an additional £3.65 million (including the £1m increase from the re-calculation) would be needed to fund a 3% pay increase. To raise an additional £3.65 million through council tax, local authorities would have needed, on average, to increase council tax bills by around 0.27% (in addition to any planned annual increases). Authorities would need to consider this in the context of other service requirements, savings or other income.

Local authorities have already set their budgets for 2020-21 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. However the impact of Covid-19 will mean that these plans will need to be revisited.

Local authority budgets will have accounted for the cost of the teachers' pay award for April 2020 to end August 2020, 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 2020 to end March 2021 in order to set

their overall budget requirements. In setting their budgets, authorities in Wales have approved increases in council tax ranging from 2.85% to 6.95%.

To fund a 3% rise for the 2020/21 pay award, the cost in the next financial year (2021-22) would be £13.8m relating to the last five months of the academic year which is on top of the funding referred to above. At this stage Local Authorities have no indication of budgets beyond March 2021. Any financial implications for 2021-22 local government settlement will need to be considered as part of the 2021-22 budget round.

2.7 Teachers' Pensions

In 2019-20 the Welsh Government allocated £42.1m to meet in full the identified additional estimated pressure for maintained schools in Wales, of which the sixth form element amounted to £3.024m.

The changes to teachers' pensions were implemented from the start of the 2019/20 academic year, therefore, this funding relates to the period September 2019 through to March 2020.

For the 2020-21 financial year, the distribution of the local government finance settlement included £69.3 million in recognition of the additional costs arising from the UK Government's announced changes to employer pension contributions for teachers in maintained schools for years nursery to year 11.

For sixth forms, a further £2.160m has been included in the Education MEG budget for 2020-21, which when combined with the £3.024m which has been baselined from 2019-20, provides total additional funding of £5.184m for 2020-21.

Chapter 3: Schools' financial positions and the impact of annual teachers' pay awards on school budgets

3.1 Welsh Government funding of schools

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 for 2020-21 represents a cash increase of £184 million, compared to 2019-20, on a like-for-like basis, equivalent to an increase of 4.3% after adjusting for transfers. Every authority will receive an increase of at least 3% over its 2019-20 allocation, on a like-for-like basis.

The Welsh Government has estimated the additional costs arising from UK Government changes to relevant employer pension contributions; the additional costs of the 2019/20 teachers' pay deal for the full 2020-21 financial year; and the potential impact of the 2020/21 pay award which will come into effect from September 2020. The total estimate of cost is £122.5 million. This has been provided and distributed according to the indicators which apply to the schools service sector as part of the 2020-21 local government settlement.

This settlement provides local government with the most stable platform the Welsh Government can offer for planning budgets for the 2020-21 financial year. We fully appreciate the pressures local government continues to face following a decade of austerity, but this is a good settlement that responds to the pressures that local government had been anticipating and offers an opportunity to plan for the future.

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 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 £1.8bn for 2020-21 (Final Budget 2020-21), an increase of £86m from our baseline for 2020-21. Whilst the majority of this budget funds Higher Education and Further Education, the element that supports schools directly or indirectly amounts to £0.6bn. 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 2020-21. Further to this, a rapid review of budgets has recently completed to identify funding within existing plans for 2020-21 which can be redeployed to support the central Covid-19 Response Reserve. These adjustments, including any new allocations from the central Covid-19 reserve, will be regularised in the first supplementary budget. We currently have a revenue budget for one year only, and therefore any implications on 2021-22 budgets as a result of the 2020/21 teachers pay award will need to be considered within the context of the Comprehensive Spending Review which had been planned for later in 2020 once indicative allocations are available.

3.3 School deficits/reserves

The latest statistical release on school reserves was published on 16 October 2019. The overall level of reserves held by schools in Wales was £46m at 31 March 2019, the equivalent of £102 per pupil, and a decrease of 8% compared with the previous year. Reserves in primary schools accounted for £47 million. Reserves in secondary schools decreased, as they have done in recent years, and are now in deficit (by £4.4 million). Together, this results in an overall decrease of £4.0 million in total reserves.

151 primary, 77 secondary, 8 special, 1 nursery and 10 middle schools in Wales had negative reserves totaling £29 million. The remaining 1,287 schools had positive

reserves, 150 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. We are continuing to invest unprecedented amounts, with an extra £9.4m invested in 2020-21 bringing the Pupil Development Grant to over £100m in 2020-21 to help our most disadvantaged learners. We are also providing more than £136.96 million through the Regional School Improvement grant in 2020-21, of which the EIG is part of.

In recognition of the costs associated with the introduction of the new Additional Learning Needs system we have committed £20 million over this Assembly term 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.

The Welsh Government is making available £6 million in revenue and £10 million in capital in 2020-21 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.

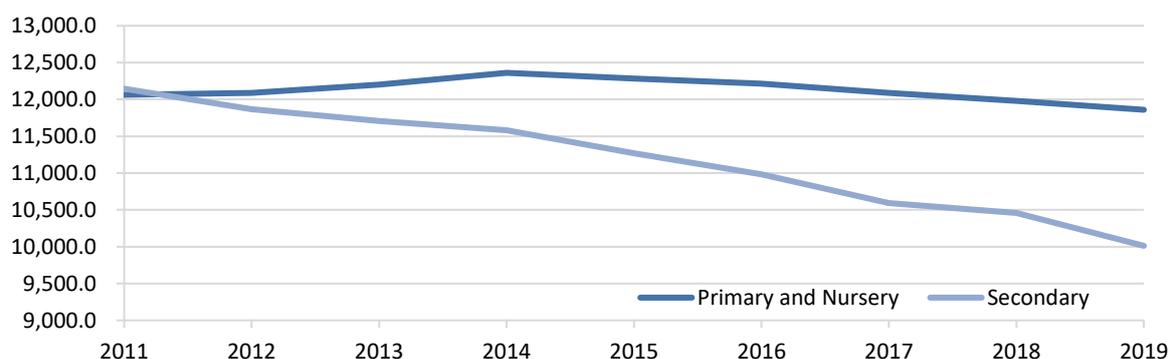
The National Approach to Professional Learning (NAPL), announced in November 2018 will see a further £10 million investment for 2020-21. That is in addition to the £24m already invested since the Professional Learning since the launch of the NAPL. This represents the single biggest investment in support 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 7 shows the change in full-time equivalent (FTE) teacher numbers by phase since 2011.

Chart 7 - Full-time equivalent teachers by phase (Wales)



Source: PLASC (Welsh Government)

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

In January 2019, there were 23,593 full-time equivalent qualified teachers working in Wales compared to 23,871 in 2018, a decrease of 1.2%. Whilst there has been an overall decrease in the number of FTE teachers in nursery and primary schools (a decrease of 3.7% from 12,283.6 in 2015 to 11,859.2 in 2019), the number of teachers in secondary schools has seen a larger decrease (a decrease of 11.2% from 11,268.8 in 2015 to 10,011.8 in 2019).

Table 2 - FTE teachers by phase in maintained schools, 2015 to 2019 (Wales)

	2015	2016	2017	2018	2019
Nursery Schools	43.4	42.3	33.5	38.9	30.0
Primary Schools	12,240.2	12,170.8	12,055.6	11,940.8	11,829.2
Middle Schools	290.0	345.2	532.7	713.7	981.3
Secondary Schools	11,268.8	10,983.9	10,593.7	10,458.7	10,011.8
Special Schools	668.2	693.6	694.3	718.6	741.0
All Schools	24,510.8	24,235.8	23,909.8	23,870.6	23,593.3

Source: PLASC (Welsh Government)

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

The number of FTE teachers in middle schools has more than tripled during this period, from 290.0 to 981.3. The number of teachers in special schools has also increased (an increase of 10.9% from 668.2 in 2015 to 741.0 in 2019).

Table 3 - FTE teachers by grade and phase in Local Authority maintained schools (Wales, January 2019)

	Nursery and Primary	Middle	Secondary	Special	All schools
Headteachers	1,076.1	23.5	174	38.0	1,311.2
Acting headteacher	114.2	.	15	5.0	133.8
Deputy headteacher	854.7	27.1	197	40.8	1,119.8
Assistant headteacher	251.0	76.2	568	48.9	944.1
Classroom teachers	9,563.3	854.5	9,059	608.2	20,08.4
Total qualified teachers	11,859.2	981.3	10,012	741.0	23,593.3

Source: PLASC (Welsh Government)

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

Table 3 above shows the FTE numbers of teachers in Wales split by grade and phase. The majority of teachers (85.1%) are classroom teachers whilst 14.9% are in leadership positions.

From 2018 to 2019 the number of FTE headteachers has increased by 13.6, however the number of classroom teachers has decreased by 273.0 in maintained schools in Wales.

Table 4 - Pupil Numbers by Sector, 2015 to 2019 (Wales)

	2015	2016	2017	2018	2019
Nursery Schools	1,076	1,019	866	815	679
Primary Schools	273,400	276,954	276,940	277,095	274,799
Middle Schools	4,376	5,371	9,163	12,153	17,661
Secondary Schools	182,408	178,669	174,812	172,218	170,277
Special Schools	4,444	4,542	4,727	4,831	4,982
All Schools	465,704	466,555	466,508	467,112	468,398

Source: PLASC (Welsh Government)

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

The total number of pupils in maintained schools was 468,398 in January 2019, an increase of 2,694 pupils since January 2015.

Table 5 - Pupil teacher ratios within maintained schools by sector, 2015-2019 (Wales)

	Nursery	Primary	Middle	Secondary	Special	Total
January - 2015	14.6	21.2	14.9	16.2	6.6	18.4
January - 2016	14.0	21.6	15.3	16.3	6.5	18.6
January - 2017	15.4	21.8	16.8	16.5	6.8	18.9
January - 2018	12.6	22.0	16.7	16.5	6.7	18.9
January - 2019	13.1	22.0	17.7	17.0	6.7	19.2

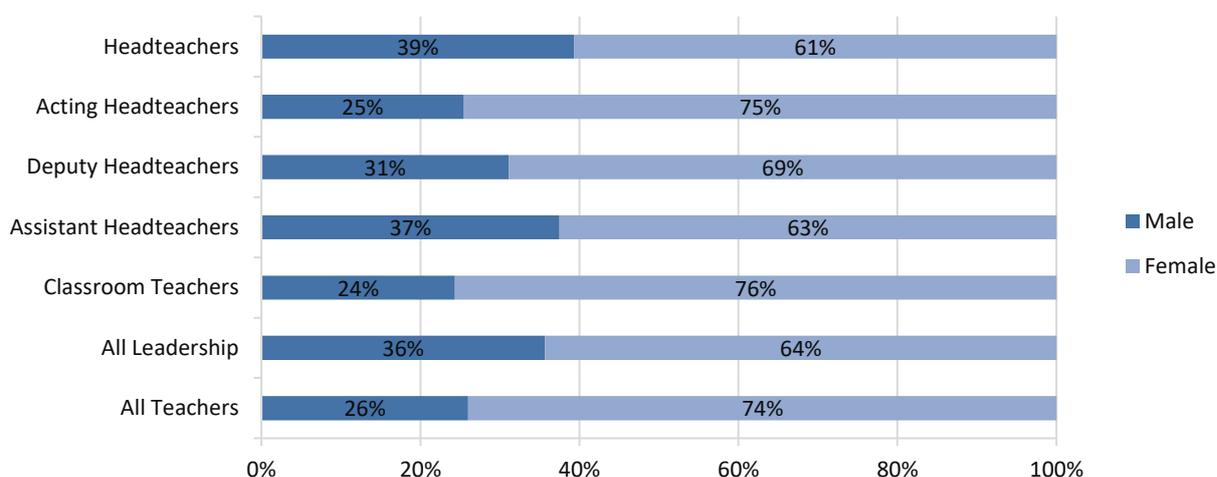
Source: PLASC (Welsh Government)

Over recent years there has been a reduction in the number of teachers and an increase in the number of pupils. As a consequence the pupil teacher ratio for all maintained schools has risen. The pupil teacher ratio was 19.2 in January 2019, increasing from 18.9 in 2018 (see Table 5 above). In 2019, the pupil teacher ratio was highest in primary schools at 22.0 and lowest in special schools at 6.7, both unchanged from 2018. The pupil teacher ratio in secondary schools was 17.0.

4.2 The teacher workforce

Chart 8 shows the percentages of male and female teachers for each teacher category.

Chart 8 - Full time equivalent teachers in maintained schools by teacher category and gender (Wales, January 2019)



Source: PLASC (Welsh Government)

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

Across all teacher categories the gender split of teachers has remained relatively constant over time, with 74.0% of teachers being female. For classroom teachers the proportion of females is slightly higher at 75.7%. For the leadership groups there are slightly lower proportions of females, at 64.3%.

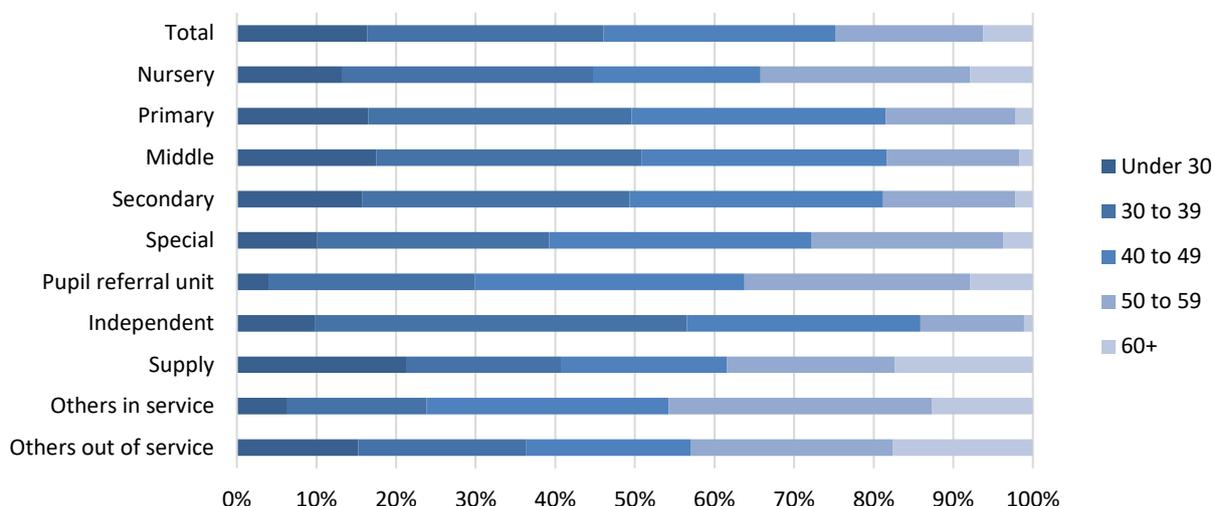
The gender split of teachers also varies across school sector, with 82.2% of primary teachers and 64.9% secondary school teachers being female.

A greater level of information on the demographics of the school workforce, including ethnicity and age of teachers in Wales, is collected by the Welsh Government as part of the School Workforce Annual Collection (SWAC) which undertook its first collection in November 2019. The first publication will take place in the second half of 2020.

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 2019 of each year. Numbers represent all registrants, not just those in post and are measures of actual headcount rather than full-time equivalents.

Chart 9 - Teachers (headcount) by phase and age, Wales 2019



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.

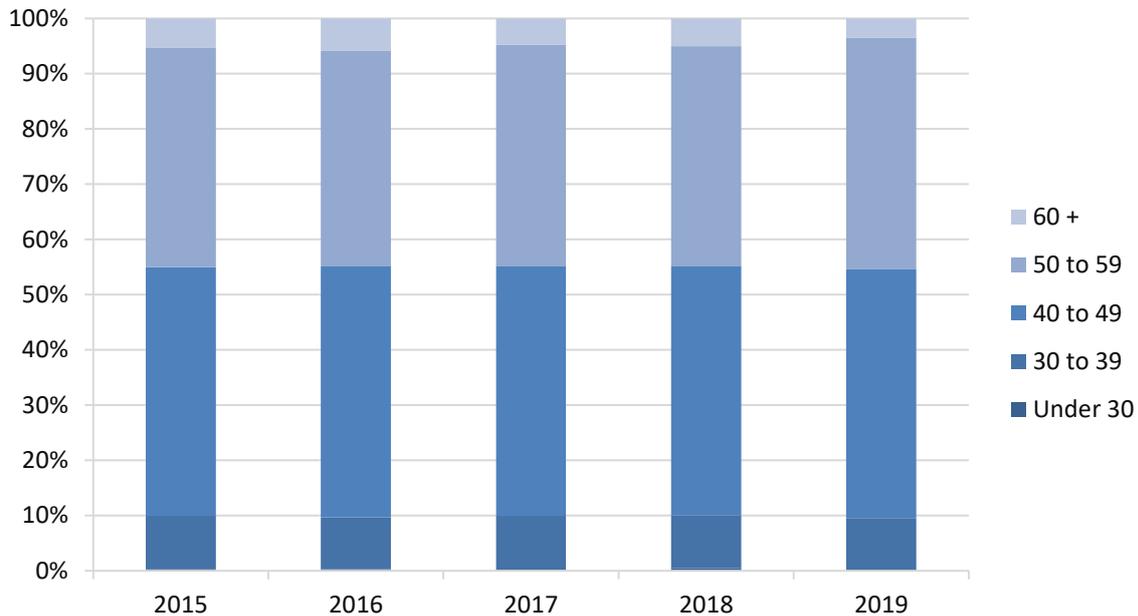
Registered Teachers by Age

In 2019:

- 24.8% of all teachers on the EWC Register of Education Practitioners were aged 50 and over, whilst 16.4% of teachers were aged under 30.
- The highest proportion of teachers in the nursery and primary sector were aged 30-39, (31.6% and 33.1% respectively).
- Similarly, for the secondary phase the highest proportion of teachers were aged 30-39 (33.6%).
- The second largest proportion for both primary and secondary phases is the 40-49 age group (32.0% in primary) and (31.9% in secondary).
- The largest proportion for those registered under 'supply' was the under 30 category at 21.3%, followed by 21.1% in the 50 to 59 age category.

4.3 Age profile of school leaders

Chart 10 – Headteachers registered with the EWC by age, Wales 2015-2019



Source: EWC Register of Education Practitioners

Chart 10 shows that the age distribution for headteachers on the EWC Register of Education Practitioners has remained broadly consistent between 2015 and 2019.

Overall in 2019, the highest percentage of headteachers were aged 40 to 49 (45.0%) followed by 41.9% aged 50 to 59, whilst just 0.2% were under the age of 30.

Phase and Other leadership

In 2019:

- Almost half of headteachers in the primary sector were in the 40 to 49 age range (46.1%) and 40.2% were in the 50 to 59 age category.
- For headteachers in the secondary sector, 51.3% are in the 50 to 59 age range with 41.7% aged between 40 and 49.

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 para 4.9.

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 6 - Teachers leaving the profession by sector (headcount), Wales 2011-2018

		2011	2012	2013	2014	2015	2016	2017	2018
Teachers leaving the profession	All schools*	753	691	722	742	780	814	698	609
	Primary	322	345	356	369	377	382	364	326
	Secondary	431	336	360	369	387	422	321	266
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of teachers (headcount)		26,869	27,056	27,064	26,755	26,453	26,172	26,129	25,802
Percentage of teachers leaving**		2.8%	2.6%	2.7%	2.8%	2.9%	3.1%	2.7%	2.4%

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

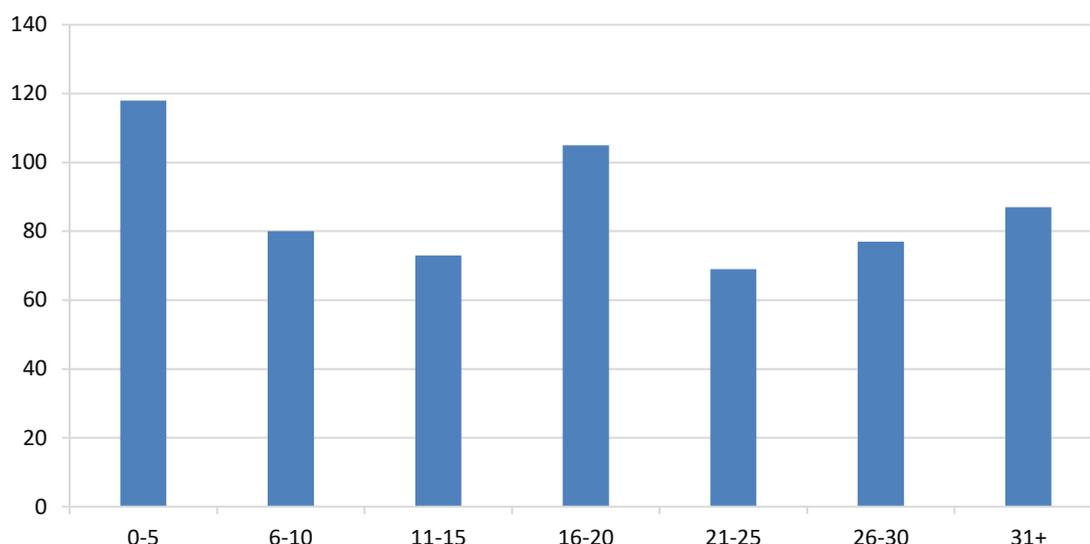
**Percentage of teachers leaving is calculated by dividing the total number teachers leaving the profession in a calendar year by the total number of teachers at following January census date.

Source: PLASC (Welsh Government)

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

The percentage of teachers leaving the profession each year has stayed relatively consistent since 2011, fluctuating between 2.4% and 3.1% (Table 6).

Chart 11 - Number of teachers leaving the profession by number of years' experience, Wales 2018



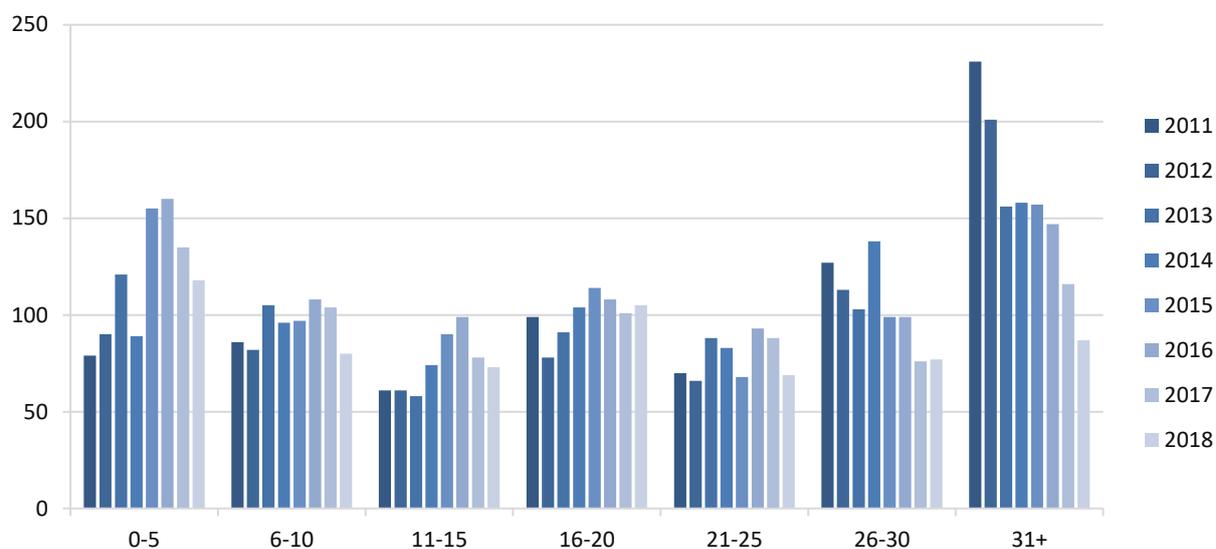
Source: PLASC (Welsh Government)

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

The largest group of teachers leaving the profession in 2018 was seen in those with 0-5 years' experience, making up 19.4% of leavers, followed by those with 16-20 years' experience, making up 17.2% of leavers (Chart 11). The smallest group of leavers by experience were those with 21-25 years' experience, making up 11.3% of the leavers.

Chart 12 shows that for each category of number of years' experience, the number of teachers leaving the profession fluctuates from 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 12 - Number of teachers who left the profession by number of years' experience, 2011-2018, Wales



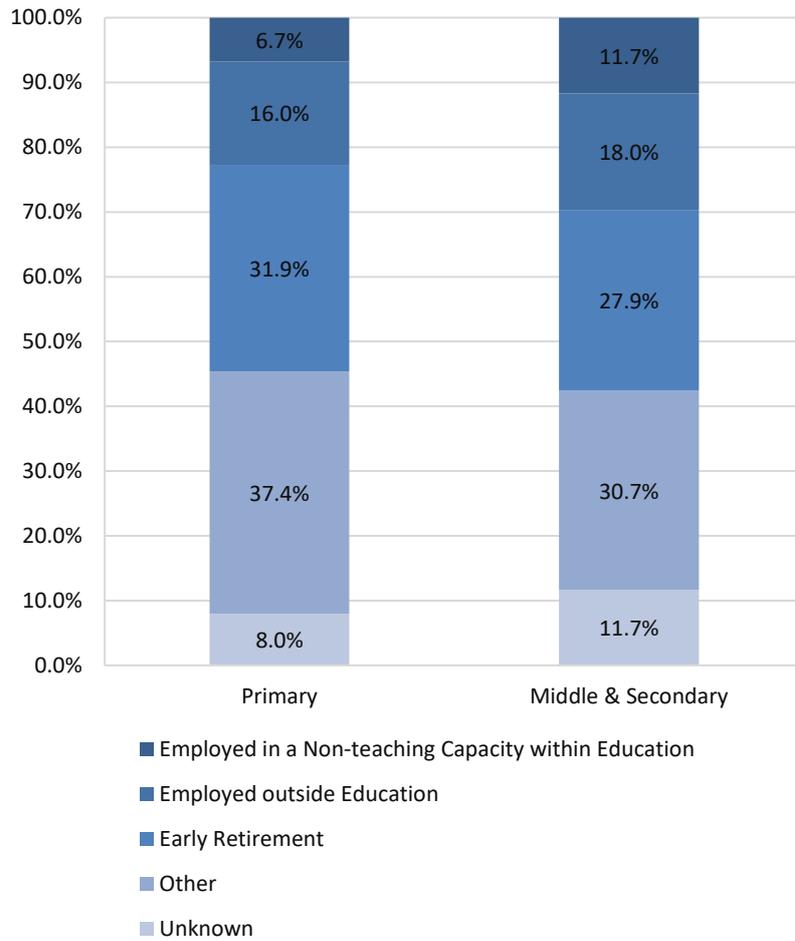
Source: PLASC (Welsh Government)

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

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 13, in 2018, one of the most common destination of teachers leaving the profession in the primary and middle / secondary sectors (after 'other') was 'early retirement', at 31.9% for primary and 27.9% for middle and secondary. The smallest proportions were those leaving to employment within education but in a non-teaching capacity, at 6.7% of primary leavers and 11.7% of secondary and middle leavers.

Chart 13 - Teachers who left the profession by destination, Wales 2018



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

4.5 Vacancies

The latest published statistics for teaching posts advertised in Wales show that between 1 January and 31 December 2018 (as shown in Tables 7 and 8):

- 769 teacher vacancies were advertised for primary schools with an average of 14.9 applications received per post.
- English medium posts in primary schools attracted an average of 18.6 applications per post and Welsh medium posts attracting an average of 7.6 applications per post.
- 793 teacher vacancies were advertised for secondary schools (including middle schools) with an average of 7.3 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 2.9 applications.

Over recent years, the number of applications per post in both Welsh medium and English medium schools has steadily decreased, however, applications for Welsh medium posts for the primary sector increased in 2018.

After an increase from 2016 to 2017, the number of posts being advertised at primary phase overall decreased in 2018. For secondary phase and English medium posts there was a peak around 2013, followed by another increasing trend since drops in 2014 and then further drops in 2018. For Welsh medium posts there was a peak in 2013 but number of posts has stayed relatively consistent since then.

Table 7 - Number of teaching posts advertised and applications per post in maintained schools, by phase (Wales)

		2011	2012	2013	2014	2015	2016	2017	2018
Primary	No. of posts advertised	653	787	728	785	795	782	848	769
	Applications per post	25.6	24.5	18.1	17.6	16.0	14.1	15.5	14.9
Secondary and Middle	No. of posts advertised	692	898	1,021	752	830	881	963	793
	Applications per post	14.8	11.8	8.4	9.8	8.9	8.4	7.6	7.3
All Posts	No. of posts advertised	1,345	1,685	1,749	1,537	1,625	1,663	1,811	1,562
	Applications per post	20.0	17.7	12.4	13.8	12.4	11.1	11.3	11.1

Source: PLASC (Welsh Government)

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

Table 8 - Number of teaching posts advertised and applications per post in maintained schools, by medium (Wales)

		2011	2012	2013	2014	2015	2016	2017	2018
Welsh Medium	No. of posts advertised	309	408	517	416	406	455	441	421
	Applications per post	9.3	8.9	6.9	6.3	6.1	5.5	5.8	5.8
English Medium	No. of posts advertised	1,036	1,277	1,232	1,121	1,219	1,208	1,370	1,141
	Applications per post	23.2	20.5	14.8	16.6	14.5	13.1	13.1	13.0

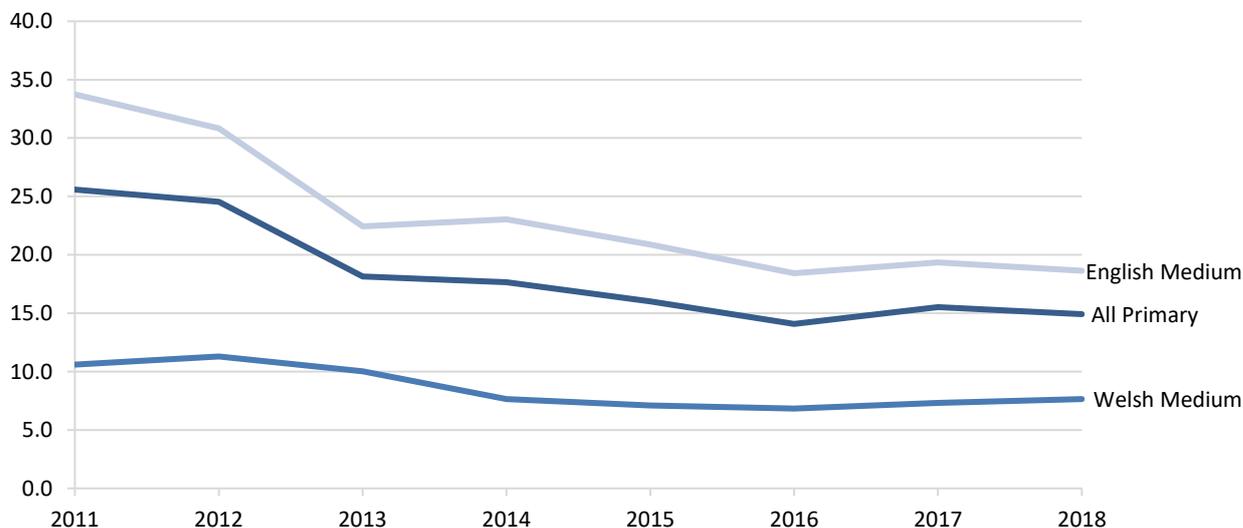
Source: PLASC (Welsh Government)

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

Charts 14 and 15 show the trends in average applications per post since 2011 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.

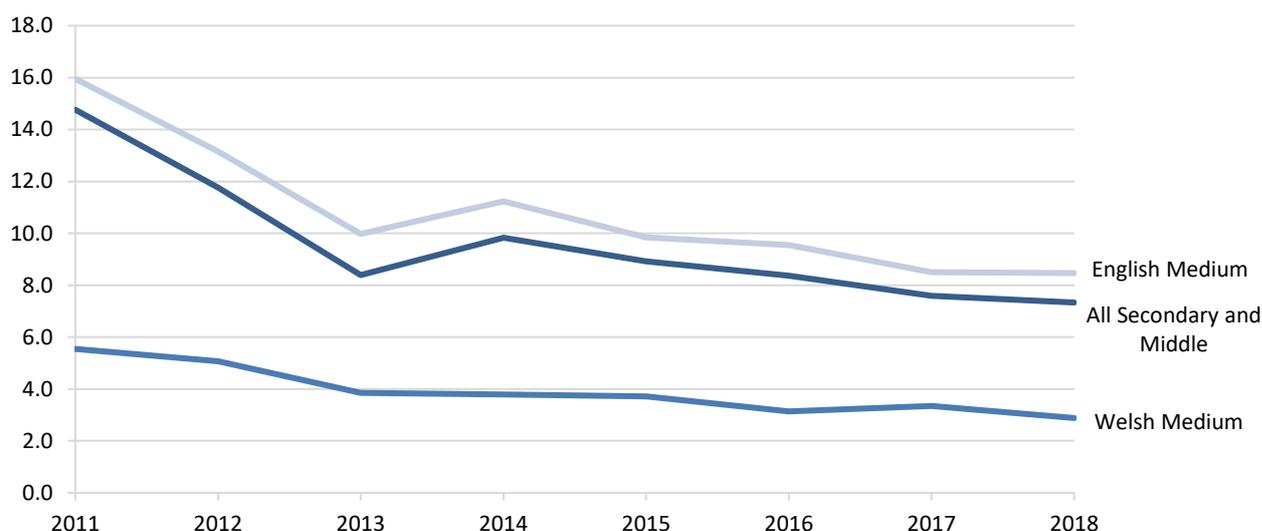
Analysis of these figures has been taken into consideration when planning intake targets/numbers to ITE (see para 4.8 below).

Chart 14 - Average number of applications per advertised teaching post in maintained primary schools, by teaching medium (Wales, January 2019)



Source: PLASC (Welsh Government)

Chart 15 - Average number of applications per advertised teaching post in maintained secondary schools, by teaching medium (Wales, January 2019)



Source: PLASC (Welsh Government)

4.6 Headteacher vacancies

Table 9 shows the number of headteacher posts advertised, applications and applications per post since 2011. The average number of applications per post shows a fluctuating trend, decreasing from 29.5 in 2012 to 5.6 in 2016 before increasing to 25.0 in 2018.

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

Table 9 - Number of teaching headteacher posts advertised, number of applications and number of applications per post in maintained schools (Wales, 2018)

Leadership posts	2011	2012	2013	2014	2015	2016	2017	2018
No. of posts advertised	4	10	24	10	16	11	22	4
No. of applications	106	295	451	185	154	62	271	100
Applications per post	26.5	29.5	18.8	18.5	9.6	5.6	12.3	25.0

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 few years the number of candidates has grown however in 2019/20 there were 173 candidates undertaking the qualification a slight reduction on the previous year in line with Welsh Government guidelines that limited the intake to a maximum of 180 candidates. The final number of candidates to complete the 2018/2019 programme was 213. Of those 167 (78%) met the professional leadership standards and 46 (22%) were assessed as having not yet met the standards. This was a decrease of 7% on the 2017-18 pass rate which was 85%.

However the NPQH programme has been enhanced with the development aspects of the programme achieving endorsement by the National Academy for Educational Leadership. 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 and work on how the success of the programme are being further developed to understand progressions. The NPQH forms part of a suite of programmes to support leadership development from Senior Managers to Experienced Head Teachers. Recruitment for the NPQH programme is targeted at those ready for headship within the next two years. For 2019/2020 the Welsh Government limited the intake to a maximum of 180 candidates.

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.

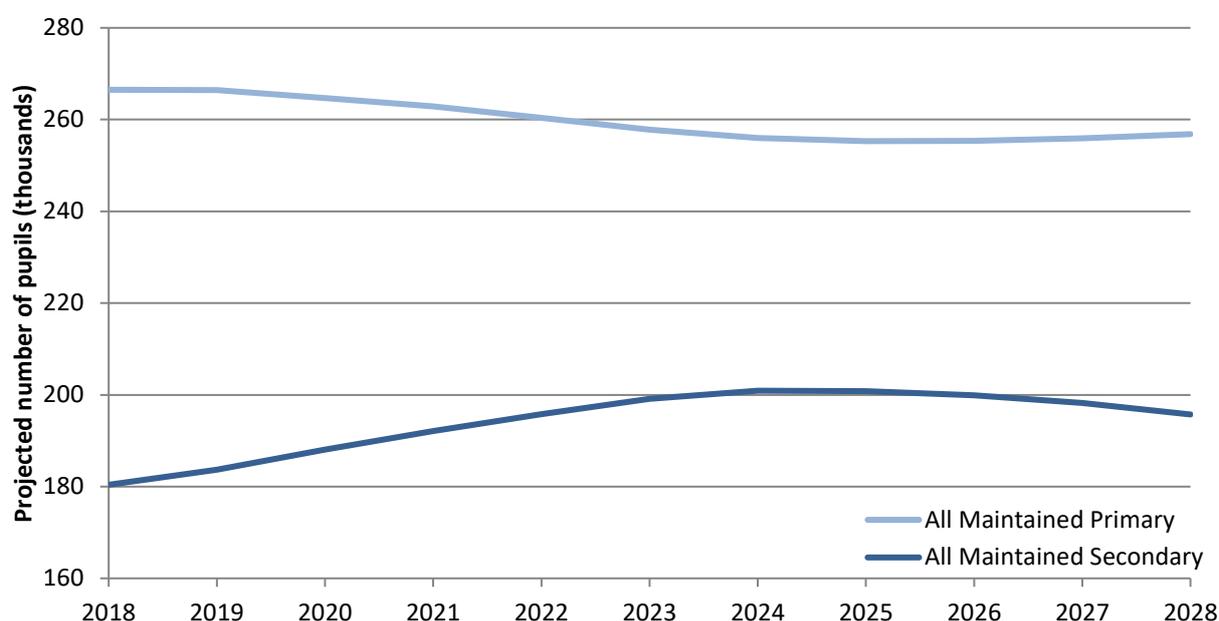
Table 10 - Projected full-time equivalent number of pupils in primary, secondary and all maintained schools, Wales 2018-2028.

	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 but excludes independent schools.

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

Chart 16 - 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 desired levels of 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*⁶, ITE in Wales has gone through a significant period of reform. During this period we kept ITE intake 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. The steady state was lifted for programmes of ITE starting academic year 2019/20.

Intake numbers are set annually based on the forecast of demand for newly qualified teachers. For previous academic years up to and including academic year 2018/19 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 ITE Reforms the EWC now have responsibility for the allocation by phase, subject and level of study as part of their accreditation functions⁷.

The overall level of ITE Intake numbers are set annually by the Welsh Government based on the forecasted demand for teachers calculated by the Teacher Planning and

⁶ <http://gov.wales/topics/educationandskills/publications/wagreviews/teaching-tomorrows-teachers/?lang=en>

⁷ Education Workforce Council (Accreditation of Initial Teacher Training) (Additional Functions) (Wales) (Amendment) Order 2017

Supply Model (TPSM) for Wales (see below). The allocations are notified to EWC early autumn for distribution across the accredited ITE Centres. The latest published allocations refer to intake for academic year 2020/21⁸.

Teacher Planning and Supply Model (TPSM)

The TPSM was introduced in 2007/08 following an independent Review of ITE in Wales, 2006⁹ 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 teachers¹⁰. 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 numbers has been maintained to ensure a level of stability for the ITE sector during the ITE reforms. This steady state was lifted for the new accredited ITE Partnerships allocations for academic year 2019/20.

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.

At present we do not include separate Welsh medium intake numbers 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. In addition to HEFCW monitoring the position in respect of take-up of Welsh medium provision and report to the Welsh Government accordingly we have advised EWC that under their monitoring processes for accredited status in academic year 2020/21 Welsh Government requires that Partnerships should work towards ensuring that 30% of recruitment to all ITE Programmes should be student teachers learning to teach through the medium of Welsh. We continue to review the TPSM to ensure available data is utilised where possible, to inform planning for the Welsh-medium sector.

⁸ <https://www.ewc.wales/site/index.php/en/accreditation/ite-accreditation/ite-intake-targets.html>

⁹ *Review of Initial Teacher Training Provision in Wales. A report to the Welsh Assembly Government.* Furlong, John; Hagger, Hazel; Butcher, Cerys; Howson, J.

¹⁰ *Review of Initial Teacher Training Provision in Wales. A report to the Welsh Assembly Government.* Furlong, John; Hagger, Hazel; Butcher, Cerys; Howson, J. 2006.

Initial Teacher Education desired stock new teachers - Academic Year 2020/21

Table 11 - ITE desired stock new teachers for academic year 2020/21

Desired stock new teachers 2020/21			
	Undergraduate	Postgraduate	Total
Primary	289	435	724
Secondary			1,003
Total			1,727

A baseline projection from the TPSM for the period 2019/20 – 2027/28 using updated data shows that without any change to numbers there would be no oversupply of primary or secondary ITE entrants. Increasing the number of new entrants to the profession will help to maintain pupil teacher ratios and reduce reliance on re-entrants to the profession. Please refer to Section 4.5, Table 7 - Number of teaching posts advertised and applications per post in maintained schools, by phase (Wales).

Primary phase:

- For academic year 2020/21, the TPSM suggests a gradual fall in the total number of primary teaching entrants required from all routes from 1,142 in 2020/21 to 1,045 in 2022/23. Following this, the number is projected to start increasing reaching 1,194 by 2027/28.

Secondary phase:

- The total number of secondary teaching entrants required from all routes is expected to decrease slightly from 1,472 in 2020/21 to 1,467 in 2021/22. Following this the number is projected to steadily fall, decreasing to 1,077 entrants in 2027/28).

In the secondary sector, trends over the last 5 years have led to an increased reliance on re-entrants. This is partly the result of a particularly low intake of trainees combined with low under graduate survival rates.

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 (see section 4.5).

Education Workforce Council's allocations for Initial Teacher Education providers 2020/21

The intake numbers 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 2020/21 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 2020/21 have been agreed with EWC.¹¹

Acting on advice from the EWC Welsh Government has agreed for the period of accreditation that the newly accredited ITE programmes allocated intake numbers 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.

The ITE Partnerships are encouraged to exceed their intake numbers (except in the case of PGCE PE) where they are able to do so within reasonable parameters set at the discretion of Welsh Government and EWC.

The newly accredited Open University Part-time PGCE and Salaried PGCE are not included in this process at present as their recruitment levels are set under the Welsh Government's and OU's alternative routes contract. The recruitment numbers under the contract are transitional as the provision rolls-out and market demand develops.

¹¹ <https://www.ewc.wales/site/index.php/en/ite-accreditation/ite-intake-targets.html>

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. The incentives are kept under review to ensure we best utilise the schemes in the future for both the recruitment and retention of the high quality teachers we need to support our reforms to the education system in Wales.

Priority subject incentives¹²

For new eligible students starting postgraduate ITE courses in the 2020/21 academic year incentives are available of up to £20,000 in the subjects of mathematics, physics, chemistry, and Welsh or ICT.

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. 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.

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)

Iaith Athrawon Yfory Incentive Scheme¹³

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

The Iaith Athrawon Yfory (IAY) Welsh medium incentive of £5,000 with £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.

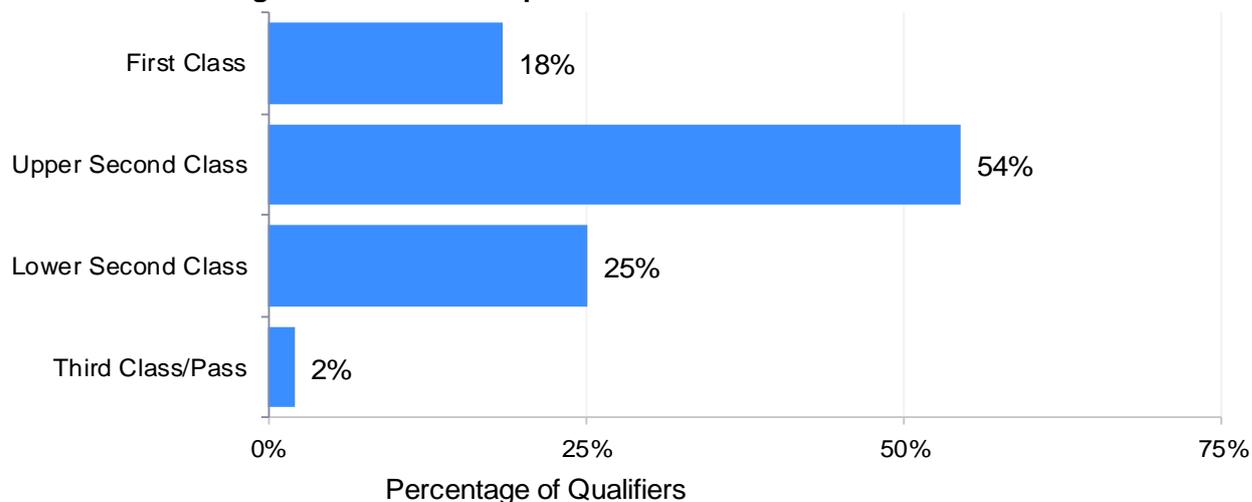
Some ITE Students may be eligible for both the Priority Subject Incentive and the IAY and able to receive the highest level of funding of £25,000.

¹² <https://gov.wales/teacher-training-incentives-wales-guidance-students-2019-2020-academic-year>

¹³ <https://gov.wales/iaith-athrawon-yfory-incentive-scheme-2019-2020-academic-year>

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

Chart 17 - Class of degree for non-PGCE qualifiers on ITE courses in Wales in 2017/18



Source: HESA Student Record

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

In academic year 2016/17 12% (30 students) of qualifiers in Wales received a First Class Honours. This has increased to 18% (90 students) of qualifiers in Wales receiving a First Class Honours teaching degree in academic year 2017/18. In academic year 2016/17 around 6 out of every 10 people who qualified in Wales received an Upper Second Class Honours (2-1). This increased in academic year 2017/18 to around 7 out of every 10 people who qualified with a teaching degree in Wales receiving an Upper Second Class Honours (2-1) or higher.

From September 2019 the statutory minimum entry requirements for all routes to Qualified Teacher Status (QTS) in Wales are:

- a GCSE Grade B or above (or equivalent) in mathematics or Mathematics-Numeracy
- a GCSE Grade B or above (or equivalent) in either English Language, English Literature, Welsh Language or Welsh Literature. Where an equivalent to a grade B in either English Literature or Welsh Literature is achieved, a minimum of a grade C (or equivalent) must be achieved in the corresponding GCSE examination in English or Welsh Language
- a GCSE Grade C or above (or equivalent) in science if an individual wishes to train to teach in primary school

ITE providers can also add their own entry requirements.

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.

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 12 - GTP Recruitment to target academic year 2013/14 to 2018/19

	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19	
	Target	Actual										
Primary	30	30	30	30	30	28	36	36	36	37	36	32
Secondary	30	11	12	12	12	12	21	21	36	36	36	36
Unfunded	-	14	9	10	18	10	18	13	18	14	18	16
Total	-	55	51	52	60	50	75	71	90	87	90	84

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. The level of placements remained at this level for academic year 2018/19, with 36 secondary, 36 primary and 18 unfunded places. Due to the ongoing ITE reforms relating to alternative routes into teaching, placements on the GTP have been reduced for academic year 2019/20 to 32 secondary, 20 primary and 20 unfunded and it will be the last year GTP is available.

Full time University led ITE Programmes

Intake targets for primary ITE programmes have remained static since 2011/12 until the TPSM 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 TPSM 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 2018/19 academic year will be published by the Welsh Government in May 2020.

Chart 18 - Entrants and targets to ITE courses in Wales: academic year 2007/08 to 2017/18

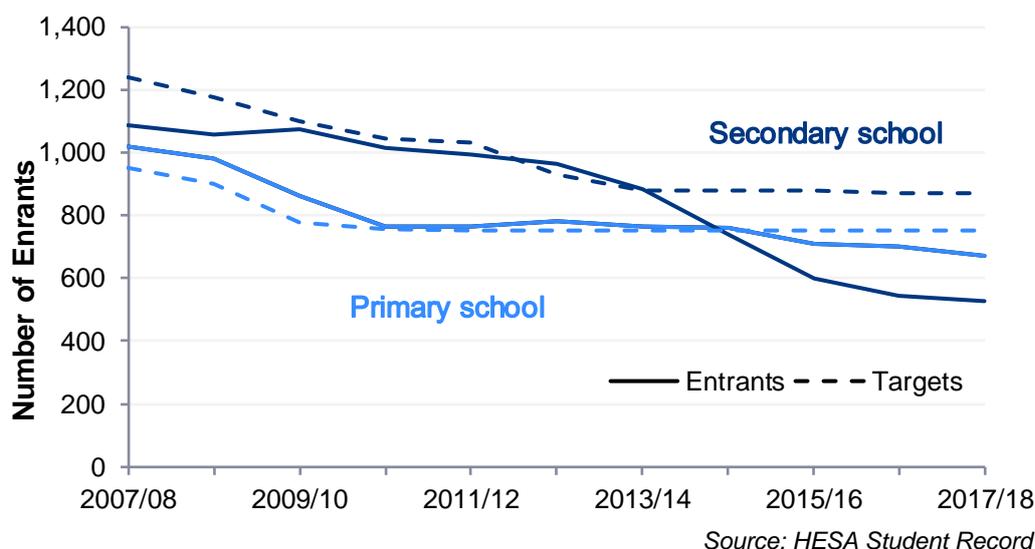


Table 13 - School level and degree type of entrants onto ITE courses in Wales against targets

	2013/14	2014/15	2015/16	2016/17	2017/18
Primary School					
PGCE	465	465	440	425	430
Other Degree	300	290	270	270	245
Primary School Total	765	760	710	700	670
Primary School Target	750	750	750	750	750
Secondary school					
PGCE	820	695	560	530	495
Other Degree	65	45	35	20	35
Secondary School Total	885	740	600	545	525
Secondary School Target	880	880	880	871	871
Total Enrolments	1,650	1,500	1,310	1,245	1,200
Total Target	1,630	1,630	1,630	1,621	1,621

Source: HESA Student Record

In academic year 2017/18 the target for primary courses was 750, with 670 students enrolled, (11%) short of the target. The number of primary school ITE students was above target (750) in academic years 2013/14 and 2014/15 but declined over the next 3 years. Against the same target for 2018/19 and a lower target of 696 for 2019/20, initial, unverified data from individual providers suggests that numbers are continuing to fall short of target and are below 2017/18 levels.

The total number of secondary school ITE students has been declining for some years but has been more stable for the last 2 years. For 2017/18 secondary intake was only at 60% of the target level.

Table 14 - Postgraduate subject level recruitment to target: Academic Year 2017/18

	Target	Total students on course	% Recruitment to target
<u>Primary</u>	450	430	96
Secondary Total	785	495	63
Mathematics	77	45	58
Chemistry	43	20	47
Physics	31	15	48
MFL	74	30	41
Welsh	48	20	42
IT	40	20	50
Art & Design	45	10	22
Biology & Integrated Science	68	40	59
Drama	22	20	91
Business Studies	13	10	77
Design & Technology	52	35	67
English	81	60	74
Geography	32	25	78
History	42	45	107
Music	27	15	56
Outdoor Activities	5		0
PE	53	60	113
RE	32	25	78
<u>Total</u>	<u>1,235</u>	<u>925</u>	<u>75</u>

Source: HESA Student Record

Table 15 - Undergraduate subject level recruitment to target: Academic Year 2017/18

	Target	Total students on course	% Recruitment to target
<u>Primary</u>	300	245	82
Secondary			
Mathematics	22	10	45
Science	11	5	45
Design & Technology	33	10	30
Welsh	10	5	50
Music	10	5	50

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.

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 16 - Entrants onto ITE courses in Wales by course language and school level academic year

	School level	2013/14	2014/15	2015/16	2016/17	2017/18
<u>Training to teach in Welsh</u>	Primary School	180	135	150	145	110
	Secondary school	140	120	95	90	100
	All	320	255	245	235	210
<u>Not training to teach in Welsh</u>	All	1,330	1,245	1,065	1,010	990

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 6 new ITE students in Wales were on courses enabling them to teach in Welsh, in 2017/18.

Table 17 - Subject of entrants onto secondary school ITE courses in Wales by ability to teach in Welsh, academic year 2017/18

	Not training to teach in Welsh	Training to teach in Welsh
Total Science	75	10
General Science	5	*
Biology	35	5
Chemistry	20	5
Physics	15	*
Mathematics	50	5
DT	35	10
IT	20	*
Art	5	*
Business	10	*
Drama	15	*
English	55	5
Geography	20	5
History	40	5
Modern Languages	15	15
Music	15	5
PE	50	10
RE	20	*
Welsh	*	25
Total Secondary School	425	100

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 18 - Self-reported Welsh speaking ability of entrants onto ITE courses in Wales by ability to teach in Welsh, Academic Year 2017/18

	Able to speak Welsh fluently	Unable to speak Welsh Fluently	All
Training to teach in Welsh	190	20	210
Not training to teach in Welsh	115	860	990
All	305	880	1,200

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, the majority (62%) started courses training them to teach in Welsh. However, over a third of those that were fluent, were not training to teach in Welsh (38%). The number of entrants training to teach in Welsh has fallen by a third since 2013/14. Most of this drop has been at the primary school level.

The number of entrants who said that they could speak Welsh fluently has fallen by a fifth since 2013/14. Most of this decline has been at the secondary school level, though numbers at primary school level have also fallen slightly.

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 40 non-white people started training to be a teacher in Wales in 2017/18, remaining, for a second year, at the lowest point this decade. 3% of new ITE students in Wales were non-white, in 2017/18. According to the census, 4% of the Welsh population were non-white in 2011.

Students from Wales studying elsewhere in the UK

Information on the [destinations of ITE students from Wales](#)¹⁴ 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.

¹⁴ Someone came from Wales if their home address was in Wales before they started their ITE course.

Table 19 - School level and country of study for first years from Wales on ITE courses in the UK

	Country of Study	2013/14	2014/15	2015/16	2016/17	2017/18
<u>Primary school</u>	Wales	680	665	640	630	585
	England	280	295	280	315	320
	All (a)	960	960	920	945	905
<u>Secondary school</u>	Wales	690	585	510	470	435
	England	160	165	180	245	215
	All (a)	850	750	690	720	650
	<u>Total (a)</u>	1,810	1,715	1,610	1,670	1,555

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 37% over 4 years. The number of Welsh students starting to train in England, however, increased by 34% over the same period.

Around half as many students from Wales now start to train in England as in Wales to be secondary school teachers. Four years ago this proportion was less than 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

As identified in the recently published Workforce Development Plan the Welsh Government continues to consider developments for Leadership including succession planning.

The current reforms to our education system require school leaders that are well prepared and supported to lead their organisations. Our national mission puts leadership at the centre of reforms and 'Inspiring leadership' is a key enabling objective. To support this area of work we established the National Academy for Educational Leadership Wales, who will quality assure, support and build on the leadership provision that currently exists ensuring equity of access through provision that is universally available and delivered locally. In Wales, support to progress your teaching career and enhance leadership skills is delivered through a number of development programmes. Interest in, and participation rates for, the NPQH Programme has grown, with the introduction of an enhanced programme that includes coaching, mentoring and a high-level development programme. New programmes to support acting and new headteachers were the first to receive National Academy for Educational Leadership

Wales endorsement ensuring that those taking up these critical leadership roles receive support in the early years of headship.

We recognise that in order to support our practitioners and our system there are areas that need to be developed. Succession planning, as a systemic and coherent process, needs to be made a strong feature of our system. We have charged the National Academy for Educational Leadership Wales, working with other key stakeholders, to start to address this area as part of its three-year remit including identify issues and trends in the workforce data in regard to progression and succession planning and develop succession planning proposals that work at a local, regional and national levels

4.13 Leadership supply

The National Academy for Educational Leadership has endorsed 9 programmes that support a range of leadership development provision from New and Acting Heads to Experienced Heads. We estimate that these programmes will support the leadership journey of over 500 heads currently in the system over the coming year, with further calls for Endorsement being made from February 2020. 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.

As part of the Workforce Development Plan New modes of early career support and professional learning has also been identified. This will include increased the levels of support available to practitioners in the early career stages such as a dedicated programme of coaching and mentoring and a set of standards for mentor support along with a programme of common professional learning for mentors. This will ensure the highest quality support for practitioners in their induction years and ensure a workforce of qualified mentors which is consistent with the drivers of the NAPL. Welsh Government is also proposing to develop a national professional learning package for the early career years that prepares teachers to be lifelong learners and creates an understanding within our practitioners that professional learning is a career-long process and expectation.

Working with the regional consortia Welsh Government is developing a package for the years from induction to career year five. This will bring consistency and coherence to what is delivered to all teachers across years one to five of practice.

Finally Welsh Government is working closely with the higher education institutions to develop a common Masters level qualification to be delivered across Wales through mutual agreements reached by our higher education institutions partners.

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% increase in FE pay required an additional £2.4m.

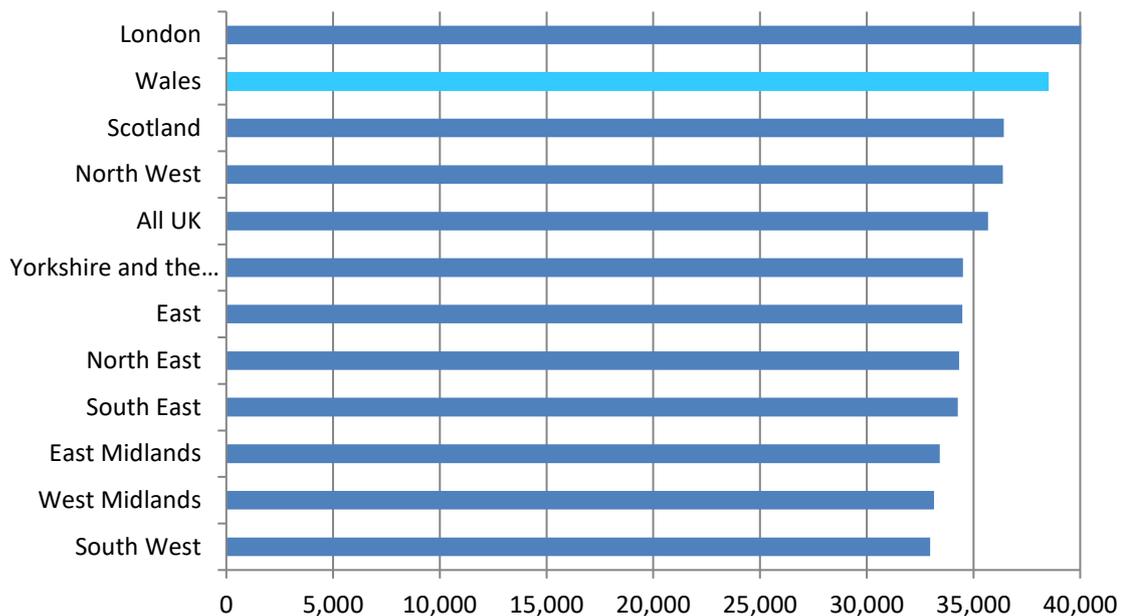
It should also be noted that the same parity of pay is not extended to our training provider network that are contracted to deliver apprenticeships.

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

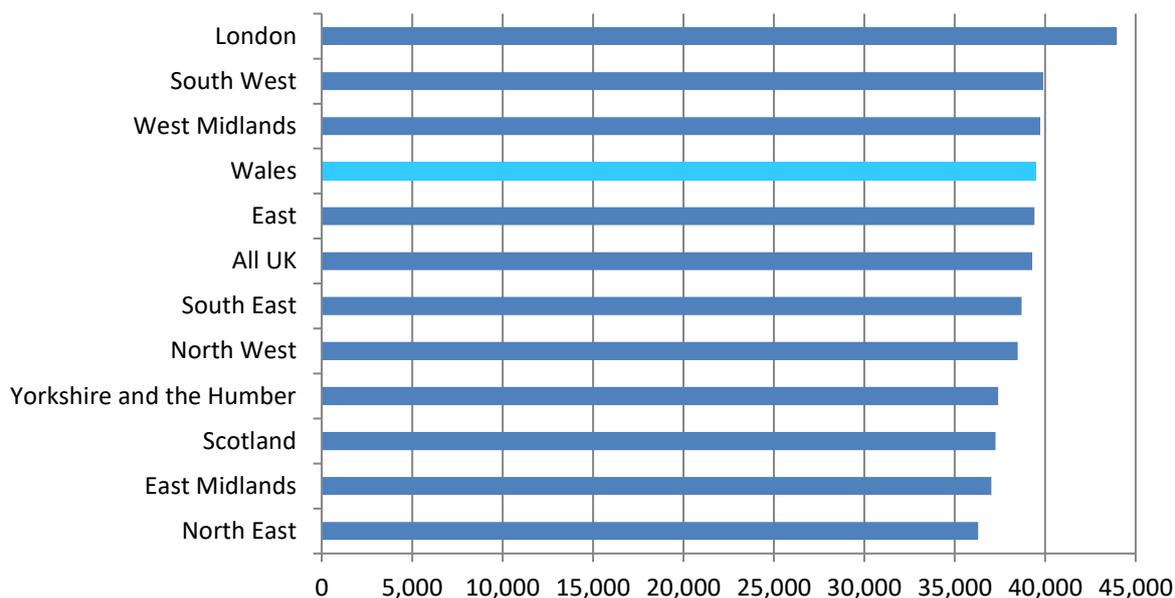
The Welsh Government has publicly stated that following devolution of pay and conditions to Wales, teachers and school leaders in Wales will suffer 'no detriment' in comparison to those in England. To support the IWPRB's considerations, Charts 19 and 22 show median pay of teachers in primary and secondary schools (respectively) by UK region in 2019 – 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 19: Median annual pay of full time primary school classroom teachers in UK regions (2019)



Source: Annual Survey of Hours and earnings (ASHE) (2019)

Chart 20: Median annual pay of full time secondary school classroom teachers in UK regions (2019)



Source: Annual Survey of Hours and earnings (ASHE) (2019)

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 was collected at an aggregated level as at November 2018 and will not be published.

In 2019-20, the minimum main pay range salary threshold for classroom teachers in Wales is £24,906 with a maximum upper pay range threshold of £40,490. The minimum salary for unqualified teachers is £17,682 with a maximum of £27,965.

Table 20 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 2018, the mean gross salary of all qualified classroom teachers in maintained schools (excluding allowances) was £36,047 and for all unqualified teachers was £22,142.

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 20 - Mean gross salary (excluding allowances) for qualified and unqualified classroom teachers by phase (Wales, November 2018)

	2018/19 min / max pay	Nursery and primary	Middle	Secondary	Special	All
Qualified teachers	£22,917 - £38,633	£35,716	£36,139	£36,376	£36,378	£36,047
Unqualified teachers	£17,208 - £27,216	£21,450	£20,471	£21,954	£23,923	£22,142

Source: Local Authority teacher pay collection 2018 (Welsh Government)

(Individual level data on teacher pay is now collected as part of the School Workforce Annual Collection (SWAC) which was introduced in November 2019. Information from the census is due to be published in the summer of 2020.)

Salaries of school leaders

The leadership pay range covers executive head teachers, head teachers, deputy head teachers and assistant head teachers, for which the minimum is £41,065 and the maximum is £114,060 in 2019-20 in Wales.

Table 21 shows the mean leadership salary by grade and phase in 2018. In Wales the mean gross pay for all teachers on the leadership pay range was £56,738 in November 2018. The leadership group pay range for 2018/19 was £39,965 to £111,007.

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

Table 21 - Mean leadership gross salary by grade and phase in maintained schools (Wales, November 2018)

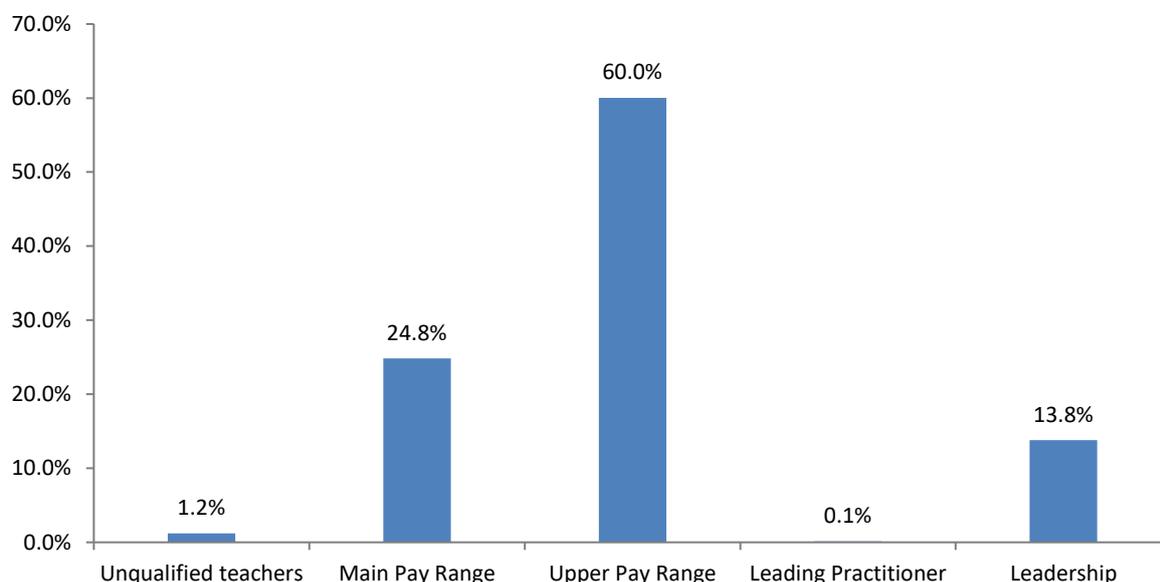
	Nursery and primary	Middle	Secondary	Special
Headteacher*	£59,258	£84,735	£84,911	£72,898
Deputy headteacher	£48,916	£58,607	£64,285	£57,870
Assistant headteacher	£44,770	£51,384	£55,470	£51,553
All leadership posts	£53,768	£58,817	£63,203	£60,729

*includes executive head teachers

Source: Local Authority teachers' pay collection, 2018 (Welsh Government)

The pay range that the largest percentage of teachers is receiving a salary from is the Classroom teacher upper pay range, at 60.0% of teachers (Chart 21). This is more than twice the percentage of teachers on the Classroom teacher main pay range, of which 24.8% of teachers are paid on. Teachers on the leadership pay range make up 13.8% of all teachers.

Chart 21 - Percentage of teachers in Wales on each pay range in maintained schools, based on headcount (2018)



Source: Local Authority teachers' pay collection (Welsh Government)

Table 22 - Mean gross salary (excluding allowances) of teachers by sector and pay range in maintained schools (Wales, 2018)

Pay Scale	Average FTE salary			
	Primary and Nursery	Middle	Secondary	Special
Unqualified Teacher	£21,450	£20,471	£21,954	£23,923
Classroom Teacher Main	£29,355	£29,026	£28,844	£30,568
Classroom Teacher Upper	£38,848	£38,944	£38,976	£38,840
Leading Practitioner	-	£51,416	£50,717	-
Leadership	£53,768	£58,817	£63,203	£60,729

Source: Local Authority teachers' pay collection (Welsh Government)

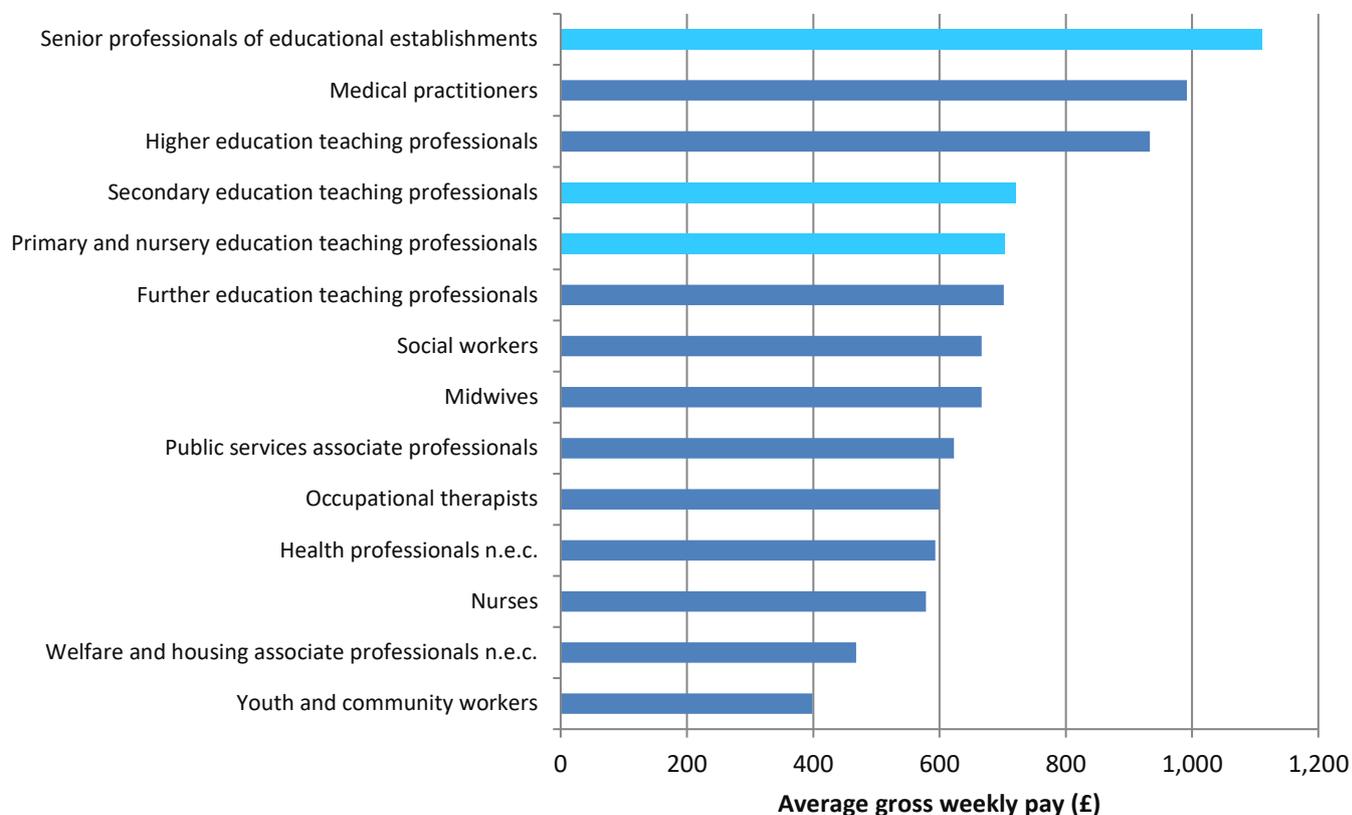
5.3 Teaching professionals pay compared to other professions

Chart 22 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 first of 14 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 fourth, whilst Primary education teaching professionals rank fifth.

Chart 22 - Median gross weekly pay of education, medical, social and public services professionals in Wales (2019)



Source: Annual Survey of Hours and earnings (ASHE) 2019

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 2019/20 range between £8,069 and £13,654 (£7,853 to £13,288 in 2018/19); TLR2 range from £2,796 to £6,829 (£2,721 to £6,646 in 2018/19); and TLR3 range from £555 to £2,757 (£540 to £2,683 in 2018/19). 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 23 shows the percentage of classroom teachers in Wales receiving each type of TLR, and the average value of this type of TLR, split by phase. Use of TLR payments is higher in secondary schools than in primary schools.

Tables 24 and 25 show the percentage of teachers receiving non-TLR allowances and the average value of each allowance type, split by phase.

Table 23 - Percentage of classroom teachers* (FTE) receiving TLR allowances and average TLR allowance value by school phase (Wales, November 2018)

	TLR1		TLR2		TLR3	
	Percentage receiving	Average amount	Percentage receiving	Average amount	Percentage receiving	Average amount
Nursery and Primary Schools	0.1%	£8,338	19.7%	£3,085	3.0%	£1,598
Middle Schools	8.7%	£8,853	33.2%	£4,509	2.5%	£1,760
Secondary Schools	11.6%	£9,174	40.9%	£4,663	4.4%	£1,993
Special Schools and PRUS	1.5%	£8,226	19.0%	£3,663	2.9%	£2,220
All Schools	5.6%	£9,137	29.6%	£4,127	3.6%	£1,833

* includes qualified and unqualified classroom teachers

Source: Local Authority teachers' pay collection, 2018 (Welsh Government)

Table 24 - Percentage of classroom teachers* (FTE) receiving and average value of SEN, recruitment and retention and other allowances (Wales, November 2018)

	SEN allowance		Recruitment and retention allowances		Other allowances	
	Percentage receiving	Average amount	Percentage receiving	Average amount	Percentage receiving	Average amount
Nursery and Primary Schools	4.5%	£2,648	0.1%	£2,467	0.4%	£2,685
Middle Schools	3.5%	£2,595	0.5%	£2,355	5.4%	£3,679
Secondary Schools	2.3%	£2,715	1.2%	£2,362	2.4%	£3,999
Special Schools and PRUS	90.7%	£2,901	0.1%	£2,667	2.0%	£3,870
All Schools	6.8%	£2,787	0.6%	£2,374	1.6%	£3,770

* includes qualified and unqualified classroom teachers

Source: Local Authority teachers' pay collection, 2018 (Welsh Government)

Table 25 - Percentage of leadership teachers (FTE) receiving recruitment and retention and other allowances (Wales, November 2018)

	Recruitment and retention allowances		Other allowances	
	Percentage receiving	Average amount	Percentage receiving	Average amount
Nursery and Primary Schools	1.4%	£3,444	2.8%	£5,874
Middle Schools	0.0%	-	3.4%	£6,956
Secondary Schools	0.8%	£4,287	2.1%	£10,188
Special Schools and PRUS	1.3%	£5,277	8.5%	£7,690
All Schools	1.2%	£3,672	2.9%	£6,991

Source: Local Authority teachers' pay collection, 2018 (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, research by the Welsh Government¹⁵ 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.

Consideration should be given to 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.

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.

Since their removal 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.

However, the re-introduction of statutory scale points will require changes to the statutory framework of teachers pay in Wales. These would include changes to statutory teachers' terms and conditions particularly in relation to pay progression based on performance. There may also be a need to look at associated issues such as

¹⁵ <https://gov.wales/sites/default/files/statistics-and-research/2019-03/research-study-attractiveness-teaching-retention-teachers.pdf>

the flexibility of schools setting of pay policies and the interconnected flexibilities within existing statutory guidance. Any proposed changes must take into consideration all such associated matters to minimise the risk of unforeseen connections causing difficulties elsewhere within the system.

5.6 Potential options for the 2020/21 pay award and associated cost

We have set out above that a pay award leading to an overall 3% increase in the total pay bill is appropriate and affordable. This section should be considered in tandem with advice particularly the financial context detailed in Chapters 2 and 3.

A 3% rise may not necessarily translate into an even award to all parts of the pay framework. This section sets out 4 possible approaches to the 2020/21 pay award and, subject to considerations above, potential scale points within that structure. The 4 options presented would be affordable within a 3% increase to the total pay bill and costing for each is provided.

Options 1-3 set out significantly higher than 3% uplifts for starting and early career salaries whilst ensuring above inflation pay awards for more experienced teachers and school leaders.

Summary of scenario / cost modelling for 2020/21 teachers' pay award (including costs for teaching school years 12 and 13)

	2019	Option 1	Option 2	Option 3	Option 4
		<i>7.5% min of main 6.32% average main points 2 to 5 2.5% max of main and all upper pay range 2.25% other pay and allowances ranges</i>	<i>6.7% min of main 6.0% average main points 2 to 5 2.5% max of main and other pay and allowances ranges</i>	<i>6.27% min of main 5.10% average main points 2 to 5 2.75% max of main and all upper range 2.5% other pay and allowances ranges</i>	<i>3% Flat rate increase</i>
Total Pensionable pay	£995,762,740	£1,025,304,506	£1,025,414,324	£1,025,864,391	£1,025,635,622
Pension costs	£235,000,007	£241,971,863	£241,997,781	£242,103,996	£242,050,007
NI costs	£109,101,092	£112,666,154	£112,681,309	£112,743,419	£112,711,848
Total Cost	£1,339,863,839	£1,379,942,524	£1,380,093,414	£1,380,711,807	£1,380,397,477
Current year -> Specified increase					
<i>Total pay bill cost increase</i>		<i>£40,078,685</i>	<i>£40,229,575</i>	<i>£40,847,968</i>	<i>£40,533,638</i>
<i>% increase</i>		<i>2.99%</i>	<i>3.00%</i>	<i>3.05%</i>	<i>3.03%</i>

The teacher pay bill costs have been based on information collected on teachers' pay from local authorities as at November 2018. The costs have assumed a steady state of the distribution of teachers across pay ranges and spine points at that point.

Note: Option 4 of a 3% flat rate increase provides an overall pay bill increase slightly higher than 3% due to changes in National Insurance thresholds for 2020-21

Option 1

7.5% min of main; 6.3% average across main spine points 2 to 5; 2.5% max of main and upper pay range and 2.25 for all other pay and allowance ranges

Spine Point	New Structure	Current (indicative) spine points	Change (£)	Change (%)	Annual increase
M1	£26,774	£24,906	£1,868	7.50%	
M2	£28,034	£26,041	£1,993	7.65%	12.6%
M3	£29,996	£28,133	£1,863	6.62%	15.2%
M4	£32,096	£30,299	£1,797	5.93%	14.1%
M5	£34,343	£32,686	£1,657	5.07%	13.3%
M6	£36,870	£35,971	£899	2.50%	12.8%
U1	£38,595	£37,654	£941	2.50%	7.3%
U2	£40,026	£39,050	£976	2.50%	6.3%
U3	£41,502	£40,490	£1,012	2.50%	6.3%

Option 2

6.7% min of main; 6.0% average across main spine points 2 to 5; 2.5% max of main and all other pay and allowance ranges

Spine Point	New Structure	Current (indicative) spine points	Change (£)	Change (%)	Annual increase
M1	£26,575	£24,906	£1,669	6.70%	
M2	£27,994	£26,041	£1,953	7.50%	12.4%
M3	£29,962	£28,133	£1,829	6.50%	15.1%
M4	£31,965	£30,299	£1,666	5.50%	13.6%
M5	£34,157	£32,686	£1,471	4.50%	12.7%
M6	£36,870	£35,971	£899	2.50%	12.8%
U1	£38,595	£37,654	£941	2.50%	7.3%
U2	£40,025	£39,050	£975	2.50%	6.3%
U3	£41,502	£40,490	£1,012	2.50%	6.3%

Option 3

6.27% min of main; 5.1% average across main spine points 2 to 5; 2.75% max of main and all upper pay range; 2.5% for all other pay and allowance ranges

Spine Point	New Structure	Current (indicative) spine points	Change (£)	Change (%)	Annual increase
M1	£26,468	£24,906	£1,562	6.27%	
M2	£27,713	£26,041	£1,672	6.42%	11.3%
M3	£29,653	£28,133	£1,520	5.40%	13.9%

M4	£31,729	£30,299	£1,430	4.72%	12.8%
M5	£33,950	£32,686	£1,264	3.87%	12.0%
M6	£36,960	£35,971	£989	2.75%	13.1%
U1	£38,689	£37,654	£1,035	2.75%	7.6%
U2	£40,123	£39,050	£1,073	2.75%	6.6%
U3	£41,603	£40,490	£1,113	2.75%	6.5%

Option 4

3% flat rate increase across all pay and allowance ranges

Spine Point	New Structure	Current (indicative) spine points	Change (£)	Change (%)	Annual increase
M1	£25,653	£24,906	£747	3.00%	
M2	£26,822	£26,041	£781	3.00%	7.7%
M3	£28,977	£28,133	£844	3.00%	11.3%
M4	£31,208	£30,299	£909	3.00%	10.9%
M5	£33,667	£32,686	£981	3.00%	11.1%
M6	£37,050	£35,971	£1,079	3.00%	13.4%
U1	£38,784	£37,654	£1,130	3.00%	7.8%
U2	£40,222	£39,050	£1,172	3.00%	6.8%
U3	£41,705	£40,490	£1,215	3.00%	6.8%
