

EXPLANATORY MEMORANDUM TO
THE SCHOOL TEACHERS' INCENTIVE PAYMENTS (ENGLAND) ORDER 2010
2010 No. 738

1. This explanatory memorandum has been prepared by the Department for Children Schools and Families and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The purpose of this Order is to ensure that incentive payments to school teachers under the Golden Handcuff programme are *not* treated as remuneration under the School Teachers' Pay and Conditions Document (STPCD). This is necessary to make it clear that Golden Handcuffs are special incentive payments that are not pensionable nor part of the statutory negotiation process provided for with regard to the STPCD under section 122(1) of the Education Act 2002.

3. Matters of special interest to the Joint Committee on Statutory Instruments or the Select Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The Secretary of State may make provision for the determination of the remuneration of school teachers under section 122(1) of the Education Act 2002 and does so by reference to a document called the School Teachers' Pay and Conditions Document (STPCD), which is replaced annually with effect from 1st September.

4.2 This Order provides that lump sum incentive payments to those school teachers under the Golden Handcuff programme are not to be treated as remuneration for the purpose of section 122(1) and, therefore, are not subject to any of the other provisions in the STPCD.

5. Territorial Extent and Application

5.1 This instrument applies only to school teachers in England.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The Golden Handcuff is a new programme, as set out in the New Opportunities White Paper of January 2009, which is designed to encourage more teachers to take up posts in challenging schools. Under it they can receive an incentive payment of £10,000 - provided they continuing teaching in their school for three years – and they receive an instalment payment at

the end of each completed academic year. To be on the programme a school must generally have over 30% of its pupils receiving free school meals and have its leadership rated as 'good' or better by Ofsted. The programme is match-funded with the Department paying half of the teacher's Golden Handcuff and the school the other half. The first Golden Handcuffs were offered from September 2009. Further details about the Golden Handcuff programme can be found at www.teachernet.gov.uk/professionaldevelopment/careers/goldenhandcuff/

7.2 Exceptionally this Order will have a commencement date of 1 July 2010 rather than the normal common commencement date of 1 September. This is because the public commitment to make these payments available was made before May 2009, and because the payments are made in arrear (at the completion of an academic year or equivalent period at the school) and therefore the first will be payable in July 2010 rather than from September 2010.

8. Consultation outcome

8.1. That the Golden Handcuff payments would not be treated as remuneration was first advised to schools in April 2009. A limited consultation was then carried out with representative organisations for teachers, head teachers and local employers. This consultation covered a broad range of issues involving payment of Golden Handcuffs but within this no objections were raised to the intention that these payments were not to be treated as remuneration.

9. Guidance

9.1. The Department has provided guidance to schools on how the Golden Handcuffs should be administered and paid; including what they should do when teachers' three year period on the programme is complicated by sickness or maternity. The Department and the Training and Development Agency for Schools have also provided guidance for local authorities on how they should pay and reclaim the Government's part of the incentive to teachers.

10. Impact

10.1 An Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies. The impact on the public sector is not significant. It is expected that approximately 250 teachers will receive a Golden Handcuff payment after the end of the academic year 2009/10.

11. Regulating small business

11.1. The legislation does not apply to small business.

12. Monitoring & review

12.1. The Golden Handcuffs are available to teachers appointed up to 31 March 2011. The payment of the incentives beyond this date will be subject to an internal review.

13. Contact

13.1 Jon Joseph (john.joseph@dcsf.gsi.gov.uk or 020 7340 8207) Department for Children Schools and Families can answer any queries regarding the Instrument.