

**Personnel Committee – Friday 22<sup>nd</sup> July 2022**

**Teachers' Pension Indexation and 2021 Pay Freeze**

**1. Summary of the report**

To request the Personnel Committee to approve one-off £1 uplifts to school leaders and teachers, both school and unattached, in order to activate the indexation of benefits.

**2. Recommendations**

Personnel Committee is recommended to approve: -

1. A one-off £1 uplift to all school leaders and teachers (both schools and unattached) at all levels in August 2022 salaries in order to activate indexation of benefits.

**3. Background**

- 3.1 The issue relates to indexation in the final salary section of the Teachers' Pension Scheme (TPS). The 2010 TPS Regulations, which apply to this scheme, establish that the calculation method for the 'best consecutive three years in ten' average salary only applies indexation if the salary rate changes. If no such changes are applied i.e. during periods of a pay freeze then this leads to non-indexation of benefits and consequent pension losses for teachers and school leaders.
- 3.2 Schools were notified of this in March 2022 and advised that the local authority were considering the next steps regarding the issue that had arisen as a result of the 2021/22 pay freeze to school leader and teachers' salaries. We also stated that we were expecting further guidance on this issue following the Teachers Pensions Scheme Advisory Board meeting held on the 16<sup>th</sup> June. However, no further guidance was received other than schools and local authorities were to make local decisions.
- 3.3 The TPS have confirmed that an uplift of £1 will enact the indexation. Professional associations have issued several joint letters including template letters for staff (who are impacted) to issue to employers requesting a £1 uplift.  
  
Since then we have received a number of requests from staff and governing bodies to make an adjustment on an individual basis.
- 3.4 Accordingly in order to protect schools and the local authority from possible discrimination claims it is now proposed that all school leaders and teachers, (both school and unattached) at all levels are paid a one-off £1 uplift in the August 2022 salary. The cost of which would be funded from the school budget.

- 3.5 In Walsall Community and Voluntary Controlled schools, it is only possible to make such payments to teachers and school leaders in accordance with the STPCD or Schools Model Pay Policy following approval by the Council's Personnel Committee.

#### **4. Resource implications**

- 4.1 The anticipated cost implications of applying such an uplift for Community and Voluntary Controlled schools and unattached teachers is approx. £1,116. Such payments to be funded by the respective schools or service areas for unattached teachers.

#### **5. Legal implications**

- 5.1 No legal implications

#### **6. Performance and risk management issues**

- 6.1 Risk of not approving such uplifts is possible litigation by individuals whose pension is negatively impacted. Such litigation could be on the grounds of discrimination if it can be proven that staff with protected characteristics have been negatively impacted disproportionately to others.

Unions are supportive of the approach recommended in this report for their members and therefore if applied the risk of challenge is viewed as being minimal.

#### **7. Equality implications**

- 7.1 None as intention is to be applied to all school leaders and teachers both school and unattached.

#### **8. Consultation**

- 8.1 Extensive dialogue has taken place with the teaching unions; schools; TPS and senior officers across the Council on the issue which has led to this proposal.

#### **9. Background papers**

- 9.1 None

#### **Author:**

Michele Leith

**Director of Human Resources, Organisational Development & Business  
Administration & Business Support**

✉ Michele.Leith@walsall.gov.uk