FURTHER EDUCATION NATIONAL JOINT FORUM TRADE UNION SIDE

Pay and conditions claim 2016/17

Better pay and better jobs = better colleges

At the time of submission of the joint trade unions' further education England pay and conditions claim for 2015/16 the sector was widely understood to be facing a threat from further proposed government funding cuts. The joint trade unions are proud of the role that they and their members have played in the campaign to defend further and adult education funding and wish to acknowledge the unprecedented level of cooperation that existed between sector bodies, including the Association of Colleges, in mounting that campaign. By working together we are all pleased to see that the campaign succeeded in raising the profile and importance of further education in England and secured a better than anticipated outcome in the government's comprehensive spending review.

The government's spending review commitment to make no reductions (in cash terms) to adult further education skills funding over the next four years, combined with the commitment to grow apprenticeship funding, create an environment of funding stability and opportunities for the sector that has not existed for a number of years. The funding outlook for colleges in England has certainly improved when compared to that which was anticipated at the time of the 2015/16 National Joint Forum talks.

In the 2014-15 claim the joint trade unions said:

> *"The trade unions believe that for national pay negotiations to have any credibility in the eyes of their members the recommendations must be implemented locally and demonstrate a genuine and meaningful choice to address the real cost of living crises experienced by the further education workforce over the last four years."*

The Association of College's pay freeze recommendation for 2015/16 was rejected by all of the joint trade unions and took the National Joint Forum into unchartered territory. Asking the trade unions to agree a pay freeze for the sector was a mistake and a number of colleges ignored this recommendation. Two years ago, the joint trade union side made clear that the credibility of the National Joint Forum talks were on the line. Last year's deliberate choice, by the Association of Colleges, to recommend a pay freeze has damaged the credibility of national structures to near breaking point. If colleges sincerely desire and respect pay talks at a national level, then an explicit and binding commitment to better paid jobs with better terms and conditions is required.

The joint trade unions and college leaders would likely agree that the public policy environment in which the sector finds itself is rarely one that it would have chosen for itself. The government's current process of conducting local area reviews of post-16 education is yet another example of policy imposition on the sector. The extent of change that local area reviews will bring to further education in England has been described as the most significant since the incorporation of colleges almost a quarter of a century ago. The joint trade unions do not support cost cutting rationalisation and shrinking provision as part of the area review process. Welcomed by some parts of the sector or not, the local area review processes create a moment of re-design for post-16 adult and further education provision in England.

At a time when the government has asked the sector to re-design itself, an opportunity exists and must be taken, to "design-in" better paid jobs with terms and conditions that recognise the professionalism of college staff. Conscious and deliberate steps must be taken to make further education once again a destination of choice for employment in post-16 education. A failure to do so is to ignore the most important determinant to college success or failure; the ability to recruit and retain staff that deliver the quality that the sector's reputation relies on.

As this claim is submitted, college staff in England are approaching a loss in real pay of 20% (18.3% March 2016) since 2009. The attractiveness of employment in colleges has reached a tipping point not previously seen. In its most recently released research, the Association of Colleges show that staff recruitment and retention data have taken a sudden turn for the worse. Teachers leaving colleges for the reason of getting better pay in schools has risen by over 10% to a level unprecedented in recent years of 25.8%, while 27% of support staff are leaving due to the level of pay compared to the private sector. Teaching staff leaving colleges now also attribute workload and stress as the reason at unprecedented levels, 36% and 32.6% respectively, and both are significantly bigger increases over any previous year than observed before by 13% and 12% respectively. Working in further education is no longer an attractive career for support staff, which is demonstrated by the figure of 51% leaving to change their career.

The government's Annual Survey of Hours and Earnings shows that the gender pay gap for teachers in further education generally has been widening since 2012 and currently the gap in full-time mean average pay between males and females teaching in further education is 8.5%. From the data we have collected we can see that in colleges where there is a gender pay gap, women are paid an average of £1,004 less than their male colleagues. We are concerned that despite there being a national joint agreement on equal pay, the gender pay gap in further education appears to be worsening.

In its annual report for 2014/15, Ofsted identified, for the first time, that a reason for colleges experiencing challenges in achieving good or outstanding teaching and learning grades was "capacity". UCU has been in discussion with Ofsted about the barrier to teaching and learning quality that instability in staffing caused by precarious employment arrangements creates in many colleges. Ofsted have stated that where they observe this it will be included in their inspection reports.

After previous positive joint working on the Living Wage, it was extremely disappointing that the Association of Colleges did not include a recommendation to pay the living wage in 2015/16. We know from the information that colleges are starting to provide to us that while some colleges do pay the living wage, many continue to pay less than the Living Wage Foundation rates. We are also seeking a commitment to colleges achieving accredited status which includes a commitment to indirectly employed staff, something that will be increasingly important if there is greater outsourcing in the sector.

The Living Wage has become a standard benchmark for the minimum needed for low-paid staff to have a “basic but acceptable” standard of living.

Colleges now compete in a labour market where the Living Wage Foundation rate of £8.25 an hour outside London and £9.40 an hour in London has become an increasingly common minimum point in the pay scale.

Studies supported by Barclays Bank have shown that living wage employers report an increase in productivity, a reduction in staff turnover / absenteeism rates and improvements in their public reputation. Consequently, there are now approaching 2,000 employers accredited as living wage employers by the Living Wage Foundation, including some of the largest private companies in the UK, such as Barclays, HSBC, IKEA and Lidl. Across the public sector, the Scotland Government has established the living wage within all its public sector organisations. Minimum rates in the Wales NHS, many England Further Education Colleges and Higher Education have been raised to the living wage in the most recent pay settlements. Support staff in more than 12,000 schools across the UK are also set to be paid the living wage as a result of recent agreements.

Furthermore, even where national agreements have not achieved a living wage settlement, a major proportion of individual councils, NHS trusts, schools and academies have taken up the living wage on their own initiative. A UNISON Freedom of Information survey covering local government, the NHS, universities, further education colleges and police authorities that drew over 900 responses found that 51% of employers across these sectors already pay at least the living wage to their lowest paid staff.

The government has announced that it will introduce a legally enforceable “national living wage” of £7.20 an hour for employees aged 25 and above from April 2016. However, in reality this rate is just a rebranded version of the national minimum wage which is calculated without reference to the cost of living. The living wage announced annually by the Living Wage Foundation remains the most accurate indicator of the wage needed to achieve a basic but acceptable standard of living.

A recent survey of UNISON members revealed that many are feeling the squeeze on household incomes. Nearly 80% of respondents reported that their income had either remained the same or declined, while 77% of respondents saw their household expenditure increase. 60% of respondents said concerns about their financial situation has increased. Members reported various strategies to cope that included reduced spending, increased debt, second jobs and examples of members using food banks. Despite the vast majority of staff not receiving a pay rise, workloads continue to climb, with nearly two thirds of respondents reporting taking on extra duties due to redundancies or other cuts. Overall 82% of respondents reported that staff moral had got worse.

Further education (non – SMT) staff have suffered real pay cuts totalling 18.3% over the last five years. For experienced lecturers at point 8 on the teaching scale this equates to a loss of over £6,400 per year.

	2009	2010	2011	2012	2013	2014	2015
RPI indexed % change	100.0	104.6	110.0	113.6	117.0	119.8	121.0
FE pay Indexed % change	100.0	100.2	100.6	101.0	101.7	102.7	102.7

Inflation forecasts

HM Treasury's *Forecasts for the UK Economy: a comparison of independent forecasts* complies RPI forecasts for the next two years from a range of 41 forecasters including 23 City forecasters, 17 independent non-City forecasters and the Office of Budget Responsibility. The latest forecasts, published in April 2016, show that:

- In 2015 RPI was constrained due to falling commodity prices, mainly oil, but also falling food prices. This had a significant impact on utility prices which kept RPI growth to 1.2% in 2015.
- RPI will continue to rise steadily rise throughout 2016-17 and into 2017-18, the median forecast for Q4 2016 is 2.0% and some forecasters predict that RPI will rise to 2.8% by the end of 2016.
- All of the Treasury's forecasters expect significantly higher RPI inflation in 2017. The mean RPI forecasted for 2017 is 3.0% and some forecasters predict it will rise to 3.6% by the end of the year.

Claim elements

Together, as a sector we have succeeded in showing the government and the country that further education in England is both worth funding and necessary to the country's social and economic wellbeing. For this success to be locked in, we must work together to make colleges a destination for employment. With this in mind the joint trade unions pay and conditions claim for 2016/17 is:

- An increase of £1 extra per hour for all staff.
- All colleges to ensure fair pay for women by conducting Equal Pay Audits or reviewing any existing audits; identifying any gender pay gap; and constructing an Action Plan with the Trade Unions locally to eliminate any such gaps.
- Hourly paid, temporary, fixed-term or casual staff working in a college for more than two years to be offered a permanent post on a pro-rata basis that is commensurate with the hours they actually work.
- The starting rates to be no lower than the Living Wage Foundation rates of £8.25 outside of London and £9.40 in London with annual up rating. Colleges to work to become Living Wage Foundation accredited.