



Department
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Evaluation of Teachers' Pay Reform

Research brief

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Introduction

The Government has introduced substantial reforms to the pay of teachers in the English local authority (LA) maintained sector, to give schools greater freedom to decide how much they pay teachers and how quickly their pay progresses.

The new system was introduced in September 2013 and affected pay decisions in LA maintained schools from September 2014 (changes were voluntary in academies). A central feature was the abolition of automatic progression for all classroom teachers, and the introduction of performance-related pay (PRP). Schools also now have more flexibility to decide starting salaries when recruiting teachers, and are no longer required to match teachers' previous salaries. In September 2014 further reforms were implemented, extending the same principle of greater autonomy at school level to the pay of school leaders (headteachers, deputy headteachers and assistant headteachers)¹. Academies are not required to follow the national pay terms and conditions and were, therefore, not required to implement the pay reforms, though they may choose to do so. The effect of the reforms to teachers' and leaders' pay must be considered carefully alongside the public sector pay freeze, which affected pay in 2011 and 2012, and recommendations made by the School Teachers' Review Body (STRB) for the adjustments made to pay ranges for classroom teachers and leaders that coincided with the reforms. The recommendations were for all teachers in post on or after 1 September 2013 in LA maintained schools to be awarded a 1% pay uplift, and the statutory minima and maxima of the main and upper pay ranges for classroom teachers were increased by 1% from September 2014. Teachers within the minima and maxima of the pay ranges in September 2014 and 2015 were not obliged to receive a 1% increase in pay.

A review of the international research literature on the use of PRP in schools found a mix of positive (Winters *et al.*, 2008) and neutral results on student outcomes (see Fryer, 2013; Glazerman and Seifullah, 2010; Goldhaber and Walch, 2012; Goodman and Turner, 2010; Springer *et al.*, 2010 and 2012). Features of effective PRP systems include: involving teachers in the design (Murnane and Cohen, 1986); individual, clear goals (Inwood, 2014); attainable targets (Armstrong, 1993); for the system to be perceived as fair (Folger and Cropanzano, 2001; Levy and Williams, 2004; Murnane and Cohen, 1986; Neal 2011); and sufficient funds to be available to reward good practice (Marsden, 2015).

Research objectives

The study set out to identify what reforms schools were making, what influenced their decisions, and the perceived implications for staff and schools.

¹ These reforms were mandatory for LA maintained schools and voluntary for academies.

Terminology

The term 'pay award' is used to describe any uplift to the statutory minima and maxima of all pay ranges in the national pay framework, including allowances. The term 'pay progression' is used to describe increases in the salaries of individual teachers based on performance.

Methodology

The study comprised five strands of activity.

1. A literature review

The research included a rapid review of the research literature on PRP between 1985 and 2016 in England and other countries.

2. A headteacher survey

A computer assisted telephone interview (CATI) survey was completed by 900 headteachers in spring 2015. The sample included respondents from both primary and secondary schools within the LA maintained schools and academy sectors. This was followed by a short online survey of headteachers in spring 2016 to the same sample of responding schools.

3. A teacher survey

An online teacher survey was undertaken in spring 2015. This was sent to teachers in the same schools as the headteacher survey sample and 1,020 teachers responded. Further information about the sampling approach to both the headteacher and teacher surveys can be found in Appendix 1 of the full report (Sharp *et al.*, 2017).

4. Case studies in eight schools

In order to gather a more in-depth understanding of the reform implementation process, a series of school case studies were undertaken between October and November 2015, focussing on the experiences of eight schools. The visits were followed up by telephone interviews with seven of the eight headteachers in April 2016 to explore whether the reforms had become embedded. The case studies consisted of qualitative interviews with headteachers and other senior school leaders (such as deputy and assistant headteachers), teachers and governors. In total, 50 interviews were undertaken: eight with headteachers; eight with senior leaders; 28 with teachers; and six with governors.

5. Analysis of administrative data from the School Workforce Census (SWC).

Secondary analysis of School Workforce Census (SWC) data looked at changes to pay for the school workforce in the period 2010 to 2015. The findings are summarised here and can be found in detail in the full report (Sharp *et al.*, 2017). A full technical report has been published separately (Burgess *et al.*, 2017).

Key findings

Adoption of pay reforms

- The surveys with headteachers undertaken in spring 2015 revealed that almost all (99%) of LA maintained primary and secondary schools and a majority (62%) of academies had implemented pay reforms.
- The most common reforms to classroom teachers' pay were: to relate all progression to performance; to enable teachers to progress at different rates; and to abolish automatic pay progression on the main pay range.
- The most common reforms to school leaders' pay were: to base pay on school size, context and/or challenge; and that the changes would apply to future leadership appointments.
- The interviews with staff in case-study schools revealed that a number of changes had been introduced to schools' performance management processes. The main changes related to objective setting, evidence use, and progression pathways. Performance management processes were reported to be more transparent, robust and rigorous as a result.
- Most headteachers (84%) reported that their policies were similar to, or the same as, other schools in their local area. Case-study headteachers in this position said that they had adopted their LAs' policies primarily because they wanted their school's pay policy to be in line with other local schools.

Implementation of pay reforms

- The research literature (MET, 2013; Rockoff and Speroni, 2010) suggests that a combination of objective measures (such as test scores) and subjective measures (such as classroom observations) can be informative in identifying teacher effectiveness.
- The surveys with headteachers undertaken in spring 2015 as part of this research revealed that the most common types of evidence used by schools to assess teacher effectiveness were: pupil progress; classroom observation; teacher standards; measures linked to the school improvement plan; and pupil attainment. Most schools were using these measures prior to the introduction of the pay reforms.
- By contrast, fewer schools reported using the following three types of evidence to help assess teacher effectiveness: feedback from parents/carers; feedback from colleagues; or teachers' additional responsibilities.
- Most headteachers who had not revised their pay policies were in academies (who were not required to implement the reforms). The reasons given by headteachers who had not revised their pay policies, irrespective of whether they were in LA

maintained schools or academies, were: satisfaction with their current policies; concerns that revisions would lead to unfairness or have an adverse effect on recruitment; and a desire to keep their policies similar to those in neighbouring schools.

- The main challenges associated with the pay reforms, as reported by case-study interviewees, were: the additional staff time involved in collecting and reviewing evidence for performance reviews; the pressure on teachers to meet pupil outcome targets; and the challenge of applying a school's pay policy fairly in certain situations, such as job shares.

Teachers' views of pay reforms

- Research conducted before or soon after the introduction of pay reforms (Policy Exchange, 2013; O'Beirne and Pyle, 2014; Marsden, 2015) indicated that teachers in England had mixed views on the desirability of pay reforms.
- The teacher survey, conducted in spring 2015 as part of this study, provides further insights. It found that two thirds (66%) of teachers felt they understood their school's pay policy and about half (52%) felt they had received adequate training on the policy. However, less than a quarter (23%) felt they had had a meaningful opportunity to contribute to their school's pay policy before it was introduced.
- A majority of teachers had positive attitudes towards the implementation of their school's pay policy. Over half of respondents agreed that: it treated all staff equally without favouritism (60%); was clear and easy to understand (57%); and was applied consistently across all teachers (52%).
- Fewer teachers were convinced of the motivational nature of their school's pay policy. Just over a quarter (27%) agreed that it helped motivate underperforming teachers and 38% agreed that it helped their school to further motivate teachers who were already performing well. Only 34% agreed that it resulted in a fair allocation of pay for staff in the school.
- A majority of teachers (66%) thought that their school's current pay policy had added to their workload and 58% thought that it had made no difference to the way they worked.

Impact on recruitment and retention

Most headteachers felt that the pay reforms had not had an immediate impact on teacher recruitment and retention.

- At the time of the survey (spring 2015) a minority of headteachers (7%) said that the pay reforms had had an impact on teacher recruitment.
- A third of headteachers (33%) said that pay reforms had already had a positive impact on their ability to keep their existing teachers.

- Headteachers interviewed as part of the case-study visits to schools in 2016 felt it was too soon to tell whether the pay reforms would impact on teacher recruitment and retention.

National trends in pay of teachers and school leaders

Analysis of national data from the SWC investigated changes between 2010 and 2015.

- The average nominal base pay of teachers increased very slightly between 2010 and 2015. Once adjusted for inflation, this equates to a real terms decrease in base pay for teachers of around 2%. Over the same period the average base pay for leaders rose slightly, which equates to a real terms decrease of around 1%.
- The very small increase in nominal base pay for teachers across the period has been partly offset by a small decline in the prevalence of additional payments², from around 38% receiving an additional payment in 2013, to around 36% in 2015. The average nominal value for those who received an additional payment remained similar (although slightly lower than the nominal value before the reforms).
- Many schools, when they did increase teacher pay, were still awarding annual increases in line with the previous (now reference) spine points, though this practice varied across LA areas. The increased variation in annual pay awards around reference spine points suggests that at least some schools had moved away from using this benchmark.
- Teachers' salaries upon starting at a new school appear to have been affected by the removal of 'pay portability' as a statutory requirement³. There was an increase in the proportion of teachers moving schools to equivalent positions who received a lower nominal salary (from 5.5% between 2012 and 2013, to 8.9% between 2013 and 2014, and 7.4% between 2014 and 2015), although this only affected a small proportion of teachers.
- There was some evidence of increased flexibility in progression from the main to the upper pay range, with a greater proportion of those below the top of the main pay range progressing to the upper pay range following the reforms (2.7% between 2010 and 2011, compared with 7.8% between 2014 and 2015).
- There was no evidence from this analysis to support concerns that females or members of black and minority ethnic groups were disadvantaged by the pay

² Total additional pay is defined as the sum of four components of additional pay: Special Educational Needs (SEN) allowances, recruitment and retention allowances, teaching and learning responsibilities, and other. See Burgess *et al.* (2017) for further details.

³ The term 'pay portability' refers to the requirement for schools to match the spine point received at their previous school.

reforms. However, more in-depth research would be needed to conclusively state if this was the case.

Conclusion

Almost all LA maintained schools and a majority of academies have adopted PRP. The introduction of pay reforms appears to have gone smoothly, although many teachers report that the process of gathering and reviewing evidence has added to their workload. It appears that most schools have adopted similar reforms and there is some evidence of increased variance in annual teacher pay awards, in particular a move away from annual pay increases in line with reference spine points. This is likely to be affected by the period of pay restraint, which coincided with the pay reforms, as well as a desire by headteachers to adopt similar policies to those of neighbouring schools.

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