

A mid-term report

A first stage review of the cost and implementation of the teachers' agreement *A Teaching Profession for the 21st Century*

Key messages / Prepared for the Auditor General for Scotland and Accounts Commission

May 2006



Key messages

Introduction

1. This study examines the implementation of *A Teaching Profession for the 21st Century* (the Agreement). This was the tripartite agreement reached in 2001 between the Scottish Executive, the Convention of Scottish Local Authorities (COSLA) and teacher organisations following publication of the Committee of Inquiry into Professional Conditions of Service for Teachers report in 2000 (commonly known as the McCrone report).

2. The Agreement set out a number of major changes to how education services would be delivered in the future. These included an across-the-board 23 per cent pay increase for all teachers, a new, simplified career and salary structure, the creation of a new status of chartered teacher and a greater emphasis on Continuing Professional Development (CPD) for all teachers.

3. Our study examines:

- What has the Agreement cost to date?
- What measurable outputs have been achieved from the funding provided?
- Have the milestones for change contained within the Agreement been met?
- Have the changes brought about by the Agreement made teaching a more attractive career?
- Has the Agreement delivered value for money?

4. In carrying out the study, we:

- collected and analysed financial and non-financial data from all 32 local authorities in Scotland

- interviewed a range of involved parties, including the Teachers' Agreement Communication Team (TAC Team), professional bodies and the Scottish Executive

- reviewed evidence provided by Her Majesty's Inspectorate of Education (HMIE) on the implementation process across local authorities

- commissioned independent surveys of 507 head teachers and deputies, 1,411 teachers and 2,582 support staff in 14 local authorities to seek their views on various aspects of the Agreement.

5. The study does not assess the impact of the Agreement on the quality of teaching and educational attainment of children, nor does it consider the changes to the negotiating arrangements for teachers' terms and conditions arising from the Agreement.

6. These issues will be covered by HMIE in their evaluation of the impact of the Agreement, which was commissioned by the Scottish Executive Education Department in 2002. HMIE will report later in 2006.

Key Findings

Local authorities have spent an estimated £2.15 billion in implementing the Agreement. This is only £34.8 million (-1.6%) less than the amount the Scottish Executive estimated would be required.

7. Implementation of the Agreement was to be a phased process between 2001 and 2006, underpinned by over £2 billion of additional investment in education services. This additional investment was linked to a series

of milestones to provide a timetable and a framework for implementing the changes. It has been utilised as follows:

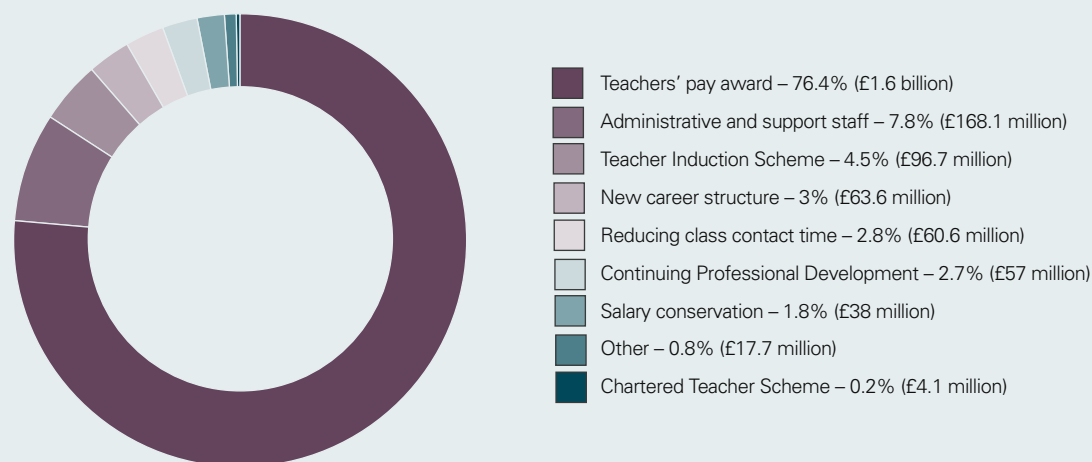
- £1.64 billion spent on the teachers' pay award between 2001-2006. This included a 23 per cent pay increase over the first three years which was made to approximately 54,000 teachers and other education professionals.¹
- at July 2005, 3,125 full-time equivalent (FTE) new administrative and support staff had been recruited to give teachers more time to teach, against an indicative target of 3,500 FTE. Coupled with the increased salaries of existing support staff who have been re-graded, this has cost £168.1 million.
- £57 million spent to further develop high quality CPD opportunities for all teachers.
- £4.1 million spent to provide for those teachers who have successfully completed the Chartered Teacher Scheme. Upon successfully completing the scheme, teachers receive a £6,492 pay increase; a cost which will increase in line with pay awards over the period of their career.
- £63.6 million spent to introduce a new career structure.
- £38 million spent on salary conservation.
- £96.7 million spent to introduce a Teacher Induction Scheme (TIS) for newly qualified teachers.

1 This figure includes teachers, music instructors, education support officers, educational psychologists and quality improvement officers.

Exhibit 1

Local authority expenditure on the Teachers' Agreement (2001/02 to 2005/06)*

Local authorities have spent an estimated £2.15 billion implementing the Agreement.



Note: * Expenditure figures for 2001/02 to 2004/05 are out-turn figures. The figures for 2005/06 are local authority estimates.

Source: Audit Scotland fieldwork

- at July 2005, an additional 1,573 FTE teachers had been recruited to reduce class contact time (time spent in class) at a cost of £60.6 million. Up to April 2006, local authorities plan to recruit an additional 65 FTE teachers, bringing the total number to 1,638 FTE.

8. Exhibit 1 identifies spend on each aspect of the Agreement.

The Agreement set out a number of milestones for change between 2001 and 2006. All but one of the milestones set for completion by August 2004 were met.

9. All the milestones due for completion by August 2004 were met, except the one related to additional support staff. This task was scheduled to have been completed by 31 March 2004, but at that date only 70 per cent of the target FTE had been recruited. Local authorities report that this would be completed by April 2006.

10. The final reduction in class contact time (to a maximum of 22.5 hours per week) will take effect in August 2006.

11. Exhibit 2 summarises performance against the key milestones of the Agreement.

It is difficult to assess the extent to which value for money has been achieved from the additional spending because clear outcome measures were not included in the Agreement and have not yet been put in place by the Scottish Executive and other parties to the Agreement.

12. The Agreement is strong in detailing what needs to be done (as set out in the various milestones) and by when (the timetable for implementation), but it is not clear about how the relative cost and impact of the changes should be assessed.

13. The Agreement, or subsequent guidance from the Scottish Executive and other parties to the Agreement, should have included specific

outcome measures related to its expected benefits in areas such as: impact on educational attainment; improvements in classroom practice; the quality of educational leadership; workload and skill-mix; workforce morale; and recruitment and retention within the profession.

The Agreement has improved terms and conditions for classroom teachers but at the same time has contributed to increased workload for head teachers. New administrative and support staff are now in place, but not all teachers are yet fully feeling the benefit.

14. Pay – The pay increase of 23 per cent over three years has secured stable industrial relations between employers and unions, and has brought entry level pay into line with average graduate pay. Satisfaction with pay is high among all groups of teaching staff (head teachers, deputies and classroom teachers).

15. Class Contact Time (Time Spent in Class) – The Agreement set out a requirement for a phased

Exhibit 2

Summary of the Agreements' key initiatives and outcomes achieved

The Agreement set out a number of milestones for change between 2001–06.

| Key initiative area | What was to be achieved? | When was it to be achieved? | Milestones 2001-06 | | | | | Result |
|--|--|---|--------------------|----|----|----|----|--|
| | | | 01 | 02 | 03 | 04 | 06 | |
| Teachers' three-year pay award (2001-2004) | A pay structure that would recruit, retain and motivate high-quality graduates. | 2001 – 10% increase. 2002 – 4% increase. 2003 – 3.5% (Jan) + 4% increase. | | | | | | Fully funded. 23% pay award made to approximately 54,000 FTE* across Scotland. |
| Reducing class contact time (RCCT) | Recruit additional teachers to allow existing teachers more time outwith the classroom for lesson preparation, curriculum development, etc. | 2004 – Primary sector to 23.5 hours. 2006 – All sectors 22.5 hours. | | | | | | 2004 milestone has been achieved. 1,573 FTE recruited to date. 97% of head teachers confirm obligations are being met. |
| New career structures | Job-sizing exercise for all teachers in promoted posts in Scotland. Introduction of simplified career structure. | 2002 – Introduction of new career structure. 2003 – Completion of job-sizing exercise. | | | | | | Fully in place. Job-sizing exercise completed by August 2003. |
| Chartered Teacher Scheme | Reward teachers who wish to remain in the classroom through their successful participation in the Chartered Teacher Scheme. | 2002 – Introduction of new status of chartered teacher as part of new career structure. | | | | | | Chartered teacher status fully introduced. Scheme first operational in 2003. 201 fully-fledged chartered teachers to date and 2,800 participating. |
| Teacher Induction Scheme (TIS) | Introduce a TIS which guarantees all newly qualified teachers a one-year training contract. | 2002 – Introduction of new probation arrangements. | | | | | | New arrangements fully in place. 8,705 probationer teachers provided a guaranteed place to date. |
| Continuing Professional Development (CPD) | Provide maximum 35 hours of CPD per annum. Improve the variety and quality of CPD opportunities (eg. improved access to ICT, provision of training courses, etc). | 2001 – Introduction of additional 35 hours per annum CPD. 2003 – Teachers expected to meet full commitment of additional 35 hours. | | | | | | Improved variety and quality of CPD. 93% of teachers surveyed have a CPD plan. 97% surveyed have an annual CPD record. |
| Administrative and support staff | Recruit 3,500 or equivalent administrative and support staff, to give teachers more quality time in the classroom to teach. | 2004 – Completion of recruitment of additional support staff. | | | | | | 31 March 2004 milestone not met. Only 2,446 FTE support staff in place by 31 March 2004. 3,125 FTE recruited as at July 2005. Additional 318 FTE scheduled to be recruited by April 2006. |

Note: *Includes teachers, music Instructors, educational psychologists, quality improvement officers and education support officers

Source: Audit Scotland fieldwork.

reduction in maximum class contact to 22.5 hours per week (from August 2006) equalised across the primary, secondary and special school sectors. These requirements aimed to secure guaranteed time for lesson preparation and curriculum development, and placed a limit on the overall number of classroom hours a teacher must fulfil.

16. These reductions have been achieved by recruiting an additional 1,573 FTE teachers.

17. From a classroom teacher's perspective, the new arrangements are having a positive effect – two-thirds of teachers think that the reductions are working well.

18. However, many head teachers have concerns about the responsibilities that this initiative places on them; 63 per cent identified that they have had to provide cover to release teachers for non-class contact time. Although new teachers have been recruited to cover this time, problems are arising due to unplanned staff absence and the availability of general supply cover.

19. Administrative and support staff – An extra 3,125 FTE have been recruited to reduce the administrative burden on teachers, but at 31 March 2004 the number recruited was still 30 per cent short of target.

20. The benefits of these appointments are not yet being felt by the majority of teachers interviewed. The reasons for this are as follows:

- There is a perception among teachers that the level of general administrative tasks over the period of the Agreement has not reduced.
- Staff allocation to whole school tasks (as opposed to classroom-based work) has not directly reduced the non-teaching

taskload of the classroom teacher. Therefore teachers do not see any personal gain.

- Recruitment to these posts is still under way.

The Teacher Induction Scheme (TIS) has successfully addressed the weaknesses in previous support and induction arrangements. Under the Agreement the quality and variety of CPD available to teachers has also improved.

21. Probation – Probation arrangements for newly qualified teachers have been transformed by the Agreement. Changes include the introduction of a guaranteed one-year training contract, a maximum class commitment time of 0.7 FTE, and probation to be completed in one year. The TIS was set up in 2002 to deliver these changes.

22. The TIS is one of the most successful elements of the Agreement. Eighty-eight per cent of recent probationers feel the scheme was valuable in preparing them for being a teacher, and 88 per cent of head teachers feel it is working well. Positive effects include:

- a reduction in the time taken to achieve full registration from a largely unstructured period of two years or more, to a formalised and concentrated one-year probation period
- new, structured programmes of professional development for probationers
- improved entry rates from university into probation.

The difficulties rural local authorities face in recruiting teachers still remains. Vacancies identified for probationers are not always being filled as few students are expressing

a preference to be placed in these rural areas. Schemes to address this are being introduced but it is too early to assess any benefits.

23. CPD – The Agreement highlighted the importance of CPD and the resulting responsibilities of both local authorities and individual teachers. A maximum 35 hours of CPD per year for each teacher was introduced, along with the requirement for all teachers to have individual CPD records and plans.

24. Teachers are generally positive about the benefits of the additional CPD time. However, it is difficult to fully assess educational benefits and value for money as few local authorities have yet put in place effective monitoring and evaluation schemes.

The introduction of a new career structure has been broadly positive for the primary sector, but has proved more challenging in the secondary sector. Additional management restructuring is creating further changes and challenges.

25. The Agreement introduced a new four-tier career structure from August 2002. The structure was intended to:

- increase management capacity and flexibility
- reduce hierarchy and create a less complex structure
- address anomalies in pay versus management responsibilities through a job-sizing exercise.

26. In primary schools, the new post of principal teacher has had a positive impact – it has increased management capacity and career opportunities.

27. Almost all local authorities have used the changes to the career structure as an opportunity to carry out additional management restructuring. The underlying principle of reducing the number of middle managers has combined with the career restructuring to significantly reduce the number of promoted posts, and hence the career opportunities available in secondary schools.

28. The differing impact of these changes is reflected in the attitude of teachers. Primary teachers, head teachers and deputies are much more positive towards the career opportunities afforded by the new career structure than their secondary counterparts.

29. The ongoing nature of additional restructuring means it is currently difficult to evaluate their impact alongside the changes to the career structure. Monitoring is required to allow judgements to be made in the future.

The Chartered Teacher Scheme has not yet had the expected impact on the career structure for classroom teachers. Uptake of the scheme has been slow to date but looks likely to increase in the future. The costs associated with this increased uptake would be significant

30. The Agreement regarded the Chartered Teacher Scheme as an essential mechanism for recognising and rewarding excellence in classroom teaching. Its introduction was one of the most significant changes to the career structure for teachers for many decades.

31. Chartered teacher status has been achieved by 201 teachers. However, levels of take-up of the scheme have been slow – less than ten per cent of the 30,000 eligible teachers were participating in the programme by February 2006.

32. Of the teachers we interviewed who have been teaching for less than three years, 74 per cent say they are likely to participate in the scheme in the future. Overall, 32 per cent of teachers share this view.

33. Teachers who successfully complete the scheme receive an additional pay increase of £6,492. If the 32 per cent who have expressed an interest in the scheme successfully complete it, the cumulative cost after ten years would be approximately £110 million.

34. The additional costs associated with chartered teachers means there is a need to ensure these staff are used to best effect.

There is early evidence that good progress is being made in implementation of the Agreement, but sustaining this will be challenging and performance measurement arrangements need to be strengthened.

35. We have found much good practice, and although the long-term impact of the Agreement remains unproven, the early evidence suggests that good progress is being made.

36. Looking further ahead, there is a risk that the requirements of the efficient government agenda, coupled with the risk of reductions in local government financial settlements, will create a more challenging environment for local authorities to sustain the positive momentum identified in this report.

37. The Scottish Executive and local authorities will have to continue to work in partnership to sustain progress made so far and agree a comprehensive set of outcome measures against which the ongoing cost and impact of the Agreement can be assessed.

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