

# SecEd

## Guide to...

# Performance-related pay progression

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- Advice for schools leaders and governors on how to implement performance-related pay
- What should be in your revised pay policies?
- A case study looking at how performance-pay operates in the private school sector
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- Expert advice, analysis and commentary

In association with

**ASCL** Association  
of School and  
College Leaders

# GUIDE TO...

## Changes in teachers' pay

In December 2012, chancellor George Osborne announced plans to link teachers' pay to performance, by scrapping national pay bargaining and bringing an end to annual increments.

The announcement came in response to a scheme put forward by the School Teachers' Review Body (STRB). Mr Osborne said in his autumn statement that the move would allow "greater freedom to individual schools to set pay in line with performance".

based around the activities in the person's job description).

- Abolition of mandatory pay points within the pay scales for classroom teachers to enable individual pay decisions.
- Replacement of the threshold test for progression from main to upper pay scale, with simple criteria based on one set of standards to enable a consistent progress path.
- Greater discretion for schools in the use of

There is no right or wrong way to implement these changes because these are uncharted waters. But there is no time to lose. Policies relating to how schools plan to introduce performance-related pay progression across the board need to be in place by September 2013

Michael Gove, the education secretary, added that it would "make teaching a more attractive career and a more rewarding job", while Dame Patricia Hodgson, chair of the STRB, said she believes their recommendations would "help schools to recruit, retain and reward the best teachers".

In its 21st report, published last December, the STRB proposed:

- Greater autonomy for schools to set teachers' pay within a broad national framework.
- Recognised career stages for teachers alongside increased accountability for high professional standards and contribution to pupil progress.
- The replacement of increments based on length of service by differentiated progress to reward excellence and performance improvement.
- Pay progression linked to annual appraisal against a single set of teacher standards and individual objectives (although it should be noted that appraisal is holistic and therefore also

allowances, including fixed-term allowances of up to £2,500 for time-limited projects.

- A simplified School Teachers' Pay and Conditions Document (STPCD).

The Department for Education accepted the STRB's recommendations and published a draft STPCD 2013 in April, together with advice for schools on how to review and revise their approaches to teachers' pay.

### What are the main changes?

The main change will be the removal of automatic increments on the classroom teachers' pay scale, with pay increases instead to be linked to appraisal and performance against the Teachers' Standards. This means that teachers' pay will progress based on what they achieve, rather than their length of service. It could mean no pay progression for some.

The current "Threshold Test" for those moving from the main pay framework to the upper

pay scale will be simplified, and based on the Teachers' Standards (without reference to any higher standards previously in use) and individual performance rather than experience.

The status of Advanced Skills Teacher and Excellent Teacher will be scrapped and replaced with "Leading Practitioner" status, with salaries above the upper pay range. However, there will be no requirement for schools to match salaries or range as teachers move jobs.

Headteachers will have new powers to award fixed-term allowances of up to £2,500 a year (TLR 3s) for time-limited whole-school projects which do not need to carry line management responsibility within the staffing structure. Previously it has been against the rules to make such payments.

Pay points will remain in place for reference for governors and to guide teachers' career expectations.

### How should headteachers and governors implement the changes?

The implementation of the revised STPCD is likely to be one of the most challenging tasks carried out by headteachers and governing bodies in the next few months. There is no right or wrong way to implement these changes because these are uncharted waters. But there is no time to lose. Policies relating to how schools plan to introduce performance-related pay progression across the board need to be in place by September 2013 in readiness for full implementation a year later. Although the pay awards will not be made until 2014, it is essential that teachers know in advance what they need to aim for.

The development of a school-wide policy linking progression to performance is a matter jointly for the senior leadership team and governors, who must be made aware of the changes.

Every school will have to decide for itself what criteria to set for progression. This will not be easy, said Duncan Baldwin, ASCL's deputy policy director: "The STPCD uses the word 'good' to describe the performance needed to secure progression but does not define it, so it will be for schools to decide what this performance needs to look like. It is the government's view that schools are best placed to make these decisions."

In order for these reforms to succeed, staff consultation is vital explained Mr Baldwin: "Our advice to heads would be, as far as possible, to take the staff with you. Staff will naturally be nervous about these proposals, and it is imperative that across the profession the message that teaching is a profession where you can progress comes through loud and clear."

**It will be essential that the objectives set in the next round of appraisals are carefully thought through and are moderated for challenge if this system is to be credible**

The STRB believes that its report enables schools to move as slowly as they need to in order to achieve the most appropriate policy. "The more radical the proposals the more radical the problems and responses are likely to be," Mr Baldwin added.

One particularly difficult aspect for heads and governors in setting criteria for performance will be 'unpicking' individual performance in a job where success is linked to a combined team effort. Experience in Sweden, for example, shows that because it was so difficult to implement, headteachers ended up rewarding aspects such as loyalty and effort.

Mr Baldwin continued: "It will come down to appraisers being very thoughtful and clear when setting objectives for individual classes and being mindful of each class and their potential progress, and this is very challenging.

"One of the positives is that it will help our middle leaders to develop their abilities. Getting the best out of individuals through the judicious use of performance management and the setting of objectives is a powerful leadership skill – middle leaders will need support and high-quality CPD as they begin to work in this way.

"Even if schools have a very rigorous programme of moderation for objectives, it will be essential

that the objectives set in the next round of appraisals are carefully thought through and are moderated for challenge if this system is to be credible.”

Another problem to overcome is that not all teachers teach GCSE or A level classes so it will be difficult to have a clear idea of what progress is being made when there is little to measure against, especially as national curriculum levels are also being scrapped. End-of-year examinations in individual subjects may increase in significance if they are also used to assess individual teacher performance, and as these are often marked by the teacher themselves, some form of moderation of marking may have to be introduced to ensure consistency and integrity.

Mr Baldwin said: “There needs to be transparency and rigour across every level of the process in determining how performance will be rewarded. Schools have always found ways to do this and will do so again, but it will be up to them how they do this.”

Headteachers can ease the process of determining these policies and criteria by drawing on the expertise of their governing bodies.

For governors who run their own company, determining levels of reward based on individual targets and objectives may be second nature and they can bring valuable expertise to the role.

“Governing bodies need to ensure they have appropriate structures in place because they have never needed to play such a major role in determining teachers’ pay before,” Mr Baldwin added. “They also need to review and resource procedures for dealing with appeals because, with such a major change, there is likely to be an increasing number of appeals. It is important to convene a group of governors who are not part of the decision-making process about pay progression who can hear appeals and therefore remain impartial.”

Training in human resources issues will be vital, especially for middle leaders and governors, who will be under the greatest pressure from the new procedures. ASCL is concerned that not all commercial training is of high enough quality and relevance, and is taking steps towards supporting schools with the changes.

Where appropriate, schools could work collectively to draw up criteria for performance-related pay policies. Since threshold status will no longer be transferable across schools, local groups or clusters could decide, for example, to honour the status of staff already on the upper pay spine when they move jobs from one school to another within the locality.

## There needs to be transparency and rigour across every level of the process in determining how performance will be rewarded

### What other implications are there?

One of the likely implications of changes to teachers’ pay structures is the impact on teacher recruitment processes. Mr Baldwin said: “It will not just be a question of who gets the job, but who gets it and how much will you have to pay – and how will you arrive at their salary?”

“The government believes these changes are designed to help schools overcome difficulties that they experience locally. It gives schools freedoms to pay more when they need to in order to attract the right staff, and move the best teachers faster through the system if they feel this is warranted.

“It may entail reviewing the normal practice of offering a job on the same day as an interview, to allow a discussion over appropriate remuneration. This is another area where governors’ experience might be helpful.”

Elsewhere, ASCL has welcomed new powers to award fixed-term allowances for specific whole-school projects. Mr Baldwin said: “This opens the door for encouraging potential leaders of the future by enabling governors to reward them for displaying leadership skills in short-term projects. In the past, heads have not had any mechanism to reward such activities. Some schools may decide not to use these fixed-term allowances, but we are hopeful it will be another way to help encourage developing leaders.”

# Managing the change

## Case study: The Abbey School

Combining an element of performance-related pay with the state pay structure gives Barbara Stanley an element of flexibility when it comes to rewarding her staff.

The head of The Abbey School, an independent school in Berkshire, uses existing M1 to M6, upper pay spine and leadership scales in determining about 90 per cent of staff pay. The rest is calculated from each staff member's contribution to school life.

As such, it is conceivable that heads of department at The Abbey School are paid less than the staff they lead. It has also given Ms Stanley some discretion in negotiating salaries when appointing new staff. "If I interview an applicant who has come from another independent school but outside the national pay system, then it helps me to decide what pay level to put them on," she said.

It means, Ms Stanley added, that if she has an exceptional mature entrant she can progress them based on their performance more quickly than she might do with a younger teacher and reward them for previous experience.

As with the appraisal processes in most state schools, staff are required to carry out a self-review of their progress and contribution to school life every year. Ms Stanley continued: "This gives each teacher the opportunity to reflect on the past year, what they have achieved and what they have personally contributed."

It also gives the teachers recorded information to refer back to, which lets them demonstrate what they have done should questions arise over their work. "At the same time, it helps us to keep track of all of their activities," Ms Stanley added.

Ms Stanley sympathises with state schools having to draw up criteria for teacher performance in an environment where so many factors can influence academic outcomes.

"I suspect that for the next few years, heads and governors will continue to use the existing pay structures as guidance, until they get to grips with

how they are going to measure performance and they feel more comfortable with this.

"You cannot use raw results, especially in schools like ours where we often put the best teachers with the lowest performing groups. In drafting criteria for performance you would have no option but to consider the value-added contribution a teacher is making to pupils' success."

Ms Stanley suggests using tools such as Cognitive Ability Tests as a basis, although state schools will be able to glean plenty of data from RAISEonline.

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"One of the big problems I can foresee is for line-managers having to incorporate pay elements into their appraisals of staff and yet still working with those same people side-by-side every day; sitting next to them in the staffroom, delivering the same syllabus, and perhaps even using classroom resources they have developed.

"This is going to be difficult to begin with, possibly with some union intervention where disputes arise, but I think it will get better as everyone gets used to the changing ethos."

Ms Stanley also advises schools to implement the changes slowly. "Any radical changes are going to destabilise the staff and lead to loss of morale. It should be done in small building blocks."

# Preparing pay policies



**Brian Lightman**  
General secretary, ASCL

The amount of change that is going on in the education system coupled with the financial constraints on school budgets may well make it the wrong time to implement such major changes in the pay and conditions structure.

However, now that we have some detail of the proposals – though this is still subject to continuing amendment by the Department for Education – heads and governors need to be thinking about how they plan to introduce this given that the procedures must be in place by the autumn, ready for full implementation in September 2014.

We are doing everything we can to ensure that our members are as well-briefed and well-prepared as they can be. It is clear that a great deal of preparation, planning and training of staff and governors will be needed in the coming months to enable these performance-related pay structures to be implemented properly.

We believe that it is good practice to evaluate, review and adjust pay structures and procedures, but we do not want to see an end to a national pay and conditions system. We see no need to unravel the existing structure and remove the points between the bottom and top of the pay ranges.

Nor do we object to performance-related pay progression per se – after all, school leaders are used to this as they have had it on the upper pay and leadership scales for years.

However, to introduce it across the board is a step-change, particularly for governors. So we have to make sure it is properly planned and implemented. Without this there is a serious risk that it will be open to challenge.

Performance-related pay progression is not about improving exam results, and research shows that there is no direct correlation between pay and improving student outcomes.

There are very valid reasons for having it, such as motivating teachers and discouraging poor performance. But I do not believe, as the government does, that introducing performance-related pay in itself will raise standards. The way to do this, alongside a climate of excellent employee relations, is to provide high-quality training for teachers, in the form of CPD, mentoring and coaching, and making sure their work is properly resourced in the classroom.

I am concerned about what these changes, at this time, will do for morale and motivation, because in a time of reducing funding, to pay some people more you have to pay some people less. There is an intrinsic unfairness about this, in particular in areas where education is less well funded than others.

Some schools may now find it harder to attract the excellent teachers they need because they won't be able to offer the salaries that will be available in other schools – and that will do nothing to improve social mobility."

What we need is a highly motivated, well-trained workforce, and to be able to recruit and retain the very best people. We will be advising members not to rush into changes but to consult carefully and we are doing everything we can to help and support our members to avoid any of the potential pitfalls in the introduction of these changes.

## Resources and further information

- The government guidance for schools and the draft School Teachers' Pay and Conditions Document are at [www.education.gov.uk/schools/careers/payandpensions/a00203870/strb-remit-21st-report](http://www.education.gov.uk/schools/careers/payandpensions/a00203870/strb-remit-21st-report)

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