



NATFHE

*Commentary on the
Bett Recommendations*

A discussion document for HE branches

August 1999

NATFHE COMMENTARY ON THE BETT RECOMMENDATIONS

INTRODUCTION

The Independent Review Committee on HE Pay and Conditions of Service (Bett Committee) was established in 1998. Its origins lie in the 1996/8 pay settlement, agreed following the joint union national action, whereby national unions and the Universities and Colleges Employer's Association (UCEA) agreed on the need for a national review of pay and bargaining structures, and it was incorporated into recommendation 50 of the Dearing Report. The Bett Committee was established as a one-off review body, with a remit to consider the future 'framework for negotiating pay and terms and conditions' and 'whether pay levels, for all or any group, need adjusting'.

Composition

The Bett Committee was composed of five employer representatives, five trade union representatives (of which NATFHE was one) and five independent representatives. In addition it had an independent chair, Sir Michael Bett (a government facilitated selection), and secretariat. The existence of independents allowed discussion to move away from the polarised position of employers v unions, although in fact there were, in many cases, significant differences within the unions' and employers' sides. However it meant that this was not a negotiating body and the parties are not bound by its recommendations.

During the summer of 1998, the Bett Committee received numerous written and oral submissions from interested parties, and also conducted a survey on staffing numbers, pay and other employment issues. Detailed discussions only took place from the autumn, and the greatest amount of time was spent on structural issues, ie. local v national bargaining and single v two table bargaining. Whilst conditions of service (and the post 1992 institutions' national academic contract) did form part of the overall debate, the Bett Committee did not enter into detail over what a future academic contract should contain, preferring instead to identify in what forums such discussion should take place and the key elements.

What happens next

Formally, the report is the property of the UCEA (whose subscribers provided the necessary funding), and has been submitted to them for consideration. The UCEA Board (which met in July 1999) is recommending to institutions that the Bett recommendations as a whole be accepted in principle, on the basis that they provide a framework for further discussions with the trade unions and government. The UCEA consultation will be completed in mid December 1999.

Another part of the equation is whether or not the Government is prepared to provide the necessary funding to HE institutions to implement the recommendations. Bett anticipates that

the earliest that recommendations with significant cost implications will be implemented is 2000-1, and then only if the government's provisional funding plans are revised upwards. Throughout, the Government have been reluctant to become involved in the process of determining HE pay and conditions of service, arguing that HE institutions are autonomous. This is disingenuous, since the government holds the purse strings. It will be important for members to fully participate in any joint union/employer campaign to press the government for additional funding.

In reality the report is the property of the sector, and its recommendations will, in some form, be submitted to the various national bargaining bodies for consideration and negotiation. Therefore all HE union and employer representative bodies are consulting their members over the next couple of months, as to what should be their response. It is important that the HE Unions co-ordinate their responses, as far as possible. Whilst NATFHE may not like some of the recommendations (indeed they are a mixed bag) this is likely to be our best chance for some time to negotiate really radical change at national level. The greatest threat to member's pay and conditions of service is that Bett goes the same way as Dearing and that its recommendations are not implemented. This would mean the pressures towards lower pay, more casualisation and heavier workload would continue, together with pressure from some employers to move away from national bargaining to local bargaining or worse, local determination, and increasing fragmentation of the HE sector.

This commentary (considered and agreed by NATFHE's National HE Committee) forms the basis of NATFHE's response and will be discussed by our Special HE Sector Conference on 29 October 1999. It is based on the following general principles:

- Harmonisation of HE pay and conditions of service only on the basis of no detriment and that transition arrangements are agreed that safeguard existing pay levels, pay progression and conditions of service.
- That the pay of all academic staff must be improved, not just those at the bottom and the top of the current grading structure.
- That any agreement must build on existing national and local agreements on conditions of service, and that existing contractual workload safeguards are extended.
- That national and local collective bargaining is retained and extended.
- The need to extend equal opportunities and ensure transparency

INFORMATION

Recommendation 1 - *It is essential that comprehensive data on the numbers and pay of academic and non-academic staff are collected on a regular and systematic basis. (support)*

There is a clear need for more comprehensive staffing data on pay levels and grading, mode of employment (full-time and part-time), and terms of employment (permanent, fixed term and casual) (*recommendation 1* and paragraph 13*). This should be published on an annual basis and include breakdowns by academic discipline, sex, ethnic origin, disability and age.

Currently staffing data, collected through the Higher Education Statistical Agency (HESA), is inadequate because no information is collected on non-academic staff or casual staff (ie part-time hourly paid staff), and HESA will not publish useful pay level data. To gather this information, Bett was required to conduct its own staffing survey and it is highly critical of the lack of national information available to the sector (paragraph 12). The past lack of data has made it impossible to cost any proposed changes to national pay structures (essential in national bargaining and in any bid for increased funding of the sector) and has prevented any systematic review of our pay structures, to ensure that they are non-discriminatory, as recommended by the EOC Code of Practice.

FUTURE MECHANISMS FOR DETERMINING PAY AND CONDITIONS

Recommendation 2 - *The HE system should retain a broad national framework for determination of pay and conditions of service, aiming to embrace all HE institutions, but with freedoms within the framework for individual institutions to adapt the detail. (qualified support)*

Recommendation 3 - *The present ten negotiating arrangements should be replaced by a National Council, with members from all the main organisations representing employers and staff throughout UK higher education. (support)*

Recommendation 4 - *The National Council should have substantial negotiating, consultative and advisory functions on an agreed range of employment-related matters, including future developments in the staffing needs of the sector. (support)*

Recommendation 5 - *From the outset, the National Council should have two Sub-Councils: one for academic staff and one for non-academic staff. To start with, the Academic Sub-Council's coverage should be limited to teachers, researchers and others whose primary function is to contribute directly to student learning. (support + note)*

Recommendation 6 - *The main negotiating and consultation responsibilities should rest with the National Council, but it would be expected to delegate those matters affecting only staff covered by one of the Sub-Councils to that Sub-Council. (support)*

* 'Recommendation' refers to relevant Bett recommendation (reproduced in boxes at the beginning of each section, along with NATFHE position in brackets); only recommendations relevant to academic staff in post-1992 institutions have been referred to. 'Paragraph' refers to relevant paragraphs in the Bett report and is provided for reference purposes only.

Recommendation 7 - *In the first instance, pay bargaining should be conducted in the Sub-Councils but with this approach being reviewed by the National Council after three years' experience of its operation. (support + note)*

Recommendation 8 - *There should be a neutral independent chairman for the National Council and its Sub-Councils, with the parties being involved jointly in his/her selection and in determination of his/her terms of service. (support)*

Recommendation 9 - *The National Council should have a modest independent secretariat with important data-gathering functions, perhaps provided by the Office of Manpower Economics. (support)*

Recommendation 10 - *In certain agreed areas it may be appropriate for the National Council to take on a representational or lobbying role in its own right. (support)*

Recommendation 13 - *There will also be a need for mechanisms for negotiation and consultation between management and staff in each institution. The precise nature of these should be decided locally. (qualified support)*

Harmonisation

The underlying thrust of many of the recommendations of the Bett Committee is that the pay and conditions of staff across pre and post 1992 institutions should be harmonised, with the only issue of debate being how this will be done. The importance of a harmonised structure for NATFHE can not be underestimated. It is currently difficult to compete with the old university sector when our starting salaries are lower, our promotion prospects limited, and our members are subject to much higher teaching loads. Whilst harmonisation is to be welcomed, it does not mean that it will all go NATFHE's way. There is a real danger that our employers will try to argue that harmonisation will be taken to mean downwards to the lowest common denominator and not upwards, with potential consequences for the retention of our national academic contract (see later). This is due to the fact that there is no equivalent national academic contract and no concept of academic workload protection provisions in the pre-1992 institutions. However, NATFHE will fiercely resist any attempt to worsen our current conditions of service, and will argue that harmonisation, if it is to be supported by NATFHE, must be on the basis of no detriment. Bett provides us with the best chance to date for such discussions to take place within a national negotiating arena.

National bargaining

The recognition of the need to retain a 'broad national framework' for pay and conditions of service is a significant gain for NATFHE (*recommendations 2 + 17*). The UCEA in its submission sought to limit national bargaining to negotiation over the annual pay increase with everything else (ie. grading and conditions of service) to be determined by institutions. To support this position the UCEA provided evidence of the diversity of higher education sector since institutions were dependent on differential funding streams and had a range of mission statements. NATFHE, along with the other unions, argued strongly against this position, arguing that the

similarities between institutions outweighed the differences, and that higher education was a national system, subject to national scrutiny and funding eg quality assurance, and fees. Moreover, academic staff operated within a national (and at times international) labour market and it was essential to ensure coherence of our national system that there were recognisable grades and titles. Bett supports our arguments and in addition states that HE institutions in any case 'do not have the managerial capacity' to introduce widescale local determination.

Nevertheless, NATFHE recognises that there is a need for some institutional flexibility, to adapt the detail of national agreements to suit particular local and institutional circumstances (*recommendation 2*), as long as this takes place within a nationally agreed framework. In order to facilitate this, we welcome the recognition that mechanisms for local negotiation and consultation will need to be developed (*recommendation 13*), provided that this be with locally recognised trade unions, together with proper trade union facilities and time off agreements.

There was a debate within the Bett Committee on whether a pay review body system, favoured by AUT for pay, should be recommended for academic and related staff. No other union and only a few individual employers supported a pay review body. NATFHE supports a one-off pay review to re-establish fair and comparable pay levels but to be followed by national collective bargaining on pay and, importantly, conditions. Bett rejected a PRB as inappropriate to the HE sector which is not wholly within the public sector (as other PRB groups are) and with diverse sources of funding. Instead Bett supported a national collective bargaining framework on pay and conditions as the most appropriate system for the sector - accommodating local diversity and competing demands on resources in a democratic, open and accountable system.

National Council and Sub Councils

It clearly makes sense to rationalise the current ten bargaining arrangements which no longer reflect the composition of HE staff groupings (*recommendation 3*). Bett recommends that they be replaced by a single National Council consisting of representatives from all the employer organisations and trade unions for the whole of the UK (ie expanded to include Scotland, pre and post 1992 institutions). This would be responsible for negotiating and consulting over employment related issues common to all HE staff groups. Bett further proposes that the National Council remit includes the need to address staffing requirements of the sector in relation to technological development, changes in employment practice and the 'challenges of sustaining quality and of keeping UK HE at the forefront of world wide developments in teaching and research' (paragraph 101). NATFHE welcomes the recognition that the National Council could provide an important, unifying mechanism bringing together the employers and unions to represent the sector to outside agencies and lobby the funding councils and government departments (*recommendation 10*).

This would be supplemented by two Sub-Councils: one for academic and one for non-academic staff, to negotiate issues particular to that group of staff eg academic workloads and intellectual property rights (*recommendations 4, 5, 6*). This two tier model was proposed by NATFHE in our submission. We argued that the bargaining structure should be determined by the issue under negotiation, rather than any adherence to abstract principles of single or two table bargaining, ie. issues common for all staff should be negotiated in the National Council, issues relevant to only some staff negotiated in the appropriate Sub-Councils.

More problematic was whether pay should be negotiated at National Council or Sub-Council level. This was one of the major issues for the Bett committee to resolve, since the bargaining structure would also heavily influence whether a single or two pay spine model was adopted. In theory, although NATFHE preferred to negotiate academic pay within a specific academic bargaining table, there are strong egalitarian and equal pay arguments for it to be negotiated in a single table, and for a single pay spine to be developed. However, it became clear that academic and non-academic staff operated in different labour markets with academic staff primarily operating within a national labour market which required a national recognised grading structure, whilst non-academic staff were usually recruited from local markets. For this reason, Bett argued that it made sense for pay to be negotiated in the sub councils, and for two pay spines to be developed (*recommendations 7, 14-17*). Interestingly a similar model has been proposed by the Government for the NHS. The inclusion of a three year review was an understandable concession to those arguing for single table (UCEA, UNISON and TGWU), who argued strongly against this recommendation. NATFHE will approach the three year review with an open mind. In order to address the issue of equal pay arguments, Bett recommends the use of job evaluation to develop a link between the two scales (see below).

Bett states that the precise division of interests between the two Sub-Councils will be a matter for negotiation between the parties and suggests that the division could be based on whether staff operate within a national or local labour market or whether or not they are eligible for ILT membership. (paragraph 90). The recommendation that the academic Sub-Council covers 'teachers, researchers and others whose primary function is to contribute directly to student learning' (*recommendation 5*) is a relatively narrow definition. It makes sense that it reflects the most cohesive grouping, a broader definition would make it more difficult to draw the boundary between whether a particular post was academic or non-academic, however even with a narrow definition there will be grey areas eg tutor librarians, student counsellors, possibly demonstrators. The problem with the current definition of 'academic related' staff is that in the pre-1992 institutions it is defined not by what people do, but by their level of pay ie. it includes all administrative, technical and managerial staff paid over £14,000, many of whom have no involvement in the learning process, and would be employed on the APTC scales in the post-1992 institutions.

More importantly, the academic sub-council will be responsible for the development of a new academic contract (see below). If the contract to be negotiated has to include the needs of staff for whom limitations on teaching load and the requirement to do research are not personally relevant, then the danger will be that NATFHE's ability to retain these key protections at national level will be limited. However, we recognise that this is a much more sensitive issue for our sister unions: AUT and UNISON, since in the post-1992 sector UNISON represents those academic related staff which AUT represent in the pre- 1992 sector (comprising 40% of AUT's membership). A narrow definition would divide AUT's membership between the academic and non-academic sub-council and break the link that currently exists in the old universities between academic and related staff. A wide definition would divide UNISON's membership, since UNISON (and possibly MSF) would need to be represented on the academic sub-council in relation to academic related staff in the new university sector. EIS (representing academic staff in the post-1992 sector in Scotland) is in the same position as NATFHE. At a time when it is essential that unions work closely together, the definition of academic related staff could prove divisive, it is important that NATFHE does not develop a position that could harm our relations with other unions.

Independent Chair + Secretariat

NATFHE welcomes the creation of an independent chair, and the recognition for joint involvement in his/her selection and determination of his/her terms of service (*recommendation 8*). This could provide a useful mechanism to resolve disputes. Also an independent secretariat would provide a useful means of generating a consensus over the collection and analysis of staffing data (*recommendation 9*). It is proposed that the secretariat provides a similar service to that of existing pay review bodies, and Bett recommends the use of the Office of Manpower Economics, which currently provides such support to the Police Negotiating Board.

RECOMMENDATIONS ON PAY

Pay structures + levels

Recommendation 14 - The National Council mechanisms should consider introducing two closely linked pay spines: one for academic staff restricted to teachers, researchers and others whose primary function is to contribute directly to student learning; and one for non-academic staff; with benchmarking between staff on the two spines using common systems for job evaluation. (qualified support)

Recommendation 15 - The details of the two linked pay spines should be negotiated in the Sub-Councils, but the National Council will have an important oversight role in the initial design of the spines and in subsequent monitoring of their inter-relation. (support)

Recommendation 16 - The National Council and Sub-Councils should consider issuing guidelines on the application of these closely linked pay spines at institutional level. (qualified support)

Recommendation 17 - There are strong arguments for retention of a national grading framework for academic staff. (support)

Recommendation 18 - It would be useful for the Academic Sub-Council to issue some non-prescriptive national guidance on the range of promotion criteria and procedures for academic staff. (qualified support)

Recommendation 19 - The negotiators should consider a pay structure for academic staff with 5 grades reflecting the Hay evidence on job size; and with progression determined by length of service (up to 4 years), relevant qualifications (including ILT membership), additional responsibilities, and merit and achievement. (note as one model + reject PRP)

Recommendation 23 - There should be detailed guidance on transition to new pay structures, protecting staff rights under current agreements but also reflecting the key features and nature of new structures. (qualified support)

Recommendation 24 - Job evaluation, or some other job analysis and ranking system, will be essential for the sorts of reforms to pay structures outlined. (qualified support)

Recommendation 25 - HE institutions will need flexibility to respond to market factors where pay rates vary significantly from national norms in particular locations or for particular sets of competences. The reasons for such additional payments should be transparent and the need for continued payment should be reviewed periodically. **(qualified support)**

Recommendation 26 - There should be a common date for the implementation of national pay settlements. 1 August seems the most promising. **(support + note)**

Recommendation 27 - The pay and conditions of universities' and colleges' senior management should continue to be settled at institutional level, though with greater transparency of process than is presently the norm. **(qualified support)**

Recommendation 28 + 29 - If reforms of pay structures are agreed and the Government is persuaded of the need for increased investment in HE staff, by 2002 the minimum rates for academic staff should be of the order of the figures suggested in paragraph 182 and the minimum rates for non-academic staff should be equivalent to the figures suggested in paragraph 188. In particular:

- the minimum rate for ILT members might be, say, £1,000 higher than for other academic staff;
- there is a need for a significant increase in minimum starting salaries for young lecturers;
- there is a need to offer professors and equivalent senior academic managers rewards more commensurate with the weight of their responsibilities. **(note as one model)**

Recommendation 30 - The level of and mechanism for the necessary premium for HE staff in London should be negotiated in the National Council. It may be necessary for the HEFCE to review the additional cost allowance included in its funding of universities and colleges in London. **(support)**

Two pay spines linked by job evaluation

The recommendation that there be two closely linked pay spines: one for academic and one for non-academic staff (*recommendation 14*) reflects the recommendation that pay be negotiated in the Sub-Councils (*recommendation 7*). The Bett staffing data clearly reveals that pay discrimination is endemic to our current pay structures. Amongst academic staff there are twice as many men in promoted posts than women, and women academic staff earn on average £4,000 less in the pre-1992 institutions and £1,500 less in the post-1992 institutions (appendix D - tables 3 & 4). It also reveals that the current multiple, overlapping pay and grading structures, makes it highly likely that there will also be equal pay claims between staff groups. Whilst this threat may be reduced by the reduction of the current nine pay scales into two, there will still be a potential for pay differentiation. In order to address the need to ensure equal pay for work of equal value, particularly in relation to those posts which overlap the two scales (estimated at 4% of all HE staff posts) Bett further recommends that the pay spines be linked by benchmarking using a common system of job evaluation.

Job evaluation is the term used to describe the process whereby jobs are assessed against a number of specified criteria eg knowledge and responsibility, and awarded a score depending on whether they contain a high or low level of that factor. In addition certain factors may be

weighted to reflect their perceived importance to the organisation. It provides a more systematic way of comparing disparate posts, and determining their relative importance. It requires management objectively to justify why certain posts are accorded higher rates of pay than others and therefore seeks to limit informal preferences and patronage and thus discrimination. However, it is not an exact science, since the criteria chosen, and how they are weighted, reflect value judgements which are organisationally, and culturally determined. NATFHE will insist that any job evaluation scheme used in higher education is adapted to reflect academic values of collegiality, teaching and research.

Job evaluation does not determine rates of pay, or what grading structure should subsequently be adopted, this is a matter for negotiation. Nor does it require all jobs to be evaluated, indeed many schemes just evaluate representative 'benchmark' posts. Bett recommends that job evaluation (or some other job analysis and ranking system) "which satisfactorily accommodates the full range of duties and responsibilities appropriate to higher education" be used to

- ensure equal pay for work of equal value
- benchmarking across the two pay spines in the areas where they overlap
- adjustments to present grading eg to determine placement on the new academic grading structure. (paragraph 147)

This is very different from the UCEA's original intention to use job evaluation to introduce local bargaining and individualised pay. It is therefore proposed that NATFHE be prepared to reconsider its position on job evaluation, on the basis that there is national negotiation and agreement over the development and implementation of a suitable national job evaluation scheme, and how it will apply to the new national pay structures.

National Pay structures

Bett unequivocally accepts the retention of a national academic grading structure (*recommendation 17*), due to the national market for such staff and the need to offer clear career progression and maximise mobility between institutions (paragraph 127). This is a real concession to NATFHE and AUT who argued very strongly within the Bett Committee for the retention of national grading structures. It goes against the employers agenda which argued for a far more flexible framework and the introduction of local determination of pay scales (ie. pay determined solely by institutional management). However, whilst NATFHE welcomes the recognition that institutions will need a steer in relation to the application of the national pay spines at local level (*recommendation 16*), NATFHE would wish to see this provided through a national framework agreement whose implementation could be negotiated at local level, rather than mere guidance.

Bett also supports the need for national guidance on promotions procedures and criteria (*recommendation 18*). Bett criticises the lack of promotions for teaching and academic management, the lack of promoted posts in the post-1992 institutions where promotion opportunities are half those of the pre-1992 universities, and the markedly lower proportion of women in promoted grades, particularly in the pre-1992 institutions (paragraph 129). National guidelines (if they addressed the issues raised by Bett), would certainly improve the current position where promotion procedures are determined purely at institutional level, NATFHE will argue that any such guidelines should be prescriptive.

Bett rightly recommends the development of a new salary structure (*recommendations 19, 28 and 29*), rather than adapting an existing salary structure. Whatever our views of that structure, such an approach clearly provides the opportunity to develop a structure more suitable for the needs of higher education in the 21st century, rather than one based on historic anomalies. It also prevents any impression of one sector taking over the other. NATFHE supports the unequivocal recognition that any new pay structure must be agreed, the union is however concerned that the Government has been provided with a veto (*recommendation 8*) and will argue that even if the Government is not persuaded of the need for increased investment the employers still have responsibility to enter into national negotiations over desperately needed changes to our pay structures. Part of these negotiations must include agreement over transition arrangements, to protect the pay levels of existing staff (see below).

Five Academic grades

The five grade structure proposed is a key recommendation, and whilst NATFHE would be prepared to enter into negotiation over the proposed structure, this would be on the basis that it is only one 'possible model' for negotiators to consider (paragraph 133) and that other models may also be considered. NATFHE would however oppose the alternative 'locally-orientated pay structures' model (paragraph 134) as a backdoor route to local bargaining.

The proposed five grade model (to take effect by 2002) is as follows (paragraph 133 and 182):

- Researcher A and small researcher B - starting salary £20,000 (current RA starting salary 10,399, RB starting salary £15,205)
- Lecturer, small SL and researcher B - starting salary £22,500 (current L starting salary £14,398; SL £22,400)
- Large SL - starting salary £28,000 (current starting salary £22,400)
- PL - starting salary £35,000 (current starting salary £27,746)
- HoD and equivalent ie. professors - starting salary £46,500 (current HoD minimum £26,304)

Minimum starting salary

NATFHE welcomes the recognition of the need to increase minimum starting salaries. The increases proposed are substantial for the post 1992 institutions, and will at last bring academic starting salaries in line with those of other professions.

Enhanced professorial and senior academic manager salaries

NATFHE recognises the need to significantly increase senior staff salaries. The current Head of Department minimum at £26,304 is below the bottom point of the Principal Lecturer scale and is clearly redundant. NATFHE welcomes the suggestion that this be part of our national pay negotiations, and would urge the employers to negotiate a proper national pay structure for senior academic staff including pay progression, as opposed to just a minima.

Senior Lecturer Pay

NATFHE is disappointed that Bett fails to address the pay levels of over 50% of academic staff

who are employed on the top of Senior Lecturer scale in the post 1992 institutions. It therefore fails to address the 30% pay gap since 1981 between those at the top of the Senior Lecturer scale and that of comparable professions. Instead Bett proposes that the Senior Lecturer grade be split into two grades based on job size. It is however unclear what proportion of current Senior Lecturers would be transferred onto the higher grade, or on what basis job size will be determined. NATFHE will oppose any attempt to undermine, or limit, the recognition due to academic staff who specialise in teaching or research, as opposed to those who go into academic management. Senior Lecturers have been responsible for delivering the mass expansion in HE student numbers, they deserve recognition, and NATFHE believes that Bett's failure to address their pay level reflects an undervaluing of the teaching and research role.

Minima salaries but not maxima

NATFHE is concerned that Bett recommends that there should be a minima salary for each grade but no maxima. Our experience of the current Head of Department minimum is that it quickly becomes redundant since it is set at a lower level to that which most staff are appointed. Secondly, that if there is no clear and transparent structure it can result in pay discrimination and patronage, since there is no objective or public basis for pay progression above the minimum point. Moreover, there should be a point at which staff should be considered for promotion to the next grade, which carries not only an enhanced salary but also greater recognition, responsibilities and status.

Shorter scales

The current long scales are discriminatory, since they allow considerable managerial discretion over initial placement on the scales. Therefore NATFHE welcomes the move to shorter scales since it moves towards the concept of the rate for the job, whilst also retaining adequate recognition of reward for experience by retaining 4 incremental points (paragraph 133).

Responsibility allowances

Extra increments for additional responsibilities negotiated at national level would regularise the current use of responsibility allowances at institutional level which are often not even negotiated. It would ensure that in future such allowances are consistent, open and fair. However, NATFHE would resist responsibility allowances being used as a substitute for promotion opportunities. Where roles carry a financial allowance they should be filled through open advertisement and a proper appointment procedures, on the basis of good equal opportunities practice. They must not become a source of management patronage.

ILT rate

NATFHE notes the proposed ILT membership rate, and that it is intended that the extra £1000 be received by all staff once they gain membership (paragraph 182). NATFHE is currently involved in discussions with the ILT over the basis for ILT membership, particularly for existing staff. We therefore reserve our position on the ILT membership rate, since this will be determined by our overall position in relation to the ILT.

Performance related pay

Performance related pay should be unequivocally opposed (*recommendation 21*). NATFHE is not opposed to rewards for excellence and additional responsibilities which can be recognised through promotions. However, we are against the one-off increases assessed on an annual basis, that the government and employers sought to introduce in 1993, and which have been largely discredited in the private sector. Research has shown that performance related pay is divisive, it can demotivate rather than motivate staff, and is unsuited to an environment that depends on team work, sharing expertise and resources. Moreover, performance in the higher education sector is not about crude outputs which are capable of objective measurement, and there is considerable debate within the sector over how to assess teaching and research.

Market factors

Whilst NATFHE would oppose the use of market factors to create differential rates of pay for different subject areas, we recognise that institutions must have the flexibility to offer additional payments to meet particular recruitment and retention needs (*recommendation 25*). Moreover we recognise that institutions already do this covertly by differential placement on the salary scale, which is potentially discriminatory. We wish to see an end to the lottery whereby some staff receive higher starting salaries than others for no apparent reason, and would support more open and transparent payments within our nationally negotiated pay structure, and that such payments should be periodically reviewed (paragraph 149) as long as any addition payment was negotiated, objectively justified and agreed with the local unions.

London Allowance

The retention of the nationally negotiated London Allowance is welcomed (*recommendation 30*), and NATFHE would accept that this would be appropriately negotiated at the National Council since the allowance relates to the substantive additional housing and transport costs of living and working in London, which applies to all staff groups. Bett recognises that the cost of living and working in London is 'significantly higher' and that it may be necessary for the funding council (HEFCE) to review the additional cost allowance included in its funding of London institutions, which would enable a higher premium to be paid (paragraphs 191-2)

Senior Management

NATFHE would only support senior management pay being determined at institutional level (*recommendation 27*), on the basis that a narrow definition of senior management is adopted ie. vice-chancellors/principals and their immediate deputies. This appears to be supported by Bett in that senior academic managers pay (HoDs and professors) is included in the proposed model pay structures (*recommendation 29*). Whilst we support the need for greater transparency of process in the allocation of senior management pay, NATFHE will go further and press that the actual level of pay and other forms of remuneration is made publicly available.

Common settlement date

The adoption of a harmonised salary scale will need to be linked to a move towards a common

implementation date (*recommendation 26*). The 1 August date proposed is in order to match the start of HE institutions' financial year. NATFHE has no real preference as to what date should be adopted since there are pros and cons for all dates. Our primary concern is that transitional arrangements must be put in place, so that no single group of staff loses out in pay terms from the change. We would support an early move to a common settlement date as 'a helpful step in transition to new pay structures' (paragraph 150).

Transition arrangements

Agreement over transition arrangements is a major issue for NATFHE since any changes to pay structures can only be on the basis that pay levels of existing staff are not worsened (*recommendation 23*). NATFHE welcomes the recognition that staff rights under current arrangements would need to be protected, and recognises that any such arrangement would need to reflect key features and nature of new structures but would argue that this should not override the need to protect current entitlements. Moreover, transition arrangements should not just apply to current salary but also to salary progression.

RECOMMENDATIONS ON CONDITIONS OF SERVICE

***Recommendation 31** - The National Council should seek to negotiate a common core of minimum conditions of service to which all staff in higher education would be entitled, covering: holidays; special leave; sick pay; maternity benefits; access to grievance procedures; trade union duties; and health and safety consultation. (qualified support)*

***Recommendation 32** - The common core of minimum conditions should be implemented via local, institution-level, negotiations, within a deadline set by the National Council. (qualified support)*

***Recommendation 34** - There should be a common baseline of working time arrangements for all academic staff, which offer safeguards against overload and help to protect quality, with greater detail being negotiated locally to match the circumstances of individual institutions. (qualified support)*

***Recommendation 35** - The common core of minimum conditions should apply equally, on a pro rata basis, to all regular part-time staff. (qualified support)*

***Recommendation 36** - There is scope for many HE institutions to reduce their use of fixed-term and casual employment. (support)*

***Recommendation 37** - HE institutions should be prepared to offer redundancy pay to staff on fixed-term contracts of more than a year. (support)*

***Recommendation 39** - Institutions should examine the continuing justification for differences in arrangements for redundancy pay for academic and non-academic staff. (qualified support)*

***Recommendation 40** - Present superannuation arrangements should be considered further by all the interested parties -looking in detail both at various long-term options, and to identify interim steps to reduce apparent inequities. (support)*

Common core conditions of service

NATFHE welcomes the proposal that a common core of minimum national conditions of service should apply to all staff groups to be negotiated at National Council level (*recommendation 31*), and that redundancy pay be harmonised (*recommendation 39*). NATFHE would seek to ensure that this was done on the basis of harmonising up to best practice and that existing contractual conditions of service are safe-guarded and therefore do not accept the suggestion in Bett that this should occur on the premise that there be no 'overall worsening' for any staff group (paragraph 201). We view this as a non-exhaustive list and in particular welcome the inclusion of trade union duties and health and safety consultation. The sensitive issue for NATFHE members will be the inclusion of annual leave arrangements, since our arrangements are considerably better than those of colleagues in the pre-1992 institutions (which are vague) and those of non-academic staff (which are much less).

Local implementation of the common core minimum conditions (*recommendation 32*) is supported on the basis proposed within the report that they are recognised as national minima and that any local arrangements should enhance the national provisions (paragraph 203). We welcome the Bett proposal that national guidance be agreed over how the national minima should be applied locally and what enhancements locally negotiators may wish to consider (paragraph 205).

Harmonisation of academic conditions

Bett only addressed conditions of service in terms of the overall approach to be adopted in future, rather than entering into any detail over changes to existing contracts. It effectively means that our national academic contract for the time being remains unchanged, and Bett recognises this by stating that "existing contractual provisions would, of course, remain in force until a substitute was agreed through ... national and local negotiations" (paragraph 210).

Secondly, Bett is helpful in recognising the need to develop specific safeguards for academic staff against workload and to protect quality (*recommendation 34*). NATFHE would argue that to be meaningful such safeguards would need to cover teaching load, research and related administration. We recognise the need for our current contract to be updated, but it is essential that staff are protected from excessive workloads and are able to defend the quality of teaching offered to students. It will therefore be necessary to maintain the current national contract limit of 18/550 hours. In addition NATFHE would seek to improve existing arrangements which provide little protection against excessive teaching related administration and rising student numbers.

Thirdly, Bett recognises that such arrangements must be common for all academic staff, ie. they must be national and they must apply to both the new and old university sectors (*recommendation 34*).

Finally, the recommendation that national safeguards can be adapted to meet local needs through negotiations, formalises the current position whereby our national contract acts as a framework agreement which is subject to local negotiation and improvement. NATFHE is

prepared to accept a level of flexibility, on the basis that national guidance is developed to assist in any local negotiation, and a commitment that local negotiation be on the basis of enhancing any national minima.

Casualisation

Bett's recognition that the sector relies too heavily on casual labour and that part-time staff should be employed on pro-rata conditions of service should help force a real shift in attitude by the employers (*recommendations 35, 36*). NATFHE has fought hard to get casualisation properly on the agenda. The Bett staff survey reveals that in the post-1992 institutions 38% of academic staff are employed on part-time hourly paid contracts, and a further 8% on fixed term contracts (higher than most other sectors). Such reliance on casual contracts is no longer defensible, legally, with the imminent incorporation of the EC Part-timers Directive into UK law or on the basis of delivering quality higher education.

Bett states that there is no justification for currently limiting the entitlements of those part-time staff who are employed on a 'regular' basis (paragraph 212). The recognition that the common core of minimum conditions of service should apply equally to all regular part-time staff is welcomed (*recommendation 35*). However this should apply to all conditions of service which equivalent full-time staff receive, not just the minima. In addition NATFHE wishes to enter into negotiations with the employers at national level over the definition of what should comprise 'regular' part-time staff. Regular is the terminology used in the Part-time Directive and is also NATFHE policy. NATFHE argues that this should only exclude those employed to deliver one-off lectures, but include all those who are employed on a termly or yearly basis to deliver a particular course/module.

NATFHE also welcomes the recommendation that institutions consider what scope there is for reducing their use of fixed-term contracts and casual employment, although we would have preferred a stronger statement that requires such reduction to take place (*recommendation 30*). Although Bett accepts the use of fixed term contracts on the basis of institutions needing the flexibility to adjust staffing levels to meet the uncertainties of future funding and student demand, the report states that "the actual need to adjustment usually proves smaller than the current high level of temporary staffing would imply" (paragraph 214). Furthermore, this flexibility should be set against costs of employing large numbers of casual staff resulting in lack of security and related financial uncertainty faced by casual staff and problems for permanent staff who have to manage such large numbers of casual staff (paragraph 215).

Union pressure over the abuse of waiver clauses, whereby staff on fixed term contracts are asked to waive their right to claim redundancy and/or unfair dismissal on termination of their contract has finally paid off. The Employment Rights Act 1999 will see the abolition of unfair dismissal waiver clauses, and NATFHE welcomes the Bett recommendation that institutions should offer redundancy pay to staff on fixed term contracts of more than a year (*recommendation 37*). Whilst we would have preferred to see a more definitive recommendation, this provides the sector with a clear steer that the continued use of such clauses is unacceptable. The reference to contracts of over one year just reflects the fact that waiver clauses are not legally valid when inserted into contracts of less than one year.

Superannuation

Clearly at some point the different pension arrangements of the old and new university sectors will need to be harmonised since the current differential schemes inhibits mobility of staff from one part of the sector to another, and from one staff group to another (paragraph 227). NATFHE welcomes the recommendation that interested parties (National Council, Government, Funding Councils and scheme trustees) should re-consider existing arrangements (recommendation 40). Although the benefits of USS and TSS (the two main academic pensions schemes in the pre and post 1992 institutions respectively) are very similar, USS is private whereas TSS is government controlled.

MANAGEMENT AND STAFF DEVELOPMENT

Recommendation 54 - The management of people needs to be given greater priority at all levels of the HE system -including by Government Departments, by the Funding Councils (which should consider promoting an initiative to improve people management), by institutions' governing bodies and senior management (who need well-planned people strategies alongside academic and resource strategies), and by personnel departments (bolstered where necessary). (qualified support)

Recommendation 55 - For consultation on developments in people policies and practices to be properly effective, staff representatives will need appropriate time and training. (support)

Recommendation 56 - There is a need, across the sector and, in most institutions, for greater investment of time and resources in the training and development of all groups of staff -particularly as regards: management training; membership of the ILT; professional and occupational training; exploitation of information and communications technologies; and for part-time staff and those on fixed-term contracts. (support)

Recommendation 57 - All universities and HE colleges should seek IiP accreditation. (reject)

Recommendation 58 - HE institutions should review present arrangements and put in place effective appraisal schemes for all staff. (qualified support)

Recommendation 59 - Each university and HE college should have, and publish, a clear statement of its policies on equal opportunities and of the steps it is taking to ensure equality for women and ethnic minorities. (support)

Recommendation 60 - Institutions should consider including targets appropriate to their own circumstances in the equal opportunities policies they publish. The National Council may have an important role issuing guidance and monitoring progress in this area. (support)

Management

NATFHE supports the need for management development and training to be given greater

priority, in particular the need for Government and funders to recognise their responsibility for the employment practices of higher education institutions, and "to promote initiatives to improve the practice of people management in the sector" (paragraph 313). We also welcome the proposal for governing bodies to be more fully involved, that the development of institutional 'people strategies' should be given equal importance to other priority issues and that governing bodies be responsible for monitoring implementation (recommendation 54 + paragraph 315). There is certainly a need for personnel departments to get their house in order, in particular to be responsible for ensuring that heads of schools/faculties etc abide by local and nationally negotiated agreements, recognise basic employment rights and that staffing practice is properly monitored. In some institutions this may require providing personnel departments with greater resources and authority. However, NATFHE urges caution that 'people strategies' should not be uncritically imported from the private sector without any assessment of whether such practices are relevant to a higher education system based on collegiality and public service.

The need for improved consultation (*recommendation 55*) is to be welcomed on the basis that this includes union representatives. Of particular significance is the recognition of the need for appropriate time off and training for staff representatives. The general increase in academic workloads, an increase in individual union casework and the development of local bargaining is taking its toll on union activists. For a national report to recognise this as an issue to be addressed is unprecedented. If implemented it could result in improved relations between unions and employers, at both local and national level. This is a significant gain for unions since employers have been trying to undermine local recognition procedures and time off arrangements.

Staff development

Bett recommends that more time and resources be invested in staff development (*recommendation 56*), and criticises the low priority given to this issue by a sector dedicated to teaching and learning (paragraph 319). Bett also comments that for academic staff, staff development should mean more than just keeping up-to-date with developments in their own subject area. In particular NATFHE welcomes the recognition that those on part-time and fixed term contracts should be included. This recommendation can be seen partly as a response to the criticisms made by NATFHE in our survey. In particular, there is a pressing need for basic management training for academics newly promoted to managerial posts.

The union remains unconvinced that Investors in People accreditation provides the best or only means of improving staff development (*recommendation 57*). We support the need for institutions to invest in their staff, through raising standards, and agree that this should be subject to external scrutiny. However, in our view Investors in People has too often been used as a rubber stamp, without any real investigation (or criticism) of the actual running of institutions.

The call to review existing appraisal schemes and to extend them to all staff is supported by NATFHE as long as appraisal schemes continue to be developmental rather than penal, and the results are not linked to pay (*recommendation 58*). The union would also like to see peer review introduced as part of the appraisal scheme, and believes that appraisal should also be upwards

(ie. staff appraise their line manager) as well as downwards. NATFHE rejects Bett's criticism of current appraisal schemes for having unclear objectives and being inadequately implemented (paragraph 322). We would argue that appraisal has failed in that it has not been backed up by appropriate funding for staff development and training. The union also opposes linking appraisal schemes to pay (paragraph 324), not only because we are opposed to the introduction of individual performance related pay, but also because it would inhibit staff from honestly assessing their strengths and weaknesses and identifying areas that need improvement.

Equal Opportunities

Requiring institutions to develop and publicise equal opportunities policies is to be welcomed, but more importantly NATFHE welcomes the recognition that this should include steps to be taken by institutions to implement such policies (*recommendation 59*). Many HE institutions (although still not all) have developed good policies, the problem is ensuring that these policies are put into practice, and that equal opportunities are incorporated into the mainstream of institutional thinking and policy development. In particular NATFHE supports the recommendation that institutions considers publishing targets (*recommendation 60*), and urges that this be obligatory. Targets provide a means by which institutional progress can be measured, and will enable unions to identify those institutions which are failing to address the issue seriously.

The inclusion of equal opportunities within the remit of the National Council is also welcomed (*recommendation 60*), since this will bring equal opportunities into the bargaining arena. Hopefully the National Council will have greater clout than CUCO (Commission on University Career Opportunities - the equal opportunities committee of the CVCP). CUCO has produced a number of good publications and been involved in monitoring implementation, but ultimately it has not been as effective as it could be, because it is not in a position to require institutions to adhere to its policies. Moreover due to a division between the CVCP which represents vice-chancellors and the UCEA which represents employers in national negotiations, CUCO does not include pay within its remit, which has meant that the key equal opportunities issue of equal pay has largely been ignored by the sector. The Bett survey reveals that such a division has been costly and cannot continue.

Gender issues, in particular equal pay, will be high on the National Council's agenda. Equally racism in the sector will need to be seriously addressed in the light of the Stephen Lawrence Enquiry recommendation on educational issues, and the recent research, "Ethnicity and Employment in HE", commissioned by CUCO, NATFHE, AUT, CRE and the funding councils. The research shows high levels of race discrimination in appointment and promotion, and that ethnic minority staff are under-represented at senior levels. In addition NATFHE will seek to ensure that a wide equal opportunities agenda is adopted by the National Council, which should include ageism, disability, lesbians and gay men.

FINANCIAL IMPLICATIONS

Recommendation 61 - Additional funding will be needed from public and other sources:

- *to avert serious risk to the quality of teaching and research and the plans for widening access, if the sector is to meet its statutory obligations on equal pay;*
- *to facilitate implementation of our recommendations aimed at ensuring that the sector can recruit and retain staff of the right calibre to deliver the world-class higher education which the UK needs in the 21st century. (support)*

Regardless of whether or not members support the overall Bett recommendations, it is clear that the sector must seek to join forces to campaign for additional funding for HE staffing. This may mean campaigning alongside employers for more funding whilst at the same time making it clear that this does not mean that we support the employers' and government's agenda of performance related pay. To this end NATFHE and AUT agreed at a historic joint conference on Bett to work together intensively on joint political lobbying.

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