

Schools' spending

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Introduction

This paper will examine teacher pay over the past few years. It will also analyse school expenditure in order to see exactly where money is spent. It will also consider potential areas of savings by schools which could be used to help with the funding issues and to ensure that children receive an outstanding education.

Teacher pay

Despite claims from teachers' unions of poor pay and salary cuts, the evidence tells a different story. On average, a teacher earns £38,400 a year.¹ This is considerably higher than the UK average.²

Table 1: salary ranges for teachers in England and Wales³

	England & Wales (excluding London & fringes)	Inner London	Outer London	London fringe
Headteachers				
<i>Max</i>	£109,366	£116,738	£112,460	£110,448
<i>Min</i>	£44,544	£51,991	£47,667	£45,633
Leading practitioners				
<i>Max</i>	£59,857	£67,305	£62,985	£60,945
<i>Min</i>	£39,374	£46,814	£42,498	£40,458
Upper pay ranges				
<i>Max</i>	£38,633	£47,298	£42,498	£39,725
<i>Min</i>	£35,927	£43,616	£39,519	£37,017
Main pay ranges				
<i>Max</i>	£33,824	£39,006	£37,645	£34,934
<i>Min</i>	£22,917	£28,660	£26,662	£24,018
Unqualified teachers				
<i>Max</i>	£26,295	£30,573	£29,422	£27,384
<i>Min</i>	£16,626	£20,909	£19,749	£17,718

The above table demonstrates that not only is the average salary of a teacher higher than that of the average worker in the UK, there is also the opportunity for progression in regards to pay. For example, a leading practitioner can earn up to £67,305 each year. A leading practitioner is defined as a qualified teacher in a post where their primary purpose is to model and lead improvement of teaching skills.⁴ As for headteachers, many are on six figure salaries. Both of these levels of remuneration are considerably higher than what the average person earns.

¹ Department for Education, *Analysis of school and teacher level factors relating to teacher supply*, September 2017.

² ONS, *Annual Survey of Hours and Earnings: 2017 provisional and 2016 revised results*, October 2017.

³ Department for Education, *School teachers' pay and conditions document 2017 and guidance on school teachers' pay and conditions*, 2017.

⁴ NAHT, *Leading practitioners responsibilities and pay range*, 2018.

It is often claimed that teacher pay has been cut, or that it is not increasing. However, data from the Department for Education reveals that the average gross pay for a teacher in 2015-16 was £37,800 and in 2016-17 it was £38,400. This is a rise of 1.6 per cent.⁵

Table 2: change in teacher pay, 2015-16 to 2016-17⁶

	2015-16	2016-17
Average gross pay	£37,800	£38,400
Rise in average gross pay on previous year	£500	£600
Rise as a percentage of gross pay in previous year	1.2%	1.6%

Although this is a modest rise, it is still a rise. It is also worth remembering that public sector pay grew faster than private sector pay in the aftermath of the recession and remains, on average, higher than private sector pay.⁷ Therefore, the cost of increasing the salary of teachers would be borne by taxpayers in the private sector.

Although the above table does demonstrate that the average salary for teachers increased between 2015-16 and 2016-17, it does not give the complete picture. This is because it fails to take into consideration the progression effect. Each teacher is on a pay scale with various points. As a teacher moves up the scale onto a higher point, their salary increases.⁸ All eligible teachers in England and Wales are entitled to progress to the next point on the pay scale each year, subject to their annual performance appraisal.⁹ Between 2014-15 and 2015-16, there was a rise of 3.9 per cent and between 2015-16 and 2016-17 there was an increase of 4.6 per cent.

Table 3: pay changes due to progression effect¹⁰

	2014-15	2015-16	2016-17
Average gross pay of teachers in consecutive service in 2015-16	£37,400	£39,000	N/A
Average gross pay of teachers in consecutive service in 2016-17	N/A	£37,800	£39,600
Rise in gross pay of teachers in consecutive service	N/A	£1,500	£1,800
Rise as a percentage of gross pay	N/A	3.9%	4.6%

⁵ Department for Education, *Analysis of school and teacher level factors relating to teacher supply*, September 2017.

⁶ Department for Education, *Analysis of school and teacher level factors relating to teacher supply*, September 2017.

⁷ Cribb, J., 'Public sector pay: still time for restraint?', *IFS*, September 2017.

⁸ Department for Education, *Teachers' pay common issues*, 2018.

⁹ National Education Union, *Pay progression*, November 2016.

¹⁰ Department for Education, *Analysis of school and teacher level factors relating to teacher supply*, September 2017.

4.6 per cent is a very generous salary increase. The average regular pay (excluding bonuses) for all UK employees rose 2.1 per cent in nominal terms in the period January to March 2017. Adjusted for inflation, this is an increase of 0.2 per cent compared with a year earlier.¹¹

What is the money being spent on?

As table 4 overleaf illustrates, the overwhelming amount of money spent by schools is on staff costs. The biggest item of expenditure of schools in England was teaching staff costs, with schools spending an average of £783,326 last year. This is more than 11 times the amount spent on learning resources for children.¹²

This is significant for a number of reasons. It highlights the fact that pay for salary is the biggest item of expenditure for schools in England. It also reveals just how much more is being spent by schools on teaching staff costs than on educational resources for children.

The second largest item of expenditure is education support staff. Schools in England spent on average £298,599 last year. This is more than four times the amount spent on learning resources for children and almost 15 times the amount spent on ICT learning resources.¹³

That schools are spending far more money on education support staff such as teaching assistants, rather than on educational resources for children, is worrying. This is because there is scant evidence to support the claim that teaching assistants make a positive difference to the educational attainment of children, apart from where the teaching assistant is there to support a child with special educational needs.

For example, a study published in the *British Educational Research Journal* found that there was no evidence that the presence of teaching assistants had a measurable effect on pupil attainment.¹⁴ Reviews of the academic literature on the topic by Farrell *et al.*,¹⁵ and Blatchford *et al.* reached similar conclusions.¹⁶ A study conducted by the Sutton Trust and the University of Durham also found no impact on attainment levels.¹⁷

The second largest area of expenditure for schools in England is on something which research suggests is ineffective at improving educational outcomes for the vast majority of pupils.

The third largest item of expenditure is on administrative and clerical staff. Schools in England, therefore, spent on average £86,825 on staff who have limited contact with children.¹⁸ This is money which could have been spent on educational resources for pupils.

There is also a large amount of money being spent on catering and administrative supplies. For example, schools in England on average spent £59,621 on catering supplies and £18,668 on administrative supplies last year.¹⁹

¹¹ ONS, *UK labour market: May 2017*, May 2017.

¹² HM Government, *Schools financial benchmarking*, 2018.

¹³ *Ibid.*

¹⁴ Blatchford, P., Russell, A., Bassett, P., Brown, P., & Martin, C., 'The role and effects of teaching assistants in English primary schools (Years 4 to 6) 2000-2003. Results from the Class Size and Pupil – Adult Ratios (CSPAR) KS2 Project', *British Educational Research Journal*, Vol. 22, February 2007.

¹⁵ Farrell, P., Alborz, A., Howes, A., & Pearson, D., 'The impact of teaching assistants on improving pupils' academic achievement in mainstream schools: a review of the literature', *Educational Review*, Vol. 62, 2010.

¹⁶ Blatchford, P., Russell, A., Webster, R., *Reassessing the Impact of Teaching Assistants: How research challenges practice and policy*, (London: Routledge, 2011).

¹⁷ Higgins, S., Kokotsaki, D., & Coe, R., *Toolkit of Strategies to Improve Learning*, May 2011.

¹⁸ HM Government, *Schools financial benchmarking*, 2018.

¹⁹ *Ibid.*

It is therefore clear that schools in England are spending vast amounts of money on staff costs and other items of expenditure. Although some of this is essential, questions should be asked whether the vast majority of it is essential and represents good value for money, especially when one considers that this money could be spent on educational resources for pupils.

Table 4: average school expenditure in England²⁰

Item of expenditure	Average amount spent (£)
Teaching staff	783,326
Education support staff	298,599
Administrative & clerical staff	86,825
Learning resources (not ICT equipment)	67,544
Catering supplies	59,621
Bought in professional services - other	36,995
Premises staff	36,246
Bought in professional services - curriculum	34,810
Building maintenance & improvement	33,531
Agency supply teaching staff	32,787
Cost of other staff	32,351
Energy	20,191
ICT learning resources	19,937
Rates	19,178
Administrative supplies	18,668
Cleaning & caretaking	18,386
Supply teaching staff	11,563
Other occupation costs	11,472
Development & training	10,401
Other insurance premiums	9,296
Indirect employee expenses	9,273
Supply teacher insurance	8,555
Special facilities	8,393
Catering staff	7,297
Exam fees	5,900
Water & sewage	5,447
Staff related insurance	3,112

²⁰ Ibid.

What should be done?

In 2017 the Department for Education concluded that more than a quarter of England's state schools were spending more than they needed to across a range of areas, from teaching staff to ICT. The Department also highlighted several ways in which it could achieve £3 billion of savings. It proposed the following:

- Schools collectively cutting their budgets for teacher pay by more than £500 million;
- A £400 million cut from the education support staff bill;
- A further £750 million saving from supply staff, premises staff, back office staff, catering staff, staff training, and staff-related insurance; and
- £1.3 billion in non-staff savings such as premises, back office, energy, and consultancy costs.²¹

There is much to commend about the above proposals. Although we are not calling for teacher pay to be cut, our analysis in this paper shows that teachers have been enjoying a pay rise and so there is no need to increase their salary further at this point in time.

As there is scant evidence that teaching assistants improve the educational outcomes for the vast majority of students, a considerable amount of money should be cut from the education support staff bill. However, as there is evidence which suggests that teaching assistants do have a positive impact on pupils with special educational needs, some of the money should be reallocated to this area.

Given that the priority of schools should be ensuring that children receive the best possible education, spending on items which increase attainment should be the main focus. As such, savings should be found in clerical and administrative staff costs.

Schools should also conduct a review of their procurement practices. As discussed above, schools are spending a lot of money on catering and administrative supplies. Issues have been raised previously over procurement by schools,²² and the public sector in general has a poor track record when it comes to procurement.²³ As such, schools should ensure that they are not paying over the odds for their supplies.

There is a great deal of wasteful spending by schools in England. This is money which should be spent on educational resources for pupils.

Schools in England should conduct thorough reviews into their spending. They should ensure that they use their limited resources in the most cost effective manner, so money is spent on resources which help children to get an outstanding education.

To finish with a quote, Sir Peter Lampl, chairman of the Sutton Trust, said: "The key to improving the attainment of disadvantaged pupils is not necessarily how much money is spent in schools, but how much is spent on what is proven to work in the classroom".²⁴

²¹ Santry, C., 'Exclusive: DfE believes more than a quarter of schools spend too much money', *TES*, 11 May 2017.

²² Perry, C., *Procurement in education: summary paper*, January 2012.

²³ Zeber, J., 'Reforming Public Procurement', *TaxPayers' Alliance*, August 2017.

²⁴ Paton, G., 'Teaching assistant fail to improve school results', 26 May 2011.

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