

## Summary of changes to the STPCD 2013 and ASCL guidance on developing a pay policy

- 1 In April 2013, the Department for Education (DfE) published the draft School Teachers' Pay and Conditions Document 2013 (STPCD). The DfE has also produced a toolkit, or guidance document, which includes a model pay policy with prompts for schools to consider. A copy of the STPCD and the guidance can be found on the DfE website [www.education.gov.uk/pay](http://www.education.gov.uk/pay)
  - 2 Following the initial publication of the draft STPCD, as of 1 May two revisions have already been made, the impact of which may be highly significant. The DfE guidance indicates it will be updated regularly, so it is important for school leaders and governors to check for further updates on a regular basis. ASCL will alert members to any changes.
  - 3 The 2013 STPCD includes some significant changes to previous documents so relevant bodies (the governing body in a school with delegated budgets) will need to revise their pay policies, and possibly their appraisal policies, to reflect the key changes associated with performance related pay progression for teachers. Relevant bodies will most likely also have to update their recruitment policies and procedures in the light of changes to their pay policy.
  - 4 ASCL broadly welcomed the proposals in the School Teachers' Review Body (STRB) report that forms the basis of the changes to teachers' pay in the draft STPCD. Most of the proposals in the report are reasonable in principle. However, the implementation of the proposals brings significant challenges to headteachers and governors, not least of which because of a very challenging timescale.
- Summary of changes to pay and conditions since STPCD 2012**
- 5 Removal of pay progression on length of service and 'automatic' annual increments. After September 2013 annual increments are awarded, all future pay progression is to be linked to performance, against the Teachers' Standards and appraisal objectives. This gives schools the option of increasing individual teachers' pay at different rates, based on their performance. Note that pay progression made in September 2013 will be based on the 2012 pay system of incremental pay.
  - 6 The removal of pay points and introduction of pay ranges, with pay levels to be determined at the discretion of each school for each of the groups of teachers:
    - unqualified teacher scale
    - qualified teacher main scale
    - upper pay scale
    - the new leading practitioner scale
  - 7 The removal from STPCD of Advanced Skills Teachers' (ASTs) and Excellent Teachers' designation, scales and assessment arrangements with effect from September 2013.
  - 8 The introduction, to be locally determined by the school, of a new pay range for Leading Practitioners whose primary purpose is to model and lead the improvement of teaching skills.
  - 9 The replacement, should the school wish, of the current threshold test for progression from the main to the upper pay range (UPR) with simpler school determined criteria.
  - 10 The removal, during the recruitment process, of any obligation on schools to match a teacher's existing salary either on the unqualified, main or the UPR. Therefore, employers have a greater freedom to determine starting salaries for teachers new to the school. In particular, post-threshold 'status' is not portable.
  - 11 The introduction of fixed-term teaching and learning responsibility allowances (at a level below TLR2) for short-term projects, to be known as TLR3.
  - 12 The removal of the three-year limit on recruitment and retention allowances.
  - 13 Currently there is no change to the existing teaching and learning responsibility (TLR) allowances or the leadership pay spine. These are subject to a new remit for the STRB to consider and report on in due course.
  - 14 The STRB is also due to report on a further remit regarding the one per cent uplift (the annual cost of living pay award). At this stage it is not clear whether schools will be given a choice on how to apply the

increase or whether it is made across the board for all pay scales. ASCL recommends that if schools have a choice then it should be applied to all existing pay points.

- 15** With reference to the revised STPCD the DfE states that:
- The revised arrangements provide increased flexibility to schools to develop pay policies that are tailored to their particular needs and circumstances.
  - Schools will need to review and revise their pay policies to reflect the changes and to clarify their approach to making pay decisions.
  - Schools are free to decide how best to implement the changes and develop their policies accordingly.
  - There is no single model approach that will suit all schools.
  - Changes may also need to be made to school appraisal policies to reflect closer links between performance and pay.

### What changes are essential to a school's pay policy?

- 16** While the DfE had included a model pay policy in its guidance, ASCL recognises that schools will already have pay policies in place. Because the key changes in the 2013 STPCD involve only the teachers' pay scales and the introduction of TLR3, there should be no need for schools to review pay arrangements for school leaders, teachers in receipt of existing teaching and learning responsibility payments (TLRs) and similar unless they choose to. It will therefore only be necessary to amend sections of the policy that apply to the pay and progression of teachers, plan to adopt the leading practitioner range, and if they are introducing them, how the school will use TLR3. Where recruitment and retention allowances are in use, schools will also need to decide whether to remove the time limit.

### Comments on the DfE model policy

- 17** Schools may find the DfE model policy helpful. However, governing bodies will need to have thought through the issues referred to in the guidance below in order to establish their approach to pay progression. For example, they will need a clear rationale about criteria for progression, whether to differentiate progression rates and their approaches to the movement of teachers to the UPR, all of which must be explicit in their policies.
- 18** It may be helpful to go through the following guidance to identify the school's position on the issues raised and to then write these positions into the appropriate section of the model policy.
- 19** The appendix to the policy gives some examples of different approaches the DfE believes could be used to link progression to performance. ASCL strongly recommends that schools avoid 'relative' approaches, as outlined in example two of the appendix. Ranking teachers' performance in the way alluded to here is unrealistic, unhelpful and inflammatory. Performance must be assessed in an evidence-based manner on absolute criteria, known to the teacher and appraiser at the beginning of the appraisal cycle.
- ### Revising the pay policy
- 20** The governing body is required to adopt a pay policy, including arrangements for appeals, for teachers employed at the school and make it available to all staff. The pay policy must set out the basis on which relevant bodies will determine pay and the date by which such determination will be made. In devising their pay policy, schools must comply with the statutory provisions. Schools should consult on their policies with staff and recognised trade unions.
- 21** Issues which the governors and/or the headteacher will wish to consider when constructing their own policies are discussed below.
- 22** **The STRB states that "systematic and transparent arrangements" will need to be made by senior leaders to link appraisal to pay progression recommendations. ASCL therefore suggests the following should be considered in schools.**
- a** Senior leaders are advised to begin communicating immediately with staff about the changes being brought about and continue to flag them up throughout the academic year 2013/14. A clear explanation needs to be given about the rationale underpinning the changes. Staff will need reassurance throughout the appraisal cycle about the professional manner in which the policy will be applied. School leaders will need to recognise that these changes are likely to impact most on younger teachers and those new to teaching. They should also be aware that unless it has been introduced by an academy, support staff do not yet receive pay progression based on performance.
  - b** The STRB recognised that schools will wish to move away from the current system of national pay and conditions at varying rates and believes that the recommendations it has put forward allow for that.

ASCL advises schools to change their systems at a manageable pace, keeping staff on board. Radical changes may well create radical problems. The teachers' unions may well promote the view that no changes are necessary, but this is not the case given the requirement in the STPCD for pay progression to be performance related. It is clear that the school's, and specifically the headteacher's, approach to pay progression will be scrutinised very closely during inspection, and that the status quo is not sufficient.

- c** The role of the Teachers' Standards in appraisal cannot be overemphasised. Although they are relatively new and unpractised, schools should have carried out an exercise to establish what it means to meet the standards in their school. ASCL issued guidance on the Teachers' Standards last year; in summary, our position is that the standards are 'absolute' and that teachers will either meet, exceed or not meet the standards.
- d** If progression becomes a function of meeting appraisal objectives and the Teachers' Standards, one way of differentiating progression might be as follows:
  - i** If a teacher exceeds the Teachers' Standards and their appraisal objectives – progression could be deemed to be 'enhanced'.
  - ii** If a teacher meets the standards and meets their objectives, progression could be deemed to be 'standard'. It is the expectation of the STRB that most teachers should be able to progress in this way. ASCL believes that this principle is essential for the credibility of the system as it becomes embedded, as well as for the morale, recruitment and retention of teachers.
  - iii** If the performance of a teacher does not fully meet the standards and/or objectives, progression could be 'reduced'.
  - iv** If the performance of a teacher falls some way short of standards and/or objectives, the recommendation should make clear that there is no pay progression, but without implying the need for capability procedures. ASCL's view is that this is the key minimum new step a school needs to introduce in its pay policy.
  - v** If the performance of a teacher falls short of acceptable professional standards and objectives are not met then the school should be initiating capability procedures.
  - vi** It should also be noted that appraisal should holistically cover the performance of a teacher in that year which means that reference can also be made in appraisal as to how the teacher has performed against their job description. This will be particularly relevant in the appraisal of those holding TLR allowances.
- e** School leaders should make explicit to all staff the range of information that will be used to inform decisions about pay progression. This may be drawn from sources such as lesson observations, work scrutiny, performance data and student feedback. Schools are advised to draw up a timetable for teachers' assessment and be clear at the outset about the types of evidence on which judgements will be based. All decisions must be properly documented.
- f** All teaching staff, and appraisers in particular, should be trained to have a common interpretation of the Teachers' Standards in the school, in setting meaningful objectives and in analysing the overall performance of a teacher. Having a common frame of reference for the Teachers' Standards is an essential prerequisite for appraisal.
- g** Performance objectives will need to be carefully considered and should be set to draw out the best from individuals and teams.
- h** Appraisers should ensure that at the monitoring and mid-year review stages, appraisees are reminded of what is being judged and what evidence is being looked at/considered to inform judgements. The place of the mid-year review will become much more significant; any risk to progression arising from performance must be signalled early.
- i** Appraisers must make a clear statement recommending pay progression, based on the school's chosen system, as an outcome of the appraisal process that includes reference to the teacher meeting or not meeting standards and objectives.
- j** Heads/senior leaders will need to moderate both the objectives set and the evidence that is being considered, as well as the pay recommendations being made to ensure that they comply with the school's policies and display consistency.
- k** Heads should ultimately use their professional judgement (using suitable evidence) to make a pay recommendation to governors.

**23 Governing bodies are expected to assure themselves that the appraisal and pay progression arrangements are robust and applied consistently.**

- a** The head and senior leaders should be engaged in a dialogue with governors regarding the changes in the STPCD and in the development of revised pay and appraisal policies. These discussions should be recorded in minutes of meetings. It is imperative that the school pay policy is secure and meets the statutory expectations.
- b** In anticipation of new demands, governing bodies should ensure their committee structure is fit for purpose and ensure members are trained on the procedures. Schools will need to consult their HR providers and be confident that they are clear about the requirements of the STPCD and employment law.
- c** The governing body should become familiar with the criteria that distinguish different types of progression and be aware of the sensibilities involved as a new approach to pay progression emerges.
- d** Members of the governors' staffing (or similar) committee should satisfy themselves that the school's process of moderation of appraisal objectives is carried out fairly. As a minimum, they should examine anonymised examples to scrutinise the differences for staff at different levels of responsibility.
- e** The governors' staffing (or similar) committee should also monitor the recommendations for pay progression, perhaps through a process of sampling, for staff at different levels of responsibility. This may be delegated to one or two governors and it is important that a clear division be made between governors involved in this type of monitoring exercise and those who may subsequently be involved in pay appeals. To avoid tainting, those governors hearing appeals cannot be the same governors who were involved in sampling or agreeing/setting the initial pay progression decisions.
- f** Governors should be made aware of the summary of progression arrangements for any one year, and be clear that this is correlated to the quality of teaching in the school. They should also examine whether the arrangements are unbiased and do not favour particular categories of teachers.
- g** Governors will require training on the changes to the STPCD and on any pay progression appeals process; ASCL would recommend that it is provided by an independent provider.

**24 The key issues that emerge from abolishing the mandatory pay points.**

- a** The concept of pay progression based almost entirely on length of service, rather than explicitly linked to performance, is difficult to justify with the general public. Currently, the movement from one point to the next, on the main pay spine, represents an increase of around 7.5 per cent each year. Such an increment is high relative to pay more generally and, in particular, under the present economic circumstances. However, the system has not arisen by chance. It is attractive as a model for young teachers who know they can progress relatively quickly and reflects the fact that teachers learn their craft over a period of time.
- b** The new flexibilities must not be seen as a way for schools to suppress the wage bill, but neither must it become inflationary. Teachers entitled to progress should do so; budgetary constraints used as a reason to prevent progression will quickly undermine the credibility of this system. However, it remains very challenging to identify and attribute the performance of pupils to any one teacher.
- c** Schools will need to set their pay structures within the minima and maxima for the four teachers' pay ranges. In doing so, schools will need to choose an appropriate model. They may decide, for example, to recreate the existing system (that is, recreate M1 to M6, U1 to U3 etc.). They may decide to adjust it by, for example, adding half points, or to use a different methodology altogether, such as a percentage uplift to describe progression. Whatever system is adopted, there should be a very clear rationale, agreed by governors, and explained to teachers. The most important point for schools to consider is that pay progression matches performance appropriately but also remains affordable over time.
- d** Schools' pay policies will need to be explicit about the criteria and process of application to progress onto and through the UPR.
- e** The budgetary planning instability that this process introduces is potentially problematic. How will a school manage if performance progress payments exceed the available budget? The previous system, inflexible as it was, provided a high degree of predictability.

**25 What will appraisal objectives need to look like in 2013 in order to reflect these changes?**

- a** In addition to objectives needing to be SMART (specific, measurable, achievable, realistic, and time-limited), appraisers and teachers may wish to consider

that objectives could now be differentiated to allow for performance at different levels. Given that the outcomes from the objectives set also need to have impact, one might perhaps think of SMARTID (SMART + impact + differentiated) objectives. If so, objectives could be set where differentiation is by 'task', that is with built-in levels of progression related to performance; or by 'outcome', where performance against an objective is evaluated after the event.

- b** Senior leaders will need to provide careful moderation of objectives and assess their relative challenge and rigour, because it will be difficult to achieve complete parity across appraisers. Not quite meeting a very challenging objective is better than meeting an undemanding one.
  - c** There may be some merit in assigning different weights to a teacher's performance objectives from the point of view of considering pay progression, with pupil progress objectives carrying most weight.
  - d** Managers should be aware of perverse incentives as objectives ultimately linked to pay will be likely to drive behaviours more firmly than ever before. The Teachers' Standards will be a useful reference point to help ensure that teachers continue to make a wider contribution, rather than adopt a narrow focus.
- 26 What are the key issues related to local, non-transferable decisions on access to the UPR and how might the process be organised in schools and/or localities?**
- a** Some teachers will welcome non-portability as an advantage. Short-term and supply teachers often find that threshold status can price them out of the market. In other cases, tax thresholds and other benefits may make a lower salary a better option.
  - b** With reference to progression to and on the UPR, schools should define, in their own pay policies, what 'highly competent' and 'substantial and sustained' looks like in practice. The policy should also outline what the process for application in the school will be, who would consider the application and what criteria would be used to make judgements on.
  - c** There could be a case for schools to work together in their most appropriate groupings to agree a protocol on UPR portability. For example, evidence of performance in one school in the cluster may enable a teacher to move directly to the upper range in a different school in the cluster. This approach may require a common understanding of how access to the UPR may be achieved.
  - d** Schools will wish to reflect on their recruitment policy and processes: how advertisements are phrased for example, and what approach they will take when agreeing the salary of a new teacher. They may wish to consider whether offering a post on the day of interview remains appropriate. Practically, schools will no doubt offer to match UPR status when appropriate in order to recruit able staff.
  - e** Schools are, of course, free to use their existing procedures for progression on to the UPR or indeed apply higher standards if they wish.
- 27 Potential implications for funding differentiated progression.**
- a** Given the present fiscal climate and fixed or contracting budgets, the implication of paying teacher A more for enhanced performance progression could potentially mean teacher B's progression is held back by the same amount. There is no additional funding to implement this concept of pay progression.
  - b** ASCL has consistently argued that it is not the right time to introduce changes of this nature since the lack of funding could lead to undermining the credibility of such an approach.
  - c** It is possible to set aside a fixed sum in the budget for the purposes of pay progression and uplift teachers' pay, depending on the level of performance, by a certain percentage. ASCL does not necessarily recommend this approach but it may be one of the ways of budgeting more realistically from one year to the next. Schools may wish to introduce budgetary modelling based on high and low total levels of progression and hence estimate a range of possible future salary costs.
- 28 What might be the implications of your policy?**
- a** None of the unions and professional associations asked for the levels of deregulation of pay on the main or upper pay scales that have emerged in the STPCD. Teachers' unions will clearly be concerned about protecting their members' interests, as will ASCL. They will rightly wish to ensure that their members can be assured that schools' policies are fair, legal and reasonable.
  - b** For these arrangements to work fairly and deliver the benefits to schools and learners for whom they are intended, the responsibility on governing bodies, senior leaders and middle managers is significant.
  - c** Comprehensive training will be necessary for senior and middle leaders in areas such as objective setting,

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moderation, providing clarity on expected outcomes and the use of evidence to support judgements.

### Timescales and implementation

- 29** A new pay policy reflecting the changes in the STPCD 2013 needs to be in place in September 2013. Although decisions about levels of progression will not be taken until September 2014, it is essential that teachers know in advance of this date how their performance will be judged and rewarded.
- 30** The school's appraisal policy may need to be reviewed to reflect the changes in their pay policy and this should also be in place for September 2013. ASCL has previously issued guidance to schools regarding their appraisal policy that can be referred to in conjunction with this guidance paper.
- 31** In September 2013, all teachers, who are entitled to pay progression under the terms of the STPCD 2012, should progress in the manner as they did previously.
- 32** Advanced Skills Teacher (AST) and Excellent Teacher (ET) posts cease to exist with effect from 1 September 2013. Schools must have a plan to deal with teachers in these categories. ASCL's view is that these posts technically become redundant. In fulfilling the requirement of employers to find suitable alternative employment, schools will be able to move these teachers directly to the leading practitioner range without the burden of advertising. If a school does not see the need to maintain such posts, but still wishes to keep the teacher in a conventional role, then ASTs and ETs must move to the UPR and their salaries must be safeguarded for three years. Alternatively, schools may wish to consider moving ASTs and ETs to the leadership group.

### Other points to consider

- 33** ASCL strongly recommends that, within schools, consultation takes place in an appropriate way on the new pay and amended appraisal policies.
- 34** The impact of the pay policy should be monitored and evaluated on a regular basis.
- 35** The pay policy should make clear how pay will be determined when teachers are absent for any reason, for example, maternity or long-term sick leave.
- 36** The school's pay policy should clearly set out the appeal process should there be a challenge to the decision of the pay committee of the governing body.
- 37** It is good practice to be clear about the level of confidentiality with respect to appraisal and how that will be maintained. Governing bodies may wish to include a statement about this, perhaps as an appendix to their policy.
- 38** Schools are reminded that the policies on pay, appraisal and recruitment need to comply with the equalities and employment legislation.
- 39** Headteachers are reminded that the Ofsted handbook makes clear that there should be a strong link between salary progression and the quality of teaching and this will form part of the judgement on the quality of leadership and management. In the subsidiary guidance, inspectors are asked to look at patterns of progression through different salary scale points and the quality of teaching to determine correlation.
- 40** Governors will need to consider budgetary implications of the pay decisions and consider their spending plans.