

Labour government proposes three year real terms pay cut for teachers in England

Tania Kent**12 November 2025**

The Starmer Labour government has recommended a 6.5 percent average pay rise spread over three years for teachers in England to the School Teachers' Review Body (STRB).

The Department for Education's (DfE) increase would be "weighted", meaning the uplift is likely to be unevenly distributed and would not be fully funded. The proposal represents a real terms pay cut for over 468,000 full-time equivalent teachers in state-funded schools. It would worsen the already huge fall in income for teachers since 2010, estimated to be over 20 percent using the Retail Price Index (RPI) measure of inflation.

The three-year cumulative proposal is the first since 2002, again under Labour, that is not an annual pay offer. It parallels below inflation pay rises Labour is imposing across the public sector, including among health and transport workers. Chancellor Rachel Reeves and Education Minister Brigitte Phillipson have insisted pay cuts for millions are necessary to plug a "black hole" in the budget and ensure "stability". The proposal is meant to head off any industrial action over pay by teachers for the next three years.

The pay proposals are in preparation for Reeves' November 26 budget, with big business and the financial markets insisting she must close a £20 to £40 billion spending gap. This is to be carried out by imposing the deficit on the backs of the working class through public spending cuts, income tax rises and gutting essential services that millions rely on.

The proposal consists of a 6.5 percent pay award over 2026-27, 2027-28 and 2028-29. While the specifics have not been decided this could mean a smaller rise in the first year (perhaps around 1.5 percent), followed by slightly larger increases later (for instance 2 percent and then 3 percent). This would be weighted across pay scales, with lower paid teachers getting more. The pay deal is linked to the Consumer Price Index (CPI) and based on

government projections for growth. But CPI inflation is already at 3.8 percent, with RPI at 4.5 percent with many indices that growth is stagnant in the UK economy.

The pay deal will be linked to productivity and further cuts to an education system already facing a recruitment crisis, crumbling buildings, lack of SEND (special needs) places and with schools forced to provide social and food provision to deal with a child poverty crisis. By the end of 2024, 4.5 million children (31 percent of all children—about 9 in a classroom of 30) were living in poverty.

The current partially funded pay award of 4 percent for 2025-26, which came in this September, has meant that schools are having to find £630 million from existing budgets. No extra funding for schools was announced in Reeves' spring statement and no increase in real terms funding for the education sector is expected this month. According to reports, further "reforms" will focus on curriculum and Ofsted (schools inspectorate) changes which will exacerbate teacher workload and focus on teacher "accountability".

After taking recommendations from the government, trade unions and various education bodies, the STRB will make its pay recommendation to the education secretary in February of 2026. The government threatens that rejection by the STRB or teachers will force it to impose cuts elsewhere in the DfE's budget. But acceptance of the offer means cuts to school budgets.

The DfE's submission stated, "The department expects that most schools will need to implement plans to realise and sustain better value from existing spend in addition to the funding being provided through the core schools budget to deliver the pay awards." It insisted that schools, trusts and local authorities had to "continue to proactively drive better value from their budgets across the next three years".

By maximising their resources, the government was

“confident that this will contribute to improved affordability”. Nothing should be off the table, as there was “significant potential in under-utilised assets” across the school sector. These included school financial reserves and assets such as land and buildings.

In response to Labour’s offensive, the education unions issued pro forma joint statements declaring opposition to the offer while no putting forward no plan to fight back.

An October 30 joint submission from the National Education Union (NEU), NASUWT, NAHT, ASCL and Community education unions called for “urgent, significant and fully funded movement towards complete reversal of the real terms pay cuts for teachers and school leaders since 2010.” It states: “Labour was elected on a promise of change. It must now deliver for teachers, school leaders, parents and pupils.”

After years of betrayal by the education unions who have collaborated with successive Conservative and Labour government to ensure record falls in their pay, teachers in two of the main unions have responded by electing nominally left-wing leaders. Neither offers a way forward for teachers.

Matt Wrack, General Secretary of NASUWT—the ex-leader of the Fire Brigades Union and a former member of the pseudo-left Socialist Party—called on the government to “submit revised evidence.”

NEU General Secretary Daniel Kebede complained, “This Labour government... is failing to deliver on its promises. Instead of 6,500 more teachers, we have botched Ofsted reforms, declining school funding, and now a pay recommendation that will do nothing to address the continued crisis in retention. Austerity Labour is paving the way for a [far-right] Reform government. A government that will take our public services from crisis to collapse.”

This is disingenuous. Wrack, Kebede and the entire union bureaucracy called for Keir Starmer to be elected, even as he said his government would be the most pro-business in history and would govern with “iron” fiscal discipline. This is precisely what Labour is now implementing, with billions of pounds in cuts to public services to fund war and rearmanent.

Starmer has relied on a compliant trade union bureaucracy that has played a key role in suppressing and selling out strikes in transport, health and education to impose Labour’s agenda.

The NEU membership of almost 490,000 delivered a powerful mandate for strike action in a consultative ballot at their conference in April against a 2.8 percent wage

offer from Labour. When the government revised its offer to 4 percent based on the STRB’s recommendation, the NEU and other education unions accepted it as a “positive step towards pay restoration”, despite knowing it would cost schools millions to fund from their own budgets.

The NEU then conducted a survey of its members, who voted overwhelmingly to begin a “political campaign on funding”, with 79 percent of respondents voting to back the call to register a dispute with the education secretary. Members were asked by the Kebede leadership to commit to getting every school “ballot ready”, with the intention to call a national ballot over the pay award in the autumn term “if necessary.” The calls for ballots for strike action have been shelved.

With the STRB not making its pay recommendations to government before April 2026 and the government’s final offer scheduled after this, the education unions will utilise the months to come to wind down opposition. Teachers cannot wait until the unions eventually accept whatever final offer is given as a shift in the right direction—as they did over the current pay award.

Teachers need to strike out on a new, independent road and take control of their struggle for better working conditions, fully funded pay and a fully funded public education system.

A successful struggle cannot be carried if trade union bureaucrats remain in control. Teachers must assimilate the lessons of the last decades and actively build rank-and-file committees and unify educators with resident doctors, nurses and workers across the public sector who confront a brutal assault on living standards, cuts to public service provision and privatisation.



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