



SUBMISSION

TEACHERS' PAY CLAIM 2024

NASUWT is the teachers' union representing all teachers across Gibraltar.

If you require further information about this submission, please contact:

Dr Patrick Roach
General Secretary
NASUWT
Hillscourt Education Centre
Rose Hill
Rednal
Birmingham
B45 8RS
Tel: 0121 453 6150

CONTENTS

	Page
SECTION 1	
Introduction	3
SECTION 2	
Context	3
SECTION 3	
Gibraltar Teachers' Pay Since 2019	5
SECTION 4	
Affordability	7
SECTION 5	
Teacher Supply	8
SECTION 6	
Wider Economic and Labour Market Conditions	10
SECTION 7	
Equality Impact	12
SECTION 8	
Conclusion	13

1) INTRODUCTION

- 1.1. NASUWT welcomes the opportunity to make a written submission to His Majesty's Government of Gibraltar (HMGoG) on the matter of teachers' pay.
- 1.2. NASUWT also welcomes that, as per the letter received on 27 March, HMGoG recognises the Union as a core participant of Gibraltar's industrial relations fabric and will receive the relevant information to formulate its views on the matter of a potential pay deal.
- 1.3. HMGoG will be considering the 2024 pay award for teachers in the context of a continuing cost-of-living crisis, which has seen inflation soar far higher than any time in recent history. In addition, HMGoG has committed to delivering a 'Revolution in Education' which is likely to result in uncertainty and either temporary or permanent additional demands.
- 1.4. Reference is made to teachers throughout this pay claim. However, this should be taken as including all teaching professionals, as well as instructors, lecturers and school leaders.

2) CONTEXT

- 2.1. NASUWT and HMGoG last agreed a substantive, consolidated pay award for teachers in the summer of 2019.
- 2.2. Although the 2019 award was warmly welcomed by the profession, as it addressed a number of issues, not merely the quantum of the award itself, it should be remembered that the agreement was preceded by an extremely difficult and, at the time, acrimonious dispute that did little to enhance the status of HMGoG as an employer. NASUWT is keen to avoid such a repeat and encourages HMGoG to approach the negotiations in a similar manner.
- 2.3. It is regrettable, however, that the gains made in the 2019 award have been completely eroded away by an effective four-year pay freeze imposed by

HMGoG. Urgent action is now once again required to prevent a further slide in teachers real terms pay.

- 2.4. The non-consolidated award in 2023 may have provided some temporary respite, but it did nothing to address the considerable real terms cuts being endured by teachers and was in stark contrast to significant pay awards in all other British jurisdictions.
- 2.5. In the background, many members also report dissatisfaction with HMGoG's general management of the Gibraltar's education system, particularly in relation to industrial relations. Members are growing increasingly frustrated that HMGoG are not following through with undertakings and agreements made in good faith, such as:
- numerous policies that have been promised but are yet to see the light of day;
 - Issues with SENCO remuneration – namely pay not reflecting levels of responsibility and workload; and
 - Key Stage Realignment payments.
- 2.6. It is deeply regrettable that these issues were raised in the 2023 pay claim and are still extant a year later.
- 2.7. In addition, NASUWT is of the firm belief that the current Civil Service terms and conditions as applied to teachers are in dire need of updating as they are not fit for purpose and do not recognise the unique role undertaken by a teacher. NASUWT understands that this view is shared by the Education Department. Negotiations need to commence immediately on developing an enhanced teacher-specific set of terms and conditions, informed by best practice elsewhere, whilst retaining Civil Servant status. The outcome of which would then be subject to consultation/agreement of NASUWT members.
- 2.8. NASUWT firmly believes any additional resources required to undertake these negotiations should be provided in any circumstance to expedite this workstream.

3) GIBRALTAR TEACHERS' PAY SINCE 2019

- 3.1. Although the 2019 award addressed numerous issues with Gibraltar teachers' pay, the lack of any uplift since this time has been eroded pay significantly in real terms, leaving teachers thousands of pounds per year worse off.
- 3.2. An analysis of the loss in real terms of gross pay for teachers shows losses of thousands of pounds when compared to what teachers would have earned had their pay kept pace with inflation.
- 3.3. Since 2019, teachers have experienced pay freezes and real terms pay cuts for three consecutive years. At the same time, there has been an increase in inflation, as measured by the Retail Prices Index (RPI), of 19.4% between 2019 and the present, which, in the absence of any award, has seriously eroded the value of teachers' pay.
- 3.4. Table A shows the effect of inflation on teachers' pay since 2019.

Table A – Shortfall in pay scales due to inflation, 2019 to date

Spine Point	Current Pay*	2024 Target Pay**	Shortfall p.a.	Cumulative shortfall since 2019
SP1	£30,771	£37,164	£6,393	£14,186
SP2	£32,309	£39,022	£6,713	£14,895
SP3	£33,925	£40,974	£7,049	£15,640
SP4	£35,621	£43,022	£7,401	£16,422
SP5	£37,402	£45,173	£7,771	£17,243
SP6	£39,272	£47,432	£8,160	£18,105
SP7	£41,236	£49,804	£8,568	£19,010
SP8	£43,298	£52,294	£8,996	£19,961
SP9	£45,463	£54,909	£9,446	£20,959
SP10	£47,736	£57,654	£9,918	£22,007
SP11	£50,123	£60,537	£10,414	£23,107

* figure excludes additional continuing professional development (CPD) pay contingent on additional activities.
 **The 2024 target pay is the amount salaries would be if they had kept pace with inflation since 2019.

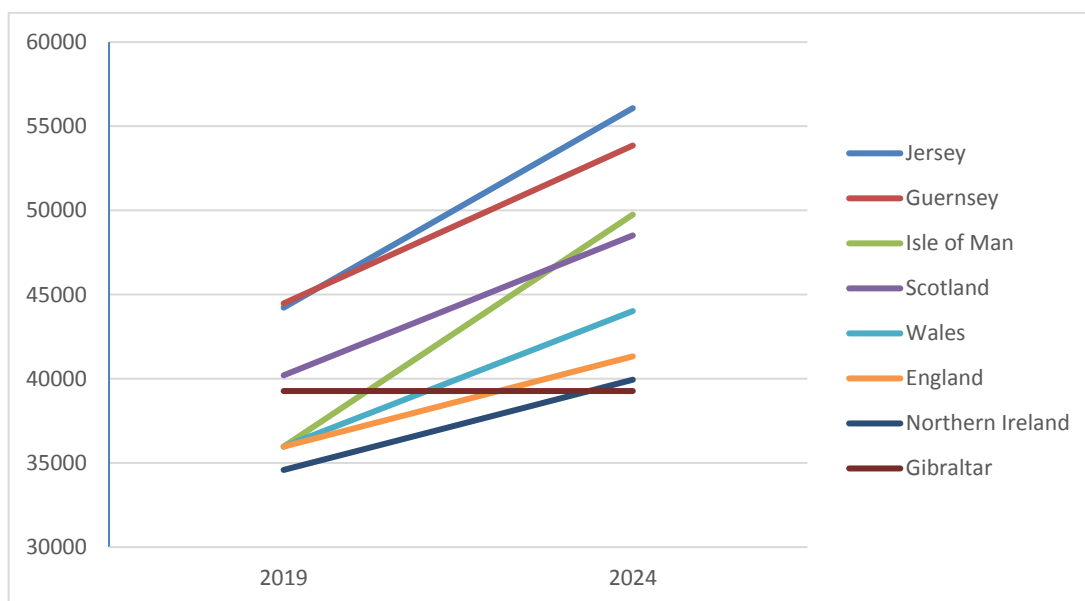
- 3.5. Teachers' pay has been eroded significantly since 2019. Taking into account the January 2024 RPI figure, a pay increase of 20.8% is now required to restore parity with inflation.
- 3.6. Between 2019-2022, data from HMGoG shows increases in average earnings outstripped inflation by 0.3%. Although the 2023 figures have not yet been published, it is reasonable to assume that this trend has continued, further eroding the value and competitiveness of teachers' pay.
- 3.7. Teachers' pay has also declined relative to other British jurisdictions, who have continued to provide awards in most years since 2019. For example, between 2020-2024, both Jersey and Guernsey have given pay awards totalling around 20%.
- 3.8. Table B shows the relative pay amounts in each jurisdiction that a teacher with six years' experience can expect to be paid.
- 3.9. Whilst it is accepted that each jurisdiction has its own pressures in relation to pay and the cost of living, table B shows that Gibraltar now pays teachers with six years' experience less than any other comparable British territory.

Table B: Comparison of teachers' pay with six years' experience

Jurisdiction	Pay after six years' experience
Jersey	£56,077
Guernsey	£53,857
Isle of Man	£49,753
Scotland	£48,516
Wales	£44,024
England	£41,333
Northern Ireland	£39,945
Gibraltar	£39,272

3.10. In addition, Figure 1 shows just how dramatically Gibraltar has slipped down the league table of comparable jurisdictions, from fourth place in 2019 to bottom place in 2024.

Figure 1: Change in pay levels for teachers with six years' experience from 2019-2024



4) AFFORDABILITY

4.1. HMGoG must recognise and accept the importance of the pay award for teachers in securing recruitment and retention of high-quality teachers and service quality across the system as a whole.

4.2. NASUWT believes that HMGoG should bring forward proposals on pay which address the four-year pay freeze and also demonstrate the vital contribution teachers make to the economy and in continuing to ensure high-quality education provision, and which recognises the contribution that the teaching profession has and continues to make. NASUWT urges HMGoG to recognise the unequivocal case for a significant, above-inflation pay award for teachers in order to ensure that teaching remains competitive with other graduate occupations and to avert the recruitment and retention crisis that is engulfing

other jurisdictions, which will surely arrive if HMGoG does not recognise the need for a substantial pay increase.

- 4.3. The latest estimates of revenue and expenditure show the revenue account returning to surplus of £2.5 million after a number of years in deficit.¹
- 4.4. The estimates also show that despite the annual revenue deficits, HMGoG's consolidated fund has grown strongly each year after the pandemic and is forecast to stand at £177 million at 31 March 2024.
- 4.5. Additionally, Gibraltar's Gross Domestic Product is expected to reach £2.74 billion in 2022/23, its highest recorded rate, further indicating the strength of Gibraltar's economy.²
- 4.6. In addition, the Gibraltar's GDP per capita stands at £80,517, significantly higher than the UK's £34,105 (both 2022 figures), providing further evidence that Gibraltar can afford a substantial increase.
- 4.7. The latest available unemployment statistics also point to strength and resilience in the economy, with only 26 people registered as unemployed.³

5) TEACHER SUPPLY

- 5.1. Gibraltar is in an almost unique position in British jurisdictions in that it has no current recruitment and retention issues. This underlines the need for pay to remain competitive.
- 5.2. Although Gibraltar currently enjoys a good supply of teachers, HMGoG must not be complacent – as the situation can rapidly change. For example, in England, teaching was one of the top destinations for graduates in 2010; however, factors such as significant pay restraint swiftly changed this so that 2010 was the last time teacher recruitment largely met its target, save for the

¹ <https://www.gibraltar.gov.gi/uploads/news/July%202023/Draft%20Estimates%202023-24.pdf>

² <https://www.gibraltarchamberofcommerce.com/services-2/local-market-statistics/>

³ <https://www.gibraltar.gov.gi/uploads/statistics/2024/employment/EMP.16.pdf?ver=19.02.24>

pandemic year of 2020. As a result, the English education system can only be described as being in crisis.

- 5.3. It should be noted that the pay restraint in 2010-2015 coincided with a period of low inflation and was not as severe as the pay freeze currently being imposed by HMGoG.
- 5.4. In addition, experience from the Crown Dependencies has also clearly shown that where pay begins to lag inflation, or comparator graduate professions, a recruitment and retention crisis quickly follows.
- 5.5. For example, since 2015, Guernsey has gone from being relatively well-staffed to having to rely on agencies to provide around 50 teachers due to an inability to recruit.⁴ At the same time, pay has fallen sharply in real terms. Some schools in Guernsey have also had to resort to teaching Year 11 pupils science in halls due to an inability to staff normal classes.
- 5.6. A similar position exists in Jersey, and both Jersey and Guernsey are now seeking to recruit surplus teachers from Gibraltar to ease their recruitment issues.
- 5.7. In contrast, the Isle of Man has experienced an increase in the number of applications per vacancy after applying a significant increase to pay levels, including shortening the pay scale from nine points to six, as shown in Figure 2.
- 5.8. HMGoG must not become complacent, although Gibraltar is largely self-sufficient in respect of teacher training and recruitment currently. If teacher pay continues to slide, this situation could quickly deteriorate.
- 5.9. If Gibraltar does become reliant on attracting recruits from elsewhere, most likely the UK, this is going to be extremely difficult – with the UK already in the grip of a severe teacher recruitment and retention crisis, and Gibraltar at the bottom of the pay league table, as demonstrated above.

⁴ <https://gsy.bailiwickepress.com/gsy/news/school-staffing-challenges-continue/#.ZCbZ1HbMLIU>

5.10. Unless HMGoG takes action, Gibraltar may well fall victim to a double whammy of declining pay – making Gibraltar unattractive, together with a rapidly reducing pool from which to recruit.

6) WIDER ECONOMIC AND LABOUR MARKET CONDITIONS

6.1. In addition to the erosion of teachers' pay through inflation, other pressures are more acute on Gibraltar compared to other jurisdictions, especially as teachers must physically reside in Gibraltar, such as housing for teachers who are not local market qualified, which is extremely expensive.

6.2. Furthermore, teacher salaries are becoming less competitive when compared with other graduate professions.

6.3. Graduates are currently in high demand across the UK for professions other than teaching. NASUWT draws to HMGOG's attention the intensification of competition for graduates in the UK over recent years.

6.4. Salary levels across the graduate labour market serve to demonstrate the uncompetitive nature of teachers', lecturers' and school leaders' pay.

6.5. Salary levels across the graduate labour market serve to demonstrate the uncompetitive nature of teachers', lecturers' and school leaders' pay. This point is emphasised by the most recent report from High Fliers Research, *The Graduate Market in 2024*.

6.6. The report indicates that competition in the market for graduates continues to be high, so schools will continue to have difficulties in recruiting and retaining teachers, lecturers and school leaders.

6.7. The evidence presented in the High Fliers Research report shows that starting salaries at the UK's leading graduate employers stood at a median of £34,000 in 2024, which is now more than the starting salary for teachers in Gibraltar. In addition, it should be noted that the High Fliers Research report has identified

that at least one in four of places on the top graduate programmes now provide starting salaries of more than £45,000.

- 6.8. In addition, the median starting salary for investment banks stands at £55,000. For law firms, it stands at £50,000.
- 6.9. The above figures relate to the UK and not Gibraltar. As the Gibraltar graduate market is going to be heavily skewed towards the financial services industry, it is likely that the median salary for graduates in Gibraltar is going to be considerably higher than that in the UK.
- 6.10. The High Fliers Research report found that the median starting salary in investment banks was £50,000, whilst for banking as a whole, this figure stood at £35,500, although it should be noted that these are UK figures, not Gibraltar figures. Median figures for Gibraltar do not exist, but it is reasonable to assume they will be higher than that of the UK.
- 6.11. Employment in financial institutions accounts around for 25% of all employment in Gibraltar,⁵ and the starting salaries greatly exceed that of teachers and lecturers.
- 6.12. Given all the evidence above, there exist powerful disincentives for Gibraltar-born graduates to train or return here to teach, and for non-native graduates and teachers to come to Gibraltar.
- 6.13. In addition, in order to properly assess the graduate labour market and to ensure that HMGoG positions are competitive, HMGoG should collect and publish data on pay levels in different sectors.
- 6.14. It should also be noted that the Covid-19 pandemic transformed the world of work, with remote and home working being imposed on many workers, including teachers, during the times when schools were closed to most pupils. Importantly, many of the flexibility changes have become permanent features

⁵ <https://www.gibraltar.gov.gi/uploads/statistics/2024/employment/EMP.7.pdf?ver=27.03.24>

in many jobs in the wider workforce, while teachers returned to their classrooms and relatively inflexible work environments.

- 6.15. Data from the Timewise Flexible Jobs Index demonstrates these trends in the wider workforce (Timewise, 2023).⁶ The proportion of jobs advertised with flexible working rose from 10% in 2015 to 17% on the eve of the pandemic, highlighting the growing focus on offering flexible working in the wider labour market. The proportion of jobs advertised with flexible working rose further throughout the pandemic, reaching 31% in 2023. The report shows that 60% of workers work flexibly. For teaching to compete, it would need to become more attractive in other ways, including higher pay to compensate for a lack of work flexibility when compared to opportunities in the wider labour market.

7) EQUALITY IMPACT

- 7.1. HMGoG must provide a robust equality impact assessment of any teachers' proposals for the pay award, including the cumulative impact of the award.
- 7.2. In occupations/professions where women predominate, pay levels are, on average, significantly lower than in occupations/professions where men predominate. Therefore, a below-inflation pay award is likely to exacerbate the pay gap between men and women in teaching, given that proportionately more men than women achieve promotion, particularly in larger schools, but also impact disproportionately on Black and minority ethnic (BME) and disabled teachers, who face additional barriers to promotion and pay progression.
- 7.3. Across the UK, women's pay already lags behind that of men as a result of gender bias, disadvantage and discrimination. BME and disabled teachers also report a high incidence of workplace discrimination. It is further clear that teachers with these protected characteristics are disproportionately represented within the lowest grades. There is no reason to assume that Gibraltar is any different. Any pay award must not exacerbate this situation.

⁶ <https://timewise.co.uk/article/flexible-jobs-index/>

- 7.4. HMGoG must ensure that it now carries out a detailed and robust equality impact assessment to confirm that any proposals:
- (i) do not contribute to discrimination;
 - (ii) advance equality of opportunity between different groups; and
 - (iii) do not exacerbate the issues of discrimination, irrespective of the legislative frameworks.
- 7.5. The absence of comprehensive and robust equalities data does not eliminate the problem of workforce discrimination in access to employment, career development and promotion.

8) CONCLUSION

- 8.1. NASUWT concludes that teachers' pay in Gibraltar has been eroded against inflation and average earnings since the pay adjustment agreement in 2019.
- 8.2. NASUWT further believes the evidence above, including the level of Gibraltar's GDP, and the current Government's positive commitment to education, should be similarly reflected in its approach to paying to its teachers.
- 8.3. The case for a substantial above-inflation pay award, as detailed above, applies to all teachers and headteachers on their current salary, to all points on the pay scales and any allowances, is exceedingly strong.
- 8.4. A substantial above-inflation pay award, as part of a planned process to close the real terms deficit and the gap between the pay of teachers and comparable graduate professions, is needed.
- 8.5. NASUWT therefore implement calls on HMGoG to agree the following pay awards as part of a sustained programme of teachers' pay restoration:
- September 2024 – RPI + 3%;
 - September 2025 – RPI + 3%; and
 - September 2026 – RPI + 3%.

- 8.6. Failure to make such an award will have a detrimental impact on the education profession in Gibraltar. Children and young people are entitled to be taught by those who are recognised and rewarded as highly valued professionals. Gibraltar will not be able to sustain that entitlement if it fails to address the issue of teachers' pay.
- 8.7. In addition, consideration should be given to shortening the pay scale from the current 11 points to six points, encompassing the current pay scale range in order to enable teachers to reach the top of the scale faster.
- 8.8. Negotiations on a dedicated set of Terms and Conditions for teachers should also begin immediately.