

SUPPLY TEACHING

Exploited' supply teachers get a kicking from taxman

*Teachers that supply staff will quit in droves after tax
cutback robs them of thousands of pounds a year*

ELEANOR BUSBY

TENS OF THOUSANDS OF supply teachers could lose more than £200 a month because of changes to tax relief rules that research shows have worsened the teacher recruitment crisis. The changes could also be made to pay more for supply staff as a result of the move. The union leader labelled the changes as "nothing short of scandalous", describing them as "a blow" to an already exploited part of the workforce. Many supply teachers have seen a cut in their take-home pay this month following the government's decision to axe tax relief on travel and subsistence expenses. Teachers affected are those who are employed by an agency that pays via a separate umbrella company that looks after its payroll. Hundreds of these staff could turn down offers of work in schools in more remote areas, push for more pay or even leave the profession altogether, new research suggests. Campaigners say these teachers could lose £52 a year now that the perk – which gave them a greater flexibility to take work far away from their home – has gone. So, new research from the FCSA, a trade association for professional employment services, shows that 30 per cent of supply teachers stationed would consider an alternative job in light of the tax changes (see graphic, opposite). The survey, of more than 430 supply teachers, also reveals that half of the respondents would be more selective when choosing where to accept placements. The organisation says that it believes just under half of supply teachers have historically received tax relief on their legitimately incurred travel and subsistence expenses.

What are the tax changes?

Tax relief on travel and subsistence expenses has been available to individuals engaged through an employment intermediary until 6 April this year. Staff on short-term contracts, across a range of sectors, can no longer claim the tax relief following new legislation brought in by the Treasury.

- Supply teachers are not the only ones affected – agency nurses and contractors in sectors such as construction, engineering and IT will also be hit.
- HMRC says that the changes will put workers employed through an employment intermediary on the same terms as other workers,

contracted directly or through an agency contract.

- But more and more supply agencies use umbrella companies now – as they can't offer PAYE themselves – so thousands of teachers will see a change to their take-home pay if they had been claiming tax relief on their expenses before.

Chris Keates, general secretary of the NASUWT teaching union, said that the changes to tax relief were "nothing short of scandalous" and "another blow for a group of teachers who are already exploited and undervalued".

A recent NASUWT survey of supply teachers found that nearly two-thirds were not paid at a level that recognised their experience. "These changes will mean they find themselves even worse off financially and deprived even further of the level of pay to which they should be entitled," Ms Keates added.

"This is now another issue to add to the list of unacceptable practices government has yet to address," she said.

'Schools will have to pay'

PRISM, a trade body for firms that provide payroll services for temporary staff, is leading the campaign for a strategic review of the changes.

Crawford Temple, its CEO, told *TES*: "In some areas of the country, supply teachers are travelling long distances to plug the gap where there are problems. [The government] is taking moves that effectively make it less attractive to do this.

"A number of supply teachers will just say, 'It's not worth me taking the contract'. Schools will have to pay more to compensate for that loss."

John Harwich (not his real name), a London-based supply teacher, said that he would lose around £10 a day, but added that the large amount of supply work in the capital meant it would not affect whether he accepted jobs.

"I do feel sorry for teachers in less built up areas. At worst, I can jump on my bike to most jobs, but in places like Yorkshire, people are driving miles and miles.

"Supply teaching is thankless enough and agencies take a cut so this is unwelcome."

Headteacher unions are concerned that the changes could make recruitment of supply teachers even more difficult – especially in rural areas – at a time when schools are increasingly relying on such staff. They fear that schools could be forced to pay more in order to attract supply teachers.

Malcolm Trobe, interim general secretary of the Association of School and College Leaders, said: "The long-term solution is to improve the teacher supply situation but, in the immediate future, it would be better not to introduce a measure that may make the situation even more difficult."

Russell Hobby, general secretary of the NAHT headteachers' union, added that the removal of tax relief would mean the cost is passed on to schools.

"This is especially worrying given the difficulties schools are facing in recruiting for permanent roles, meaning they are having to rely more on supply teachers," he said.



'I have to hand my notice in'

The debate around the tax relief issue has been heating up among the *TES* supply teacher community over the past few weeks. Here is what some of them had to say:

User **Stuckatups1**, who was claiming the tax relief while working 300 miles from home, wrote: "I have had no option but to hand my notice in as I'm not a charity."

User **splinters** added: "We are all in the same boat: those who travel the furthest will be hit

the worst. I do about 300 miles a week but hoping the move to PAYE and [the agency workers' regulations giving workers the same rights as permanent workers after 12 weeks] will offset that."

User **SpideyClaire** wrote: "My agency simply won't agree to PAYE but have come up with three new umbrella company options that apparently take less of a cut than the previous one."

But it is supply teachers who are facing the most immediate problems: a cut to pay and a lack of clarity over what route to take next.

Both the NUT teaching union and the Recruitment and Employment Confederation have received a number of calls in the last month from members who are seeking advice and guidance over the change.

Andrew Morris, head of pay and pensions at the NUT, said: "The situation still doesn't

seem any clearer than when the proposals came out. We have seen growing confusion and concern."

Supply teachers have been turning to the *TES* community and social media to try and gain some clarity around the changes (see box, above). Some users have reported that more agencies are asking supply teachers to sign up to a new model whereby the teacher sets up their own company.

Demand and supply

£3,252

Amount that supply teachers could lose each year as a result of the changes, according to campaigners*



30%

The proportion of supply teachers who would consider alternative jobs because of changes to tax relief rules



50%

The proportion of supply teachers who will now be more selective when deciding where to accept placements



47%

The proportion of supply teachers who received tax relief on their travel and subsistence expenses

Source: FCSA research, *PRISM

Mr Morris added: "Some supply teachers are very clued up but they are still unsure what the appropriate avenue is. There is a lack of clarity about whether they can access PAYE employer status [instead]."

An HMRC spokesperson said: "The changes are aimed at ensuring the tax system provides no individuals or business with an unfair advantage by preventing temporary workers who are employed through employment intermediaries, and their employers, from benefiting from relief for home-to-work travel expenses.

"This relief is not generally available to other workers who are employed directly or through temporary work contracts. Therefore, supply teachers employed through an intermediary will be put on the same terms as other supply teachers, contracted directly or through an agency contract. This will make sure that all supply teachers will be treated equally."

@Eleanor_Busby

TES Global, parent company of TES, owns three supply agencies: Vision for Education, ABC Teachers and Smart Teachers