



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

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14 April 2003

Dear Dr Graystone / Ms. Phelan,
FE PAY INITIATIVE

Thank you for your joint letter of 26 March to the Minister for Education and Lifelong Learning setting out the agreement that Fforwm and the FE trades unions have reached on the distribution of the £9 million made available by the Minister specifically for FE pay in 2003-04. I have been asked to reply.

The Minister has seen your letter and has noted its contents. She welcomes the agreement reached and has asked me to forward it to the National Council-ELWa for discussion with Fforwm as to how the agreement translates into allocations to individual FE institutions and with a view to those allocations being made as soon as possible. I am accordingly writing to the Council today to convey this request and also to invite the Council to set in train further discussions regarding the action and funding needed to achieve in full the objectives of the Minister's initiative on FE pay during subsequent years.

Yours sincerely

NE THOMAS
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Jane Davidson AM
Minister for Education and Lifelong Learning
National Assembly for Wales
Crickhowell House
Cardiff Bay
CF99 1NA

26 March 2003

Dear Jane

We are writing on behalf of fforwm and the Trade Unions' side to up-date you on the agreement we have reached on the allocation of the £9m for pay in further education institutions.

In respect of the £6m to all staff and the £1m to college support staff, data from colleges was collected on their annual pay bill as of 31 July 2002 to which was added for each college the percentage pay increase awarded for the current year (2002/03). On the basis of these figures, fforwm was able to calculate the proportion of the £6m that should be allocated to each college. The same method of calculation was used for the allocation of the £1m for support staff. The figures we produced were forwarded to the National Council-ELWa, which is at present making arrangements to collect relevant information from colleges. The Union side agreed with the method of calculation and the resulting figures.

The result is that fforwm has recommended to colleges that from 1 April 2003, all FE staff should receive a 3 per cent increase (with colleges making up a small difference from their budgets) and support staff an additional 1.7 per cent .

We also reached agreement on the allocation of the £2m for lower paid lecturers. Essentially the agreement is as follows: -

- 1.7% pay increase for all part-time hourly paid lecturers
- salaries of all full-time/fractional lecturers to be increased to a minimum of £18,217 (or pro rata). This will be achieved in most colleges by abolishing scale points 1-4

- 1.5% increase for full-time/fractional lecturing staff.

If these proposals are put into place, the pay awards for various categories of staff will be as set out in the following table.

Allocation of the £9m for FE pay in Wales

Type of staff	Pay increases			
	From 1 August 2002	From 1 April 2003	Other	Total increase since 31 July 2002
Full-time/fractional Lecturers	2.3% (on average)	4.5% (3% plus 1.5%)	Abolition of points 1-4; minimum salary £18,217	At least 6.8% plus lower paid lecturers receiving considerably more
Part-time hourly paid lecturers	2.3% (on average)	4.5% (3% plus 1.7%)	-	7%
Business Support Staff	2.3% (on average)	4.7% (3% plus 1.7%)	-	7%
Management spine	2.3% (on average)	3%	-	5.3%

Under these proposals, compared with 31 July 2002, lower paid full-time and fractional lecturing staff will receive an increase of at least 6.8% and all part-time hourly paid staff will receive 7%. On top of this, some lecturers in lower paid bands will see their salaries increased - perhaps by as much as over £2,000 (or 12.5%) as a result of the abolition of scale points 1-4 and the lifting of the lowest point to £18,217. All support staff will have received 7%. These figures assume an average pay increase of 2.3% from 1 August 2002, although it is recognised that some colleges have paid below and others above this amount.

fforwm and the trade unions believe this agreement meets the aims set out in your letter to fforwm's Chief Executive on 30 October 2002, which was circulated to trade unions, and at your meeting with representatives of fforwm on 23 October.

- all staff awarded 3% (30 October letter)
- lifting of the lowest point of the lecturers' scale to above that of the lowest point of the school teachers' main professional grade (23 October meeting between fforwm and the Minister)
- increase in the pay of lecturers in the lower paid bands by 'up to about 1.7%' (30 October letter)
- reduce the number of pay spine points and move 'towards parity with the main scale for school teachers' (30 October letter)
- increase the pay of support staff by an additional 1.7% (30 October letter)
- all the additional money is being used solely for pay purposes (30 October letter)
- the £9m used in addition to local settlements already agreed by colleges (30 October letter).

We believe the proposals fulfil the wishes of the Minister that lower paid lecturers should be adequately rewarded and that all support staff should benefit from a major increase. The proposals will also help inform the discussions on the achievement of pay parity between lecturers and schoolteachers from 1 April 2004.

We are also delighted to say that agreement has been made between fforwm assisted by the Association of Colleges and all the trade unions representing staff in FE colleges in Wales on a procedure agreement for negotiations on pay. The Welsh National Negotiations Committee on which all trade unions who wish to take part will have a seat will take forward the ambitious plan to achieve pay parity between FE lecturers and school teachers in Wales. The work of the Committee will be reviewed in April 2004. A list of trade unions that will be involved in the Committee is attached for your information.

This is an historic moment for fforwm and trade unions representing FE staff in Wales. The agreements have been reached after lively debate in a spirit of partnership and cooperation. It represents a significant shift in employer/trade union relations in Wales in a way that could not have been achieved before the setting up of the devolved administration in Wales.

In conclusion, fforwm in conjunction with the Association of Colleges and trade unions are delighted to continue to work closely with the Welsh Assembly Government in taking forward the proposals for FE pay in 2004/05 and in 2005/06.

Margaret
- if this is OK
I'll send a version
with fforwm logo
etc to your office
JM

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29 October 2002

Dear Margaret

fforwm's Meeting with Jane Davidson: 23 October 2002

Following fforwm's meeting with Jane Davidson on 23 October, I thought it might be helpful to clarify fforwm's position with respect to the additional funding for pay announced by the Minister at fforwm's meeting with her and subsequently confirmed at the Education and Lifelong Learning Committee meeting on 24 October.

On behalf of colleges in Wales, fforwm gave a broad welcome to the proposals set out by the Minister. Attached for your information is a press statement from fforwm commenting on the Minister's announcement.

fforwm welcomed the £6m across the board pay increase, the £2m targeted at FE lecturers in the lower paid bands and the £1m targeted at FE support staff. The final percentages quoted by the Minister have been calculated, I understand, on a pay bill of around £200m. Clearly this final baseline figure will need to be confirmed and you will be aware of the increase in National Insurance contributions coming into effect from 1 April 2003.

fforwm also gave a commitment to work with the Assembly, National Council-ELWa, Trade Unions, working where appropriate with the Association of Colleges, to ensure that this money is allocated for pay to college staff. Indeed, the Minister pointed out in the Assembly Government's press release 'I will be looking to fforwm to ensure that this money is used solely for the purposes intended from 1 April 2003...'

It is expected that the Minister will announce the additional funding as an hypothecated grant to be used solely for FE pay in her remit letter to the NC-ELWa in December or January. The NC-ELWa will set up audit systems to ensure college corporations in receipt of this funding account fully for the way this money is spent.

We are all anxious to avoid the type of misunderstandings that arose last year in the distribution of the additional £3.17m allocated 'to assist institutions to meet general pressures, including the recruitment and retention of all staff (teaching and non-teaching)' (*NC-ELWa letter to colleges, 30 July 2001*). Colleges interpreted this as meaning that the money should be allocated for pay, although the guidance from the NC-ELWa was not clear.

We strongly support the Minister's longer term commitment that the pay of college lecturers should match that of schoolteachers. fforwm, through if necessary the Association of Colleges, is keen to work with the Assembly, Trade Unions and other appropriate organisations in accurately assessing the pay relativity of FE lecturers with schoolteachers. There is an important task to be done to ensure that we have consistent, accurate and up to date figures.

In writing this letter, I should emphasise that fforwm is not the negotiating body for pay in Wales. This is still the province of the Association of Colleges. However, the Minister has worked closely with fforwm on the above matters. The fforwm Board and the Association of Colleges will need to give serious consideration to future arrangements for FE pay in Wales in the context of a pay formula developed in Wales, which differs from that in England.

Best wishes.

Yours sincerely

Dr John Graystone
Chief Executive

cc Roger Hampton, chair, fforwm
David Mason, vice-chair, fforwm