UCU HE news

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IN THIS ISSUE OF HE NEWS: NATIONAL CLAIM – UPDATE

National Claim: Update 1 - 27 March 2013

UCU's negotiators were successful in gaining the agreement from the other HE trade unions to include the issues raised at our special sector conference as part of a joint union approach to the claims. The agreed claim was not finalised until the end of last week.

The trade union side submitted the claims to UCEA, the national employers' association, prior to the first New JNCHES negotiating meeting, held on 26 March.

The full claims are attached but, in summary, we have asked for:

- A pay offer that matches inflation and starts to address the four year erosion in your pay. This is modest and affordable: HEFCE reported in March that surpluses in UK universities were stronger than projected last year.
- An increase to London Weighting
- A national agreement on guidance to universities over workloads and working hours – to begin to rein in the long-hours culture in HE.
- Nationally agreed measures to avoid compulsory redundancy and all hourly paid staff to be put on the national pay spine and contracts that are fair for all our staff
- National measures to address the gender pay gap – active intervention by employers is the only way to close the gap
- An agreement on disability leave

The UCEA Board meets on 10 April and it is expected that the employers will make an offer at the next meeting of New JNCHES, scheduled for 23 April.

A leaflet for members will be part of the first circulation to branches after the Easter break.

The Higher Education Committee will meet on 19 April and will consider further campaign initiatives and preparatory work on responses should the employers fail to make an acceptable offer in response to the claims.

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Trade union side national claim - 2013

Submitted March 2013

Joint Higher Education Trade Union Claim 2013/14

Background

These claims are submitted jointly on behalf of the higher education trade unions.
The settlement of the 2012/13 national negotiating round resulted in a further erosion of members pay. The employer's final offer of 1% represents a fourth consecutive year of wage restraint in higher education. The effect is felt across all grades of staff in higher education. Our members are reporting real falls in income and difficulties in maintaining their standards of living.

In addition to pay, as part of the national claim negotiations over recent years, the trade unions have made repeated attempts to press the employer's national representatives to address a number of inequalities within the sector; closing the equal pay gap, transparent and fair senior pay arrangements, assimilation and fractionalisation of hourly paid staff onto the national pay spine and a national agreement on disability leave. There have been no national level negotiations or agreements reached on these matters.

This year the trade unions have agreed to submit two jointly agreed claims, which we want to be negotiated concurrently via the New JNCHES machinery.

The claims are for;

1. Pay

2. Pay Related and Equality Matters.

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Trade union side national pay claim - 2013

Submitted March 2013

Pay

The trade unions are seeking:

- A percentage increase on all pay spine points of at least the current RPI[1] plus an additional percentage increase to start to address the real term reduction in pay over the last four years.

- Low Pay – to address the issue of low pay in the higher education sector by achieving a 'living wage' for all staff. This should be achieved through the removal of the bottom two spine points on the national pay spine

- London Weighting – An increase in the minimum allowance to £4000. This could be phased in over four years.

Pay

For most HE staff the last four settlements has amounted to approximately a 2.2% increase in pay. When the annualised RPI increases over this period are combined with the forecast RPI rate up to July 2013, cumulative inflation will have increased by approximately 15.5%. The result in real terms is a cut of over 13% in the value of take home pay.

It is the trade union side's view that these and future negotiations start from the basis that existing salaries will at least be increased by RPI Inflation as the opening position. Inflation over the last three years has consistently been over 3%. A range of economic forecasters including the Bank of England are predicting that inflation will remain around these levels for the next two to three years.

Staff in higher education have seen substantial falls in their standards of living over this period and the trade union side believe that continued pay restraint is unsustainable if universities wish to recruit and retain high quality staff.

All-items RPI forecast, average	**2012 %**	**2013 %**
January		3.3% (actual)
February		3.2% (actual)
March		3.0
April		2.8
May		3.1
June		3.5
July		3.2
August		3.2
September		2.9
October		2.6
November	2.7% (actual)	2.6
December	2.7% (actual)	2.5

[1] February 2013 RPI was 3.2%

Source: IDS Pay Report 1108, January 2013

With regard to the spending power of take home pay over this same period, the table below represents the approximate real terms loss of value of members pay at key pay points on the national pay spine.

Real terms shortfall Aug 2009 – July 2013	Cumulative	Per month
Pay point	£	£
22	1958	163.16
29	2307	192.25
34	2790	232.50
36	3084	257.00
43	3641	303.40
49	4346	362.16
51	4411	367.58

Over this same reference period, the loss in value of pay is compounded by the continuous increase, typically above the prevailing rate of inflation, in the cost of essential goods such as food, fuel, travel and energy. This has resulted in HE staff having less disposable income and facing increasing financial difficulties.

Take home pay for staff in the sector is being further reduced by increases in members pension contributions both in this and subsequent years. We also face the prospect of increased national insurance contributions for members of contracted out schemes.

The relative position of HE pay can be further considered in the context of what has been happening with both public and private sector pay settlements over recent years.
In 2012 the majority of the public sector emerged from a two year pay freeze into a further two years of pay restraint that takes the form of a 1% cap.

In the private sector, the latest IDS analysis of settlements puts private sector median increases at 2.8%, mean pay increases at 2.5 % with the lower quartile at 2% and the upper quartile at 3%

Pay of vice-chancellors and principals (VC&P) and UK academic staff

Over recent years it has become apparent that the pay for VC&P has been more aligned to the remuneration of FTSE Chief Executives than the marginal increases endured by staff in the sector.

Since 2002, year on year VC&P pay has on average increased at double the rate of staff pay. 2011/12 figures revealed that vice-chancellors of Russell Group universities saw their remuneration increase by £10,175 – more than four per cent, and that two-thirds of university leaders received a pay rise. There were also examples of individual increases running at three to four times the average.

The latest HESA data also shows that approximately 2500 HE staff now earn more that £100,000 pa. This trend in the senior pay continues year on year. There is a lack of transparency in how such off scale appointments and reward decisions are made. However what is clear is the fact that against a backdrop of suppressing national spine payments for the many, some are doing very well in comparison.

It is the trade unions view that the increases in reward and the increasing numbers of senior staff attracting six figure salaries, need to be understood in the context of the lack of fairness and balance when pay cuts continue to be the experience of the vast majority of HE staff.

The trade union side believe that the pay of vice-chancellors should be capped at ten times the level of pay of their lowest paid staff.

Affordability

The HEFCE report, 'Financial health of the higher education sector' published in March 2013 Reports that financial results for the sector in 2011-12 are sound overall and stronger than projected by the sector in June 2012.

The improvement in surpluses relative to the earlier forecast position provides some evidence that the sector made good efficiency savings during the year. The most significant of these savings related to staff costs, which fell in real terms for a second consecutive year in 2011-12.

The projected financial results for 2012-13 indicate that the sector will remain in sound financial health overall and also based on the revised financial forecasts for 2012/13; the report finds that no institutions are close to the risk of insolvency.

The report identifies that income from student fees will continue to increase, more than offsetting reductions in teaching grants and research funding allocations

This healthy financial position is reinforced when falling staff costs as a percentage of total expenditure in the period is considered. The latest HESA Finance Plus data indicates that this has fallen from 58.0% in 2001/2 to 55.5% in 2011/12.

2001-2	58.0
2002-3	58.5
2003-4	58.5
2004-5	58.4
2005-6	57.8
2006-7	57.8
2007-8	57.4
2008-9	56.8
2009-10	56.6
2010-11	56.2
2011-12	55.5

Scotland

The Scottish Government's programme budget for the current comprehensive spending review period (2012-15) shows year on year real terms funding increases for Scottish HEIs. The 2013-14 Draft Scottish Budget shows HE programme budget to be £1041.6m up from £1002.2m in 2012-13.

Financial Year	University Programme funding (£m)
2011-12	926.6
2012-13	1002.2
2013-14	1041.6
2014-15	1061.8 (planned)

The Scottish Universities have a capped number of Scottish/EU students – since their fees are paid by the Scottish Government. There is currently no cap for non-EU students and R-UK students. The recent rise in student numbers in Scotland has also seen a rise in RUK students and these are believed to further improve Universities revenues.

A preliminary inspection of Scottish University Accounts for 2011-12 shows that Scottish Universities have healthy operating surpluses, with overall general reserves of around £2.5Bn. In 2011-12, Scottish Universities spending rose by 0.8% but staff costs fell by 0.9%.

Low Pay

Low pay in higher education remains an issue. A UNISON survey of the minimum rates of pay in higher education showed that over half of institutions fail to pay the living wage to some groups of staff. Eleven institutions still use the minimum wage as the starting salary for their lowest paid staff.
Lowest paid staff have been hit hardest by the increases in essential items such as the cost of food and fuel that have increased in price in excess of the general rate of inflation. On average, the lowest 10% of earners spend over 25% of their income on food compared to just 4% for the highest 10% of earners.
The trade unions believe that the 'living wage' should be the minimum threshold for low pay in the sector. This is currently set at £7.45 per hour outside London and £8.55 per hour in London.
The trade unions claim is to address the issue of low pay in the higher education sector by achieving a 'living wage' for all staff. This should be achieved through the removal of the bottom two spine points on the national pay spine

London Weighting

The cost of living in London is rising faster than anywhere else in the UK. London Weighing varies greatly within the London region HE sector, from £2134 to over £3000. Some institutions have frozen London Weighting for 20 years, whereas others have linked it to national pay increases. The rate of London Weighting should reflect rising living costs and inflation and it is the trade unions view that it should be harmonised within institutions.

The trade unions are claiming for an increase in the minimum allowance to £4000. This could be phased in over four years.

Conclusion

Higher Education is going through a period of almost unprecedented and rapid change. There are increasing expectations from government, employers and students that all HE staff will continue to deliver excellence in teaching, research and support.

The HE trade unions are not against change however over recent years, it's clear that members have been be rewarded with small increases in pay that have resulted in year on year pay cuts despite working harder and longer than ever.

If the pattern of national bargaining outcomes over the last four years repeats itself in the coming years, members' pay will continue decline. With the employers' side reluctance to expand negotiations to cover pay related matters; the prospect for any meaningful agreements at a national level remains limited.

The trade unions believe that our claim is reasonable and justified for the reasons given above and we look forward to a positive response to the claim.

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Trade union side national pay related matters claim - 2013

Submitted March 2013

Pay Related and Equality Matters

The trade unions are seeking

- An agreement to extend the top of the pay spine beyond point 51.
- An agreement to address the issues of Hourly Paid Staff and other forms of casualisation in the sector.
- An agreement on workload and working hours.
- A national agreement on Disability Leave.
- Nationally agreed measures to avoid redundancies.
- Measures to address the gender pay gap.

Extension of the Pay Spine

Pay transparency and fairness are key principles of the National Framework Agreement. When implemented via agreed job evaluation and reward practices these principles enable institutions to operate equality proofed and open practices. However both principles and practice become opaque beyond point 51 as many institutions have devised and operate their own progression and reward strategies. This has the potential for unfair and unequal pay structures, which could expose institutions to equal pay claims.

The latest data indicates that approximately 25% of staff in the sector are paid above the pay spine. This now represents a significant and growing proportion of the HE workforce and the issue needs to be addressed if the NFA is to retain its integrity.

The Prondzynski Review of HE Governance in Scotland has recommended that the New JNCHES salary spine be expanded to cover all University employees. Such a move could be introduced relatively quickly and would aid transparency, accountability and equality by building on the existing arrangements.

The trade unions claim is for an agreement to extend the pay spine beyond point 51 based on the agreed principles of fairness and transparency.

Hourly Paid Staff and other forms of Casualisation

Despite commitments from employers in the sector, there are still h*ourly paid* staff whose pay is not linked to the national pay spine. Even where the link exists, the calculation of comprehensive hourly rates, detrimental terms and conditions and the use of zero hours contracts continue to leave HP staff in an unfavourable position compared with their full time salaried colleagues.

The trade union claim is for;

- the assimilation of all hourly paid staff to the national spine

- the *conversion* to fractional contracts for hourly paid lecturers to harmonised terms and conditions that recognise the hours required to perform the job and do not make use of zero hours contracts.

A National Agreement on Disability Leave.

The Equality Challenge Unit (ECU) published its report 'Enabling equality: furthering disability equality for staff in higher education' in September 2011. The report identifies that higher education institutions are failing to meet their duties under the Equalities Act by failing to provide disability leave as a reasonable adjustment for disabled staff despite guidance being available since 2006.

Whilst the trade union side acknowledges the recent UCEA and union joint work on this matter, the trade unions believe a national level agreement on disability leave is the best way of achieving fair and consistent treatment of disabled staff across the sector.

An Agreement on Workloads and Working Hours

A recent UCU survey of 14,000 higher education academic and academic-related staff, found stress levels from intense workload is considerably higher than that of the general British working population, and that many universities suffer from a long-hours culture.

The key survey's findings include:

- At 76 institutions, more than 30% of all full-time respondents reported working over 50 hours a week.
- UCU members at universities show a considerably higher average level of stress relating to the demands made on them at work, than the British working population as a whole.
- Stress levels related to work demands have risen for UCU members in higher education over the past four years.

The pressure on staff in higher education is being further compounded by funding cuts, increased workloads and rising expectations from students now paying much more for their education.

The trade union claim is for national guidance on workloads and working hours, that incorporate and builds on existing workload agreements.

Nationally Agreed Measures to Avoid Compulsory Redundancy

Despite repeated attempts by the joint trade unions to press the employer's representatives for a national level job security agreement, no recent negotiations have taken place beyond the talks that led to the Higher Education ACAS Digest in 2010.

However with the recently announced government plans to exclude fixed term contract staff from collective redundancy consultations and cut the statutory minimum consultation period from 90 days to 45 days if at least 20 employees are to be made redundant, job security in now back on the agenda.

The BIS consultation document published on 18 December 2012 clearly indicates that HE employers were instrumental in lobbying government to make it easier to their sack staff at the end of fixed term contracts.

Increasing job insecurity for a large and essential cohort of HE staff has a knock on detrimental effect on staff in the sector beyond those immediately at threat of redundancy.

The trade unions claim is for nationally agreed measures to avoid compulsory redundancy.

National measures to address the Gender Pay Gap.

Despite some limited improvement in recent years, the gender pay gap in higher education is still much greater than in the wider economy and across the public sector. The JNCHES Equality Working Group identified that the HE full time gender pay gap was 17.3% compared to a UK workforce average of 10.2%. In 2012 ASHE data has the gap at 17.1 %

According to 2011 ASHE data the pay gap for female academic staff was 14.4%. This most recent data indicates that the structural nature of pay inequality persists due to a failure by employers within the sector to actively intervene and drive a change in policy.

The pay gap for professors and senior staff is of an equally persistent nature. There is a serious problem in many institutions over the lack of transparent grading and promotion procedures for professors and senior staff. The failure of UCEA and institutions to address this leaves institutions open to legal challenge and undermines their role in promoting transparency and equality.

The gender pay gap for the professoriate persists at around 6.2% and increases at key points in the research assessment cycle and could well be a feature of the REF without policy intervention and action.

Gender pay (GP) gap (ASHE)

Higher education teaching professionals

Median @ April	Female (F)	Male (M)	F as % M	GP gap*	**Mean @ April**	Female (F)	Male (M)	F as % M	GP gap*
2011	40,568	46,229	87.8%	12.2%	2011	41,559	50,329	82.6%	17.4%
2012	40,985	46,715	87.7%	12.3%	2012	41,688	50,306	82.9%	17.1%

Further education teaching professionals

Median @ April	Female (F)	Male (M)	F as % M	GP gap*	**Mean @ April**	Female (F)	Male (M)	F as % M	GP gap*
2011	31,647	34,481	91.8%	8.2%	2011	32,204	35,774	90.0%	10.0%
2012	32,819	34,176	96.0%	4.0%	2012	33,124	35,598	93.1%	6.9%

Secondary education teaching professionals

Median @ April	Female (F)	Male (M)	F as % M	GP gap*	**Mean @ April**	Female (F)	Male (M)	F as % M	GP gap*
2011	35,777	38,287	93.4%	6.6%	2011	35,048	38,881	90.1%	9.9%
2012	36,209	38,638	93.7%	6.3%	2012	35,210	38,098	92.4%	7.6%

According to HESA statistics, the gender pay gap for support staff remains over 9%.

The trade unions believe that the bulk of the pay gap in higher education is due to structural issues that should be addressed through active policy intervention and enforcement measures agreed with the unions.

<u>Conclusion</u>

Higher Education is going through a period of almost unprecedented and rapid change. There are increasing expectations from government, employers and students that all HE staff will continue to deliver excellence in teaching, research and support.

The HE trade unions are not against change however over recent years, it’s clear that members have been be rewarded with small increases in pay that have resulted in year on year pay cuts despite working harder and longer than ever.

If the pattern of national bargaining outcomes over the last four years repeats itself in the coming years, member’s pay will continue decline. With the employer’s side reluctance to expand negotiations to cover pay related matters; the prospect for any meaningful agreements at a national level remains limited.

The trade unions believe that our claim is reasonable and justified for the reasons given above and we look forward to a positive response to the claim.