

Ben Thomas and Shahenda Suliman
Joint Union Side Secretaries
Joint Higher Education Sector Trade Unions

By email

20 May 2025

Dear Ben and Shahenda,

2025-26 New JNCHES pay round

As you will be aware, the 2025-26 New JNCHES pay round began on 31 March and concluded on 15 May 2025. I am grateful for the constructive engagement of the Joint Higher Education Trade Unions during the pay round in the context of the difficult challenges facing the sector. Following our final negotiating meeting, I am writing to set out UCEA's full and final offer on behalf of our participating employers.

1. 2025-26 pay uplift

As you will be aware, since the beginning of this year's pay round, there have been increasing concerns about the sector's financial position. Many higher education institutions (HEIs) have forecast deficits and reduced liquidity levels, driven by a range of factors. These include the lower than anticipated levels of international student recruitment, the continuing decline in the real-terms value of tuition fee income from UK undergraduates and the continuing increase in costs for employers. The rise in the employers National Insurance contributions adds around £370m to the sector's pay bill, wiping out the impact of the one-off rise in domestic tuition fees. In addition, many universities have been hit hard by the increase in employer contributions to the Teachers' Pension Scheme. In circumstances of such high pressure, it should come as no surprise that many institutions are changing their operating models and their staffing structures.

Against this challenging financial backdrop, UCEA's offer for 2025-26 is:

- an uplift on each point on the New JNCHES pay spine of 1.4% from 1 August 2025
- where adjustments have been made to comply with the 1 April 2025 National Living Wage (NLW) rate of £12.21, the uplift will be applied in addition to it
- the deletion of Spine Points 5 and 6 of the New JNCHES pay spine no later than the end of 2025-26, i.e. by 31 July 2026.

Deferral

As has been the case in previous years, the offer is made subject to the condition that HEIs will have the option to defer the pay award for 2025-26 by up to 11 months from 1 August 2025, until 1 July 2026, at the latest.

The deferral clause is as follows:

“As with previous years, there is a clause that allows an HEI with extenuating circumstances to defer implementation of the pay uplifts by up to 11 months on the grounds that this is determined to be in the wider interests of the institution’s sustainability or due to immediate cashflow issues. This would be done following discussion of the reasons with the institution’s recognised trade union(s).”

This means a full deferral, i.e. without back pay.

London Weighting – We will also recommend that all Post-92 HEIs that have retained separate London weightings increase these by 1.4% from 1 August 2025.

Foundation Living Wage – With regard to the claim that all institutions become Foundation Living Wage (FLW) employers and pay points below the FLW be deleted, our position remains that UCEA is not able to require this of its members, as it is a matter for individual institutions to determine.

Minimum pay rate of £15 per hour – As highlighted during the negotiations, the final offer is at the limit of the sector’s affordability; as such, it is not possible to meet this aspect of the Joint Union claim.

2. Job security and sector finances

In response to this aspect of the Joint Union claim, it was agreed that the relevant work should be taken outside of New JNCHES. There are two specific actions where we propose that UCEA and Trade Union Officers work together. The first is to update the joint Acas Digest on Job Security, removing references to the Covid-19 pandemic and including any necessary changes to legislation; and the second is to work with the Joint Trade Unions and other sector bodies to develop a joint case for sector financial support. This work does not form part of the offer.

3. Terms of Reference

The New JNCHES offer for the 2025-26 negotiating round includes a commitment to begin joint work under the previously agreed Terms of Reference in respect of contract types, workload and equality pay gaps beginning from July.* The New JNCHES offer for 2025-26 also includes a commitment to a joint review of the New JNCHES pay spine, with time limited negotiations to seek agreement of a new pay spine which is properly costed and affordable, as set out in the Terms of Reference. We have committed to providing a schedule for taking forward these four areas of work. This would begin in July 2025 and prioritise the review of the pay spine and work on contract types, as discussed during the negotiations.

The terms of reference for these negotiations are provided at Annex A, B, C and D, recognising that the timeframes will need to be revised in line with the schedule we have committed to providing.

- A. Pay spine review
- B. Contract types
- C. Equality Pay Gaps
- D. Workload

There will be no expectation that any agreed national reform of the pay spine will be implemented within an HEI prior to a nationally agreed date and before the 2026-27 pay year.

**We will pause the joint work if any union ballots for industrial action over the New JNCHES pay uplift or other elements of our offer.*

4. Scottish Subcommittee of New JNCHEs

As colleagues are aware, in response to this item appearing in previous Joint Union claims, it was agreed in 2024-25 that UCEA would consult its Scottish member institutions to see if there was an appetite to establish a separate Scottish subcommittee of New JNCHEs. That consultation was unanimous that there was no support among Scottish HEIs for a separate committee. Our understanding is that there is a structure to discuss policy issues specific to Scotland between HE institutions and trade unions. As we proposed during the negotiations, UCEA will discuss these arrangements with Universities Scotland to explore whether there is any potential for further development of these arrangements.

5. Issues arising from gender inequalities in pension contributions

UCEA has been providing thought leadership to the sector on the important issue of addressing inequalities in pay for over a decade. As we stated in the 2024-25 offer while we do not see this as a matter for New JNCHEs, having reflected on our position further, we would propose to incorporate this item within the Terms of Reference on equality pay gaps should it be possible to progress that work as an outcome of the 2025-26 New JNCHEs round.

6. Green New Deal and Just Transition

UCEA has every sympathy for this item and the reasons the trade unions have brought it forward. In 2024-25 we made an offer to try and facilitate a meeting with stakeholders with relevant expertise, although it is understood that the purpose of this item in the previous pay round was to develop proposals for a Just Transition Commission to align with UN Climate Change Conference in 2024. However, as we have previously communicated, this is outside of the remit of New JNCHEs and UCEA and does not have specific expertise in this area. Moreover, there are a number of sector bodies with relevant expertise working on these important issues.

7. Post-92 contract and HE 2000 Framework

With regard to the Post-92 contract and HE2000, it was acknowledged in the 2024-25 round that the agreements were not adopted by all institutions uniformly at the outset. As permitted, in many HEIs arrangements were negotiated locally at the time. In addition, variation between HEIs has also taken place over time, including at the time of the implementation of the Framework agreement. This reflects the changing circumstances in higher education which, as in any sector, have not remained static over the last three decades.

Terms and conditions of employment are a matter for autonomous member institutions. We have every confidence that our members take their obligations seriously to consult and negotiate, as appropriate. However, in response to concerns raised in the 2024-25 pay round, we made an offer to reiterate the need to consult and negotiate with staff and trade unions, through local machinery, when making changes to employment terms and conditions. This is something that UCEA has delivered on already and a position we would be willing to reiterate as a general principle as part of the offer this year if it would be helpful.

8. 35-hour working week

The Joint Union claim asks for specific actions to move all staff onto a 35-hour week, with no loss in pay, to be implemented at institutional level. However, as you will be aware from our previous responses, New JNCHEs is only responsible for pay and related matters that are determined at national level. Hours of work are not negotiated at a New JNCHEs level. The Framework Agreement for the Modernisation of HE Pay Structures (2004), referenced in the Joint Union claim, recommended that HEIs harmonise the length of the standard working week for all staff with a defined working week by 1 August 2005. The agreement was also clear that HEIs were responsible for negotiating locally with their recognised trade unions on matters related to the working week.

9. Migrant salary threshold and associated visa costs

Although UCEA and its members, like the trade unions, have been concerned by the impact of the government's changes to the migrant salary threshold for the sponsorship of Skilled Workers, and more recently the immigration white paper, published on 12 May 2025, UCEA is not able to link the pay offer to reflect the sponsorship requirements. UCEA members have the autonomy to use the grades and pay points that are appropriate for each position and can, therefore, use those that meet the migrant salary threshold if it is appropriate to do so.

With regard to your call for universities to reimburse all visa application and application-adjacent fees, although it is not a matter for New JNCHES and UCEA is not able to require that our members reimburse to so, we have recently delivered on our offer in the last pay round to share good practice amongst members on the different approaches that are being taken in the sector to support international mobility.

In both of these areas, at an appropriate time, UCEA would be willing to work with the trade unions to present the effect of the changes to relevant government departments jointly. Trade union colleagues may wish to note that UCEA submitted a joint response with Universities UK to the Public Accounts Committee inquiry on the impact of immigration policy changes relating to the Skilled worker visa. This submission is publicly available.

10. Term-time only contracts

As trade union colleagues are aware, there are very legitimate reasons for using term-time only contracts in the sector for academic, professional and support staff, which offer welcome flexibility to HEIs and staff working in the sector. Issues of concern as described in the Joint Union claim are not something we recognise as being prevalent in the sector and, where they may exist, are matters for local resolution.

The contents of this letter constitute UCEA's Full and Final Offer for the 2025-26 New JNCHES pay round. For the absence of doubt, no single element of this offer will be agreed until all elements are agreed.

Yours sincerely,



Raj Jethwa

Chief Executive

Annex A – New JNCHES Pay Spine review: Terms of reference

Background and purpose

The New JNCHES 2023-24 negotiating round included a commitment to a joint review of the UK HE pay spine, with time limited negotiations to seek agreement of a new pay spine and principles for its implementation, paying particular attention to compression within the pay spine. Although the terms of reference for work on the review of the pay spine were developed in the New JNCHES 2023-24 round, and subsequently in the 2024-25 round, any agreed joint work to review the pay spine will be taken forward as an outcome of the 2025-26 negotiating round.

The negotiations will seek agreement on a no detriment basis* and ensure that the proposal is properly costed and affordable**. The review will take into account the impact of increases in the National Living Wage, which has resulted in the deletion of points at the bottom of the pay spine and the impact that this has had on subsequent pay points. The aim of the review will be to reach a joint position for a nationally agreed pay spine which both UCEA and the trade unions are able to recommend to their respective memberships. The review will recommend a process of implementation, for local discussion and agreement, and the timeframe for such implementation from the beginning of the 2026-27 pay year. This will include taking necessary action after carrying out an Equalities Impact Assessment to rectify any potential discrimination identified by that.

* the detail to be discussed in the working group

** including reference to any findings of the joint agreed review of sector finances

Remit of negotiations

The outcome of the negotiations will be an agreed, jointly costed proposal for the reform of the pay spine which will strive to standardise the differentials between pay points and be accompanied by a revised Appendix A to the New JNCHES Framework Agreement laying out the principles to be applied by HEIs during implementation and a revised Appendix B listing the new annual salary pay points. To achieve this, the following will be included:

- consideration of data relating to the use of the pay spine in the sector including, but not limited to:
 - qualitative research relating to the challenges and limitations of the current spine from employers and trade unions.
 - quantitative data on grading structures and number of staff on each pay point, including equality data.
 - secondary research on approaches taken to address similar pay and grading developments in other sectors (including, for example, potential benchmarking against external comparators etc).
- consider current and future developments through the pay spine, identify and seek to address/remove drivers of pay spine compression, including a potential mechanism to avoid future compression of the pay spine.
- model potential changes to the pay spine and examine the associated costs.
- agree a proposed new pay spine.

The remit of the negotiations will be to agree proposals for a new UK pay spine. It is recognised that the constituent members of New JNCHES will need to consult their members on such proposals; the intention of these negotiations will be to agree proposals that can be recommended for acceptance.

Both parties understand the importance of, and sign-up to the principle of, reaching agreement on a new UK pay spine. If agreement is reached, both parties agree that the new spine will be

recommended for implementation. In the unlikely event that no agreement is reached the existing position regarding the pay spine will remain as per the New JNCHES agreement.

Negotiating group membership

- up to 13 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Pay spine review negotiations: Chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings.

UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale.

The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate.

Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held as soon as possible in accordance with the schedule of work provided as part of the Employers offer for the 2025-26 pay round with the aim to complete negotiations as soon as possible.

Annex B – New JNCHES Contract Types negotiations: terms of reference

Background

The New JNCHES offer for the 2023-24 negotiating round included a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps. Although the terms of reference for work in these areas were developed in the New JNCHES 2023-24 round, and subsequently in the 2024-25 round, any agreed joint work in these areas will be taken forward as an outcome of the 2025-26 negotiating round.

The trade unions welcome UCEA's commitment to use its leadership and convening power to identify concrete steps which employers are able to implement locally with involvement of recognised trade unions using local consultation and/or negotiation machinery.

Contract types - purpose of negotiations

The purpose of this joint work is to reduce the use of contracts with a fixed term, or without fixed or minimum hours.

As a positive first step, UCEA has agreed to consult its members, with a positive recommendation to take action on zero hours contracts, whether fixed-term or permanent/open-ended.

While the contractual arrangements offered to employees will be for individual institutions to determine, we would expect permanent contracts with a fixed number of hours to be the general form of employment relationship between employers and employees in HEIs, unless there are specific defined reasons determined by the working group.

The purpose of these negotiations is to seek agreement, in pursuit of which the parties will:

- Understand the barriers to reducing the levels of non-permanent employment in the sector.
- Explore examples and issues with the use of contracts with near zero hours.
- Consider and analyse the relevant data available and where possible, collect and analyse relevant data that is unavailable through HESA.
- Develop, agree and promote principles at a UK- level which employers are able to apply through the appropriate local consultation and/or negotiating machinery on the following contract types:
 - Graduate Teaching Assistants (GTAs)
 - Fixed-term contracts
 - Post Graduate Researchers (PGRs)
 - Hourly-paid contracts
- Review progress on employment practices for different contract types on an annual basis and report to UCEA members with further guidance and examples of success.
- Recommend to UCEA's members to carry out an Equality Impact Assessment when undertaking work relating to contract types so that mitigating action can be taken with regard to any adverse impact/s identified.

Negotiating group membership

- up to 13 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Negotiations: chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings.

UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale.

The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate.

Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held in accordance with the schedule of work provided as part of the Employers offer for the 2025-26 pay round with the aim to complete the negotiations as soon as possible.

Annex C – New JNCHES Equality Pay Gaps Negotiations: terms of reference

Background

The New JNCHES offer for the 2023-24 negotiating round included a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps.

Although the terms of reference for work in these areas were developed in the New JNCHES 2023-24 round, and subsequently in the 2024-25 round, any agreed joint work in these areas will be taken forward as an outcome of the 2025-26 negotiating round.

The trade unions welcome UCEA's commitment to use its leadership and convening power to identify concrete steps which employers are able to implement locally with involvement of recognised trade unions using local consultation and/or negotiation machinery.

Gender, ethnicity, and disability pay gaps – purpose of negotiations

The purpose of this joint work is to build on progress to date to close equality pay gaps.

The parties will jointly:

- Consider the relevant data available and, where possible, collect data that is unavailable through HESA.
- Examine the relevant data through an intersectional lens for gender, ethnicity, and disability pay gaps, where available.
- Present an analysis of the data and the issues to be addressed at a UK-wide level, broken down for academic, professional services and clinical academic staff and by contract type where possible, to New JNCHES and to HEIs, and relevant sector-level benchmarks to allow meaningful local action plans. UCEA will also recommend to its members to benchmark their results using the UCEA pay gaps dashboard.
- Explore the impact on pay gaps of direct and indirect employment strategies,¹
- Develop and agree principles and minimum standards which employers are able to apply in action plans to address pay gaps and, if relevant, the reasons for low employee disclosure rates, based upon good practice, from within and outside of the sector, timescales, and the role of trade unions in action planning. These action plans will be developed and implemented locally.
- Develop and agree guidance on positive action initiatives to address equality pay gaps within the university workforce which remove well-evidenced barriers and systemic bias.
- Encourage employees to share protected characteristics data with their employers, highlighting the value of such information and its importance for future analysis of gender, ethnicity, disability and other equality pay gaps and helping to address discrimination.
- Develop and agree guidance on the need for employers to create safe environments and mechanisms through which employees feel comfortable declaring protected characteristics.
- Recommend that UCEA members undertake timetabled Equal Pay Audits and then share all audit data with their recognised trade unions.
- Review progress on all pay gaps at a UK level, including the proportion of HEIs making progress towards sector benchmarks, on an annual basis and report updated figures to the

¹ Subject to the data being available

trade unions and UCEA members with further guidance and examples of success, prior to the annual pay negotiating round.

Negotiating group membership

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It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Negotiations: chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings. UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale. The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate. Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held in accordance with the schedule of work provided as part of the Employers offer for the 2025-26 pay round with the aim to complete the negotiations as soon as possible.

Annex D – New JNCHES Workload negotiations: terms of reference

Background

The New JNCHES offer for the 2023-24 negotiating round included a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps.

Although the terms of reference for work in these areas were developed in the New JNCHES 2023-24 round, and subsequently in the 2024-25 round, any agreed joint work in these areas will be taken forward as an outcome of the 2025-26 negotiating round.

The trade unions welcome UCEA's commitment to use its leadership and convening power to identify concrete steps which employers are able to implement locally with involvement of recognised trade unions using local consultation and/or negotiation machinery.

Workload – purpose of negotiations

The parties will jointly:

- Provide guidance and good practice examples in relation to workload management and reduction of work-related stress for all groups of staff, to enable HEIs to develop local action plans, in consultation and/or negotiation with recognised local trade union representatives, whichever is appropriate, to reduce the incidence of work-related stress/ill-health;
- Promote the HSE's Management Standards as a sector wide minimum;
- Develop and promote good practice which employers are able to adopt using the appropriate local consultation and/or negotiating machinery on workload management;
- Include consideration of the workload consequences of organisational change and vacancy management policies in workload management principles, taking into account post-pandemic changes to patterns of work;
- Recommend to UCEA's members to carry out an Equality Impact Assessment when undertaking workload management so that mitigating action can be taken with regard to any adverse impact/s identified.
- Promote any sector guidance for institutional organisational risk assessments, developed by USHA in consultation with the trade unions through the HESH forum, that will support the implementation of organisation level stress risk assessments to prevent and reduce known and foreseeable workload stressors.

Negotiating group membership

- up to 13 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Negotiations: chair and secretariat

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