

NORTHERN IRELAND FURTHER EDUCATION LECTURERS

BUSINESS CASE FOR PAY PARITY WITH NORTHERN IRELAND SCHOOLTEACHERS

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1.0 INTRODUCTION

- 1.1 The introduction of an advanced teaching scheme, which recognises and rewards good teaching practice, was one element of a 2001/02 pay agreement for further education (FE) lecturers in Northern Ireland. The detail of the scheme has been in the process of development for some years. Major constraints to the completion and implementation of the scheme have been the earnings growth restrictions imposed since 2004 under the Government's public sector pay policy and affordability.
- 1.2 In early 2006, FE staff and management submitted an agreed case to the Department for Employment & Learning (DEL) for pay parity for FE lecturers with schoolteachers in Northern Ireland. This would entail the introduction of advanced teaching scales for the two lowest grades of FE lecturer, together with a reduction in the number of points on the salary scales for these grades of lecturer. DEL is supportive of a movement to pay parity for FE lecturers. Implementation of pay parity has implications for the public sector pay policy as it would necessitate the earnings growth limits for 2005/06 and 2006/07 imposed under pay policy being exceeded.
- 1.3 This paper represents the DEL Business Case for pay parity for FE lecturers in Northern Ireland with schoolteachers in Northern Ireland.

2.0 BACKGROUND

Structure

- 2.1 DEL is responsible for the policy, strategic development and financing of the statutory FE sector. There are currently 16 FE Colleges which are incorporated bodies and which own the property and other assets they use, employ their own staff and manage all their own services.
- 2.2 In August 2007, the 16 FE Colleges will merge to form 6 new Colleges. The creation of these larger and more influential colleges is just one aspect of the government's strategy for further education *Further Education Means Business* (February 2004), which aims to strengthen economic development, enhance social cohesion, and promote skills and learning.
- 2.3 There are just over 5,200 FE lecturers employed in the 16 FE Colleges in Northern Ireland. Around 2,200 of these are permanent full-time and part-time lecturers. The remaining 3,000 are part-time "hourly paid" lecturers on short-term contracts.
- 2.4 It has been a contractual requirement in Northern Ireland since 1994 for FE lecturers newly appointed to permanent posts, who do not already possess a B.Ed. or PGCE, to obtain, within three years of appointment, the Post-Graduate Certificate in Further & Higher Education from the University of Ulster.
- 2.5 Around two-thirds of lecturers have a primary degree or HND/HNC and around three out of ten have a post graduate qualification. Overall, nine out of ten lecturing staff have a teacher training, graduate/post graduate degree, or a professional qualification.
- 2.6 In the 2004/05 academic year, the latest year for which data is available, there were 223,012 student enrolments in FE Colleges in Northern Ireland. Of these, 148,324 were enrolments on vocational programmes, broken down into 31,029 full-time and 117,295 part-time. The remaining 74,688 enrolments were on part-time non vocational courses. Some students are enrolled on more than one programme. In terms of actual numbers of students attending FE Colleges in 2004/05, there were 106,977 vocational students and 51,188 non vocational students.

The Policy Context

- 2.7 The FE sector contributes significantly to the economy through the qualifications and skills which its learners achieve; the majority of College enrolments are for courses leading to recognised vocational qualifications. The sector has a pivotal position in vocational education and training; it is now a significant provider of higher education programmes (some 12% of the total provision made within the sector is higher education, some of which is delivered under licence from the university sector); it leads the Department's strategy to improve essential skills and offers a wide range of professional qualifications. It is also the sector which provides people with a second opportunity for education.
- 2.8 The sector faces a considerable set of challenges, with over 20% of the adult population having weaknesses in literacy and numeracy, and with employers

reporting significant skills problems, especially shortages of technicians and associate professionals. Additionally, too many in the workforce have poor qualifications and a significant proportion of the unemployed have no qualifications at all. The sector also has to provide for those who have left school with few or no qualifications.

- 2.9 The Northern Ireland Economic Vision and the NI Skills Strategy ("Success Through Skills") both emphasise that increasing skills levels and improving participation in education and training are vital elements in ensuring a strong local economy.

Further Education Strategy

- 2.10 Following an extensive review of further education in Northern Ireland, an FE Strategy has been developed which will deliver key elements of "Success Through Skills" and will make a significant contribution to the delivery of the Northern Ireland Economic Vision.

- 2.11 In taking the new strategy forward, FE Colleges are working together to plan and implement changes which:

- raise skills and qualification levels to meet the needs of the local economy;
- ensure that curriculum provision in Colleges is focused on economic and workforce needs;
- provide greater support to employers, for example, in the areas of business creation, incubation and product development;
- develop more flexible approaches to learning through the use of technologies and through partnership with other local providers;
- improve their response to employers' needs including Small and Medium-Sized Enterprises; and
- ensure the quality of College services are in keeping with international standards of best practice.

- 2.12 To ensure the effective delivery of the strategy, and to improve co-ordination and collaboration across the sector, the number of Colleges will be reduced to six in August 2007. The decision to merge Colleges pre-dates the Review of Public Administration in Northern Ireland.

- 2.13 In addition to the College mergers, the FE Strategy includes:

- an Essential Skills Programme to raise the foundation of literacy and numeracy skills within the Northern Ireland workforce;
- within a UK-wide setting, the reform of vocational qualifications;
- the Vocational Enhancement Programme (VEP), a joint project with the Department of Education, which involves collaboration between post-primary schools and FE Colleges in providing a wider syllabus for school pupils;
- the development of an economically focused curriculum for all full-time 16 to 19 year old students within FE Colleges, with greater priority given to those professional and technical areas that meet local and regional priority skills areas;

- the development of proposals to maximise the potential of Information and Learning Technology in Colleges;
- improving the role that FE colleges can play in helping employers enhance productivity and competitiveness, as well as facilitating business creation, incubation and product development; and
- the development of collaboration between Colleges and non-statutory providers, as a way of encouraging those who are unemployed or socially excluded/disengaged to make use of FE provision.

Entitlement Framework

- 2.14 The FE sector is expected to play a major role in delivering the professional and technical component of the Entitlement Framework (EF) which will be put in place for the 2008/09 academic year. The EF is a key element of the new post-primary arrangements and will address the limited range of courses available at secondary level and, in particular, will put more emphasis on the professional and technical knowledge and skills that the economy requires.
- 2.15 From September 2009 all school pupils aged 14 and upwards will have access to a wider range of general and applied courses. This will require schools to co-operate and collaborate with FE colleges and other training providers. Priority will be given to the development of enterprise skills among young people through provision that is economically relevant and which promotes employability and entrepreneurship.

Supporting Economic Development

- 2.16 Further education in NI has a history of engaging with industry and supporting economic development; under the FE Strategy, these links will be strengthened.
- 2.17 DEL is developing links with Invest NI to formalise the role of the FE sector in supporting economic development, with particular reference to foreign direct investment and the growth/enhanced performance of indigenous businesses.
- 2.18 Northern Ireland's IT Professional Academy, which is backed by major ICT companies and Invest NI, aims to provide a comprehensive range of training options for IT professionals. The objectives of the Academy are to offer improved opportunities for entry to the IT industry and to ensure that those in the industry are fully equipped to reach their potential and that of their organisations. FE Colleges are playing a key role in providing training for the Academy
- 2.19 DEL is also making available funding of £3m over three years for Knowledge Transfer activities, specifically aimed at enabling NI's two universities to extend the range and depth of their collaboration with the FE sector, with a primary focus on meeting the needs of business. Turning academic activity into economic enterprise is central to the government's plans to foster the "knowledge economy".
- 2.20 In addition to funding from the Department, Colleges have the capacity to generate income from providing training to industry. In 2004/05, the latest year for which information is available, some 14.58% of total income to Colleges, amounting to £30.68m, was from sources other than Government funding.

- 2.21 Since 1999 FE Colleges in NI have participated in the flagship Lecturers into Industry Initiative which seeks to align the outputs of the FE sector with the needs of the NI economy. The scheme, which is funded by DEL, is open to all lecturers and technicians in priority skills areas including engineering, hospitality and software engineering. By arranging structured placements in industry, it allows staff to update their skills and experience, on return bringing new ideas into the curriculum and college management. Lecturers spend a minimum of six weeks, and a maximum of twelve weeks, on placement. Approximately 33 lecturers and technicians a year participate in the scheme.

General

- 2.22 Given the challenging agenda for FE in Northern Ireland, it is vitally important, for the success of key initiatives, that the FE sector is able to attract and retain well qualified and highly skilled lecturers with the flexibility needed to work with industry. There is evidence that lecturers of calibre are no longer being attracted to the profession. The recruitment situation in FE is set to worsen if the targets in the Government commissioned Leitch Report "Prosperity For All in the Global Economy – World Class Skills", published in December 2006, are accepted by Government. These envisage doubling the number of apprentices to 500,000; increasing by 2 million the number of adults achieving a level 3 qualification; and compulsory education or training for all up to age 18. Achieving these targets will mean an increased demand for lecturers in NI, at the same time as the demand increases across the UK. The projected expansion of the sector could be adversely affected if the difficulties, now being experienced in recruiting key staff, become more pronounced.
- 2.23 Demographic change in Northern Ireland is not expected to have a significant impact on overall FE College enrolments or staff numbers. While demographic changes may mean that the number of full-time enrolments of 16-19 year olds could drop, this is likely to be off-set by a substantial increase in the number of 14–19 year old school pupils being taught by FE Colleges on a part-time basis when the Entitlement Framework is in place. Currently, there are some 11,500 school pupils taking part in the VEP. We would also anticipate a considerable increase in provision for mature students needing to re-train and update their skills. With fewer school leavers entering the workforce, there will be a greater need for the re-training of those within the existing workforce and an increased demand for employees needing to update their skills. At present, mature students (those aged 25 and over) provide the majority of overall professional and technical enrolments in FE Colleges.

Pay Policy and FE lecturers in Northern Ireland

- 2.24 The Government's public sector pay policy applies to the FE sector in Northern Ireland as most of the income of FE Colleges in NI derives from central government funding. In practice, however, the 3.5% limit on earnings growth imposed under pay policy in 2005/06 has only been applied to two staff groups within the FE sector, the FE lecturers and senior management, including College Directors, whose pay is locally agreed. The pay policy limit has not been applied to non-teaching staff employed by FE Colleges as this staff group has contractual links to national (NJC) rates of pay. While the headline pay settlements for both teaching and non-teaching

staff in 2005/06 were the same, at 2.95%, the overall earnings growth for non-teaching staff was 5.85%, which included pay drift for contractual pay commitments such as re-gradings and increments. This contrasts with the 3.5% overall earnings growth for FE lecturers, which was constrained by pay policy.

- 2.25 The FE sector in Northern Ireland is the only education sector in NI (and GB) where, in 2005/06, the 3.5% cap on public sector earnings has been applied to any staff group, that is, the FE lecturers. Under this pay policy there is no headroom within the 2005/06 earnings growth limit of 3.5% for any pay initiatives involving FE lecturers in NI, once commitments such as pay increments and an annual cost of living increase are accommodated. Consequently, an advanced teaching scheme for FE lecturers in NI cannot be implemented with effect from 1st September 2005 without exceeding the 3.5% pay cap for 2005/06. The estimated additional costs associated with an advanced teaching scheme would increase the earnings growth limit for the FE lecturers group in 2005/06 from 3.5% to 4.82%. This compares with the earnings growth figure of 5.32% approved for schoolteachers in NI.
- 2.26 FE lecturers in Northern Ireland have a deep sense of grievance over the perceived curtailment of their pay under current pay policy when the pay of other similar employment groups in NI and GB has not been similarly constrained. As a result, lecturers feel undervalued. They contend that, in comparison with these other groups, their treatment has been unfair and unjustified. DEL considers that the inconsistency in the application of pay policy between different groups of employees within Northern Ireland's education system is demotivating and divisive.

Pay Determination Process

- 2.27 In Northern Ireland, the pay and conditions of staff, including lecturers, are a matter for determination by Governing Bodies of FE Colleges, which discharge this responsibility through collective bargaining arrangements. The pay of FE lecturers is negotiated locally through the Lecturers' Negotiating Committee which is made up of representatives of college management and the teaching unions. While DEL is not represented on any of the negotiating committees, it has the power to influence pay agreements. The pay of Directors/Principals and Deputy Directors is subject to the approval of DEL, and, since 2004/05, DEL has exercised its statutory right to assume an approval role for pay settlements for other staff in the FE sector, to ensure compliance with the public sector pay policy. Pay proposals for each pay round and for each staff group in the FE sector are submitted for approval each year in a collective pay remit for the sector, prepared, on behalf of the Colleges, by the Association of Northern Ireland Colleges. This pay remit is subject to DEL clearance and is then submitted to the Department of Finance and Personnel for approval by the Northern Ireland Minister for Finance & Personnel.

Pay of FE Lecturers in GB

- 2.28 Across the UK, there are no national pay levels for FE lecturers, and it is a matter for individual FE Colleges to determine pay rates. In Wales, as in NI, common rates of pay for FE lecturers have been introduced. In England the Association of Colleges (AoC) makes recommendations to Colleges on the pay of FE lecturers. In Scotland, there is no recommended salary structure for FE lecturers.

Wales

2.29 In October 2002, the Welsh Assembly Government (WAG) began restructuring FE lecturers' pay to better reward College staff for the contribution that they made to education and training in Wales. The prime purpose was to achieve parity with schoolteachers' pay. From 2004/05, all FE lecturers in Wales were placed on a six-point scale, aligning their pay with that of schoolteachers in Wales. An advanced teaching scale on a par with the schoolteachers' Upper Pay Scale was also introduced. The new pay package was fully funded by WAG.

England

2.30 Recommended pay scales are negotiated between the employers' national body, the AoC, and the recognised trade unions. Nevertheless, Colleges are free to set their own pay scales according to their own priorities and needs.

2.31 In 2004 AoC made recommendations to modernise FE lecturers' pay which have been influenced by the schoolteachers' pay structure. These recommendations included the shortening of the main scale and the introduction of an advanced teaching grade. These recommendations have not been adopted by all Colleges. A survey by AoC in 2005 found that 40% of colleges in England had reduced the number of points on their main lecturers' scale and 44% of Colleges had introduced, or planned to introduce, an advanced teaching scale. AoC has anecdotal evidence, however, that these figures have increased since 2005 and plans to survey Colleges again early in 2007. A recent (November 2006) press release from the University and College Union states that the majority of FE Colleges (in England) have brought in shorter pay scales to move lecturers' pay closer to that of schoolteachers.

Scotland

2.32 There are no advanced teaching scales and pay scales tend to be long

Comparison with NI

2.33 In Northern Ireland, the main pay scale for FE lecturers is longer, and the top pay point achievable is lower, than those which apply in Wales, where FE lecturers have pay parity with schoolteachers. Similar differentials apply when Northern Ireland is compared to the "benchmark" pay rates in England, as recommended by AoC. FE in Northern Ireland has some pay comparison with Scotland. On the other hand, unlike Northern Ireland, there is currently no requirement in Scotland for FE lecturers to have professional teacher training qualifications.

2.34 The table below shows the top pay rate achievable by the main grade of FE lecturer in the four countries of the UK in 2005/06:

NI (1)	Wales (2)	England (3) (AoC recommended)	Scotland (4)
£31,701	£32,628	£35,534	£29,896

(1) Threshold point

(2) Maximum point of Upper Pay Spine

(3) Maximum point of Advanced Teaching & Training grade

(4) Sector average at top of scale. Supplied by Educational Institute of Scotland

2006/07 Pay Developments

2.35 Schoolteachers in England and Wales have been awarded a headline pay settlement for 2006/07 of 2.5% effective from 1 September 2006 and this would be expected to also apply to FE lecturers in Wales where there is pay parity with schoolteachers. In England, the AoC has recommended a staged pay award for FE lecturers of 2% from 1 August 2006 and a further 1% from 1st February 2007, giving an average increase over the year of 2.5%.

3.0. THE LOCAL LABOUR MARKET

Public-Private Sector Pay Differentials

- 3.1 In Northern Ireland the only developed private sector tertiary education sector is the higher education sector. University lecturers in NI are significantly better paid than FE lecturers. Universities in NI pay their staff on a national pay spine, with academic staff graded according to a national grading structure. Typical of salaries paid to university lecturers in NI are those paid by the University of Ulster. There are two salary scales for entry grade lecturers with annual progression for all lecturers to the maximum of the higher scale. The lower scale has six points and the higher scale has seven points. The minimum point of the lower scale has a significantly higher minimum point than the minimum of FE lecturers' scale (£27,194 in 2005/06 compared with £20,253 for FE). A similar differential applies when the maximum point of the higher of the two HE lecturer scales is compared to the FE lecturers' Threshold point (£38,772 in HE compared with £31,701 in FE). The pay differential widens further when the salaries for the promotion grades of Senior Lecturer in the University and in FE are compared, although there are differences between these grades which make direct comparisons difficult. Salaries in the University are set to rise by 15.94% over 3 years following a 2006 pay deal. The first stage of this is a 3% increase on all salary rates from 1 August 2006.

Comparison of pay of FE lecturers and Schoolteachers in NI

- 3.2 Pay structures for FE lecturers and schoolteachers in NI differ considerably, and compared to schoolteachers, there are also fewer promotion opportunities in the FE sector, where around 75% of lecturers are on the main lecturers' grade. There is a limited range of promotion grades for lecturers – Senior Lecturer, Principal Lecturer and Head of Department, and each grade has its own scale. In the schools sector there is only one pay scale with fewer points than the main FE Lecturers' scale. Although the minimum and maximum of the Lecturers' scale are higher than the minimum and maximum of the schoolteachers' scale, there is faster progression on the shorter schoolteachers' scale. In both the FE and schools sectors, there is a Threshold point above the maximum of the main scale. In the schools sector alone, there is an Upper Pay Scale which has two points after the threshold point. **(Annex A)** Schoolteachers on the top point of the Upper Pay Scale as at 2005/06 received £927 more per annum than FE lecturers on the Threshold point of their scale.
- 3.3 This may not appear to be a significant difference. However, schoolteachers, unlike FE lecturers, have the potential to enhance their pay through the payment of management allowances and this has the effect of increasing pay differentials between the two groups. In schools classroom teachers who take on management responsibilities may be rewarded with one of five management allowances on top of their basic pay. At present, in NI, around 66% of schoolteachers receive a management allowance. In the FE sector only 25% of FE lecturers receive more than basic lecturers' pay.
- 3.4 While the pay structures for FE lecturers and schoolteachers in Northern Ireland are different, pay settlements for FE lecturers, until recently, have kept pace with those of schoolteachers in Northern Ireland, including, in 2001, the introduction of

threshold payments for those lecturers at the top of their scales who meet certain performance-based criteria. Differentials in pay between FE lecturers and schoolteachers have now widened, however, through the introduction of the Upper Pay Scale for schoolteachers.

- 3.5 Schoolteachers in NI have been allowed to progress on their Upper Pay Scale with effect from 1 April 2005, which resulted in the 3.5% earnings growth limit in the schools sector in 2005/06 being exceeded. The actual earnings growth figure in that sector was 5.32%. Additional funding was allocated to schools for this purpose. This pay settlement was approved on the basis that teachers' salaries in NI have historically tracked those in England and Wales. In 2006/07 schoolteachers in NI have received a headline pay increase of 2.5% from 1 September 2006 to mirror the 2006/07 pay agreements for schoolteachers in England and Wales. This is part of a two year pay deal, with a similar increase agreed for 2007/08. The 2.5% pay increase to NI schoolteachers is in addition to pay drift for inescapable commitments, such as increments and the ongoing costs of teacher progression on the Upper Pay Scale. The Increase for Staff in Post for schoolteachers in 2006/07, which includes pay drift, is estimated to be 4.16%. In 2007/08, it will be 4.24%.
- 3.6 It is a source of grievance in the FE sector in NI that pay developments for FE lecturers are being constrained by pay policy when similar constraints have not been applied to schoolteachers.

Recruitment and Retention of FE lecturers in NI

Description of recent intake of new staff

Lecturer Posts

- 3.7 From September 2005 to October 2006, two-hundred and twenty-one (221) lecturers commenced employment. Of these 221 new starts, the qualifications level held upon entry were as follows:

Vocational Qualification or Vocational Qualification & Postgraduate Qualification	Degree or Degree & Postgraduate Qualification	Total
58 (26%)	163 (74%)	221

Recruitment was across a wide range of functional areas. Recruitment exercises for sixty-one (61) of these new starts were carried out in the previous academic year (2004/05) with the remaining recruitment and appointments (160) spanning the entire period from September 2005 to October 2006.

Senior Lecturer Posts

- 3.8 From September 2005 to October 2006, fifty-nine (59) senior lecturers commenced employment. Of these 59 new recruits, the qualifications level held upon entry were as follows:

Vocational Qualification or Vocational Qualification & Postgraduate Qualification	Degree or Degree & Postgraduate Qualification	Total
5 (8%)	54 (92%)	59

Recruitment was across a wide range of teaching areas. Recruitment exercises for fifteen (15) of these new starts were carried out in the previous academic year (2004/05) with the remaining recruitment and appointments (44) spanning the entire period from September 2005 to October 2006.

Ratios of eligible candidates to appointees for recruitment competitions in general and for specific areas where recruitment difficulties exist.

Ratio of Applicant to Short listing to Appointee

Lecturer Posts

3.9 The figures in Table 1 and Table 2 show recruitment ratios for lecturer recruitment (Table 1) and recruitment in functional areas where it is difficult to recruit (Table 2) covering:

- a. Number of applicants to number short listed
- b. Number short listed to number appointed; and
- c. Number of applicants to appointees

Table 1

Lecturer Recruitment

	2002/03	2003/04	2004/05	2005/06	2006/07
Number of posts advertised	146	145	169	196	31
Applicants	1162	1030	1396	1480	218
Short listed	546	535	657	701	80
Appointees	120	118	146	148	12
Ratio of applicants to posts	8:1	7:1	8:1	8:1	7:1

Table 2

Lecturer - difficult area to recruit

	2002/03	2003/04	2004/05	2005/06	2006/07
Number of posts advertised	51	58	59	76	13
Applicants	352	290	259	360	61
Short listed	130	137	125	151	36
Appointees	25	37	26	33	6
Ratio of applicants to posts	7:1	5:1	4:1	5:1	5:1

3.10 Table 1 shows that the number of applicants for all lecturer posts, with the exception of the 2003/04 year (1030 applicants), has increased steadily over the period resulting in a 27.3% increase by 2005/06 (1162 in 2002/03 to 1480 in 2005/06). In

