

UCU 2024/25 pay round

As outlined at our meeting on 4 February, UCU management reviewed the financial and budgetary position following our initial offer of 2.5% and are able to confirm an improved offer as outlined below. This revised offer is at the limit of affordability this year and is therefore a full and final offer for the 2024/25 pay round.

- *3.6% across all spine points w.e.f. 1 August 2024.*
- *3.6% increase to London Weighting w.e.f. 1 August 2024.*
- *Removal of points 9 and 10 from the bottom of the UCU pay spine (Grade A = four-points).*

It is clear that whilst staff pay is an important element of the union's finances it is not the only call on the income of the union derived from member subscriptions. We need to consider the other calls upon the income of the union, including the range of support we provide to members both collectively and individually, and the security of the staff pension funds supported by UCU.

In arriving at the 2024/25 pay offer of 3.6% we have taken into consideration the following factors.

Pay

Staff costs have over recent years taken an increasing proportion of the union's income and now account for around 60% of total income (having risen steadily from the level of around 50%, recognised as safely sustainable some time ago). Staff costs are clearly a significant commitment for a trade union, and rightly so, but we need to take account of other costs necessary to the running of the union and the support of members. Without clear increases in overall income UCU cannot afford to reduce the proportion of income dedicated to these non-payroll costs without damaging our ability to continue operating at the level that we do, providing the support at work and through our campaigning and political lobbying that members expect and deserve.

The proportion of income dedicated to staff costs is not an immediate concern if we sustain the level of paying membership we currently have; but to increase that proportion would impact our ability to maintain all our activities and would pose a clear risk should we experience a drop in paying membership.

Over the last two pay rounds we have agreed pay increases of 7.8% and 8.5%, together with significant cash lump sums ranging from £3000 to £13,100, with the higher sums accented towards staff at the lower end of the pay scale.

In this pay year (in September 2024) we have paid an additional cash lump sum at the rate of 3.16%, as previously promised, linked to what we (and independent analysts) expect to be a temporary reduction in USS employer contributions.

As CPI is currently 2.50%, and RPI 3.50%, the offer for 24/25 constitutes a real terms increase in pay for UCU staff.

Staffing

SMT have sought to enhance staffing resource in areas which we have recognised as being of increasing importance to members and this has inevitably led to an increase in numbers, and thus

costs. In addition, staffing costs have increased due to the introduction of an additional 1.20% for employers' national insurance contributions, which is not inconsiderable.

Income of the union.

The amount we can ask from members is limited by several constraints including:

- Affordability - we recognise that members are experiencing financial pressures.
- Comparability – UCU subscriptions are comparatively expensive when looked at against other unions subscriptions.
- Elasticity of demand – increases in subscriptions result in a loss of paying members and there is a balance to be found between the increase in subscription rates against the loss in members, such that the income of the union remains positive overall.

We have managed to find this balance over recent years but cannot be complacent and therefore have only raised subscriptions in the 2024/25 year by 2.0%, which represents a real terms diminution in the union's income, with much of this being allocated to increase staff pay and little remaining for expansion of union services to members.

UCU senior management team consider the final offer to be a reasonable and proportionate proposal in the current circumstances, providing as it does a real terms increase in pay to UCU staff while maintaining the union's ability to continue supporting members and branches. The offer has the agreement of key elected officers, the UCU President and Honorary Treasurer. We hope that you will be able to put this offer to Unite members in these terms and look forward to receiving your response on their behalf in due course.

UCU SMT

5 February 2025