

Explanatory Memorandum to the School Teachers' Pay and Conditions (Wales) Order 2026.

This Explanatory Memorandum has been prepared by the Education, Culture & Welsh Language Department and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Cabinet Secretary's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the School Teachers' Pay and Conditions (Wales) Order 2026. I am satisfied that the benefits justify the likely costs.

Lynne Neagle MS
Cabinet Secretary for Education
6 February 2026

PART 1

1. Description

The School Teachers' Pay and Conditions (Wales) Order 2026 ("the Order") makes provision for the remuneration and conditions of employment of school teachers in Wales, to be determined by reference to the provisions set out in:

- (a) section 2 of the "School Teachers' Pay and Conditions (Wales) Document 2025/26 and guidance on school teachers' pay and conditions (revised) – February 2026" ("the STPC(W)D 2025 (revised) February 2026"), and
- (b) section 2 of the "School Teachers' Pay and Conditions (Wales) Document 2025/26 and guidance on school teachers' pay and conditions (revised) – March 2026" ("the STPC(W)D 2025 (revised) March 2026").

The Order will come into force on 6 March. Provisions on teachers' pay and conditions under section 2 of the STPC(W)D 2025 (revised) February 2026 will have retrospective effect for the period beginning with 1 September 2025 and ending 7 March 2026 and under section 2 of the STPC(W)D 2025 (revised) March 2026 from 8 March 2026.

Responsibility for school teachers' pay and conditions was transferred to the Welsh Ministers on 30 September 2018. The STPC(W)D 2025 (revised) February 2026 and the STPC(W)D 2025 (revised) March 2026 apply to teachers employed in local authority maintained schools in Wales.

The School Teachers' Pay and Conditions (Wales) Order 2025 (and the School Teachers' Pay and Conditions (Wales) Document 2025/26) is repealed by the Order.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

The provisions under section 2 of the STPC(W)D 2025 (revised) February 2026 will have effect retrospectively for the period beginning with 1 September 2025 and ending with 7 March 2026. This is expressly permitted under section 123(3) of the Education Act 2002.

3. Legislative background

The Welsh Ministers have powers to set school teachers' pay and conditions in Wales under sections 122 to 124 and 126 to 127 of the Education Act 2002 ("the Act"). These functions, in relation to Wales, were transferred to the Welsh Ministers on 30 September 2018 from the Secretary of State by the Welsh Ministers (Transfer of Functions) Order 2018.

Section 122(1) of the Act provides the Welsh Ministers with the power to, by order, make provision for the remuneration of school teachers in Wales and other conditions of employment related to their professional duties and working time.

Section 123(3) of the Act provides that an order under section 122 may make retrospective provision, but not so as to—

- a. reduce remuneration in respect of a period wholly or partly before the making of the order, or
- b. alter a condition of employment to the detriment of a teacher in respect of a period wholly or partly before the making of the order.

Section 124(3) of the Act provides that an order made under section 122 can make provision through a document, which must also be published.

Section 126 of the Act requires the Welsh Ministers to consult such of the following bodies they consider appropriate to consult having regard to the content of the order before making an order under section 122. The bodies are: associations of local authorities; local authorities, those representing governing bodies of schools, and bodies representing school teachers (teacher unions).

This Order is subject to the Senedd annulment procedure.

4. Purpose and intended effect of the legislation

Following consideration of the recommendation in the IWPRB's fifth report, the purpose of the Order is to move ALN Coordinators to the leadership group pay scale, in maintained schools in Wales only. All pay uplifts will be from 1 September 2025.

This Order makes these changes by giving effect to section 2 of the STPC(W)D 2025 (revised) February 2026 from the period beginning with 1 September 2025 and ending 7 March 2026 and to section 2 of the STPC(W)D 2025 (revised) March 2026 from 8 March 2026. The changes made by the STPC(W)D 2025 (revised) February 2026 will ensure that uplifts to ALN Coordinators pay will have effect from 1 September 2025. The STPC(W)D 2025 (revised) March 2026 will bring the terms and conditions of ALN Coordinators in line with others in the leadership group from 8 March 2026.

Section 1 of the STPC(W)D 2025 (revised) February 2026 summarises the changes to pay and conditions and associated guidance since the School Teachers' Pay and Conditions Order 2025 and other relevant information about the STPC(W)D 2025 (revised) February 2026. The STPC(W)D 2025 (revised) February 2026 differs from the School Teachers Pay and Conditions (Wales) Document 2025/26 and guidance on school teachers' pay and conditions ("the STPC(W)D 2025") in that it moves ALN Coordinators to the leadership group pay scale. Section 2 of the STPC(W)D 2025 (revised) February 2026 is laid out in seven parts and two annexes. Parts 2 to 6 set out how pay and allowances for the various categories of teacher are to be determined. Part 7 sets out conditions of employment for the various categories of teacher that will have effect as terms of their contracts of employment. The Annexes to section 2 of the STPC(W)D 2025 (revised) February 2026 set out the professional standards for teachers

and interpretation matters. Section 3 of the STPC(W)D 2025 (revised) February 2026 is statutory guidance to accompany the provisions in section 2.

Section 1 of the STPC(W)D 2025 (revised) March 2026 summarises the changes to pay and conditions and associated guidance since the STPC(W)D 2025 (revised) February 2026 and the School Teachers' Pay and Conditions Order 2025 and other relevant information about the STPC(W)D 2025 (revised) March 2026. The STPC(W)D 2025 (revised) March 2026 differs from the STPC(W)D 2025 (revised) February 2026 in that it brings the terms and conditions of ALN Coordinators in line with others in the leadership group. Section 2 of the STPC(W)D 2025 (revised) March 2026 is laid out in seven parts and two annexes. Parts 2 to 6 set out how pay and allowances for the various categories of teacher are to be determined. Part 7 sets out conditions of employment for the various categories of teacher that will have effect as terms of their contracts of employment. The Annexes to section 2 of the STPC(W)D 2025 (revised) March 2026 set out the professional standards for teachers and interpretation matters. Section 3 of the STPC(W)D 2025 (revised) March 2026 is statutory guidance to accompany the provisions in section 2.

The process that led to these changes included the following key stages which include the consultation on the initial STPC(W)D 2025 and the more recent consultation on the changes being made by the Order:

- Teachers' Pay Partnership Forum (all teacher unions and employers) discusses scope of draft remit and makes recommendations to Welsh Ministers;
- Welsh Ministers issue a remit letter to the Independent Welsh Pay Review Body (IWPRB) which outlines areas of teachers' pay and conditions for potential change;
- IWPRB considers evidence submitted by stakeholders and provides recommendations to Welsh Ministers;
- Welsh Ministers consider recommendations and set teachers' pay and conditions following a written consultation with key stakeholders;

It has been established practice for an order determining teachers' pay to be made annually with the new pay proposals within the document having effect from 1 September every year. It is the Welsh Ministers' intention to continue this practice. With this in mind, this proposal was included in the consultation in June 2025. It was clear from the feedback that our partners want this change to happen as soon as possible but also want to ensure it is carefully planned to avoid unintended consequences. Due to the additional time required to undertake further work with partners, it was not possible to lay the Order earlier.

The Order revokes the School Teachers' Pay and Conditions (Wales) Order 2025.

PART 2 – REGULATORY IMPACT ASSESSMENT

5. Options

To achieve the policy objective of moving ALN Coordinators onto the leadership group pay scale, the following options were identified:

1. Do nothing.
2. Take a legislative approach by amending the STPC(W)D 2025 to move ALN Coordinators to the leadership group pay scale.

6. Costs and benefits

Option 1 – Do nothing.

Benefits

A benefit of taking this baseline option is there is no change to local authority and school budgets. Teacher's pay is a significant element of the overall cost of schools funding and in turn local authority budgets, which are under significant pressure.

Costs

There are no additional financial costs associated with this option. However, doing nothing carries a high degree of risk. Whilst there may be some immediate cost saving benefits, this would have a distinctly negative impact for the following reasons:

- The Welsh Government has been clear there is a need and policy objective to move ALN Coordinators onto the leadership scale as recommended by the IWPRB in their 5th report.
- Teaching unions have been clear that this is a priority for action.

We consider that whilst there may be some immediate cost saving benefits this option does not achieve the objective to move ALN Coordinators onto the leadership scale.

Option 2 - Take a legislative approach by amending the STPC(W)D 2025 to move ALN Coordinators to the leadership group pay scale

Benefits

This option would align with the policy objective of moving ALN Coordinators to the leadership group pay scale.

Costs

Moving ALN Coordinators to the leadership group pay scale equates to an estimated increase to the overall pay bill of £2.345m for 7 months of 2025-26 and £4.019m for the full academic year (2026-27 Financial Year impact).

However, to mitigate the impact of these costs on school and local authority budgets, which have already been set for 2025-26, the Welsh Government will provide additional in-year grant funding via the Local Authority Education Grant, to support local authorities and schools with these changes.

Summary of the preferred option

In summary, the chosen option is Option 2.

This decision is made in view of the benefits and costs as set out above.

These legislative changes have no impact on business, charities or voluntary bodies.

The impact on the public sector relates to the budgets of maintained schools in Wales to the extent that it makes changes to the pay and conditions of teachers employed by local authorities and governing bodies. However, additional funding is being provided by Welsh Government to support local authorities and schools with the budgetary impacts of these changes.

7. Consultation

A four-week written consultation with key stakeholders on the Cabinet Secretary's recommendations for changes to teachers' pay ran from 4 November to 2 December 2025. The organisations/individuals consulted are those key stakeholders agreed as part of the pay and conditions model established following transfer of powers. The consultees included teacher unions, local authorities and diocesan associations, all of whom are represented on the Teachers' Pay and Conditions Partnership Forum. Responses from consultees were generally a mix of positive and negative comments. Although there were some concerns regarding implementation of the approach, overall, the response to the consultation was broadly supportive of the award of changes to move ALN Coordinators to the leadership scale.

8. Competition Assessment

Not applicable.

9. Post implementation review

This is an annual legislative process and the pay process to determine school teachers' pay and conditions for 2026/27 is underway.