

Pay Negotiations 2010-11: Employee Briefing (May 2010)

Pay negotiations for the Higher Education sector are undertaken at a national level through a body known as the Joint Negotiation Committee for Higher Education Staff (JNCHES). This Committee is made up of representatives from the Universities and Colleges Employers Association (UCEA) and the recognised trades unions within higher education (EIS, GMB, UCU, Unison and Unite).

The negotiations around this year's pay settlement began on 29 March 2010 and since that time further meetings of the JNCHES have been held on 19 April and 5 May. The negotiating timetable normally runs across three meetings, however the need for a further meeting has been agreed for 28 May 2010.

The aim of this briefing is to provide YSJ employees with an update on the issues behind the 2010 pay negotiations.

The Unions' claim

The trade unions' joint claim presented at the first JNCHES meeting on 29 March included a 4% pay rise plus a number of additional elements, pay-related and otherwise. Full details of the claim are available from the UCEA website:

www.ucea.ac.uk/en/2010_Pay_Negotiations/national-negotiations-timeline/

The employers' offer and response

The employers' initial pay offer was a 0.25% non-consolidated increase. Non-consolidated means the increase will not be integrated into annual salaries and instead will be paid by way of a lump sum one-off payment. Following the JNCHES meeting on 5 May, UCEA has invited the trade unions to consider how an improved 0.4% non-consolidated offer might be distributed. The improved offer was made on a 'without prejudice' basis against a background of serious funding cuts and uncertainties, including the possibility of an emergency budget.

The original pay offer of a 0.25% non-consolidated increase with the further 'without prejudice' offer of 0.4%, for many institutions is at the limit of affordability and is set against big increases in staff costs arising from other factors. The employers' position is that the 4% pay claim cannot be afforded in the difficult economic environment and would cost the sector in excess of £500m. The sector is already experiencing the impact of funding cuts and faces serious future financial challenges and uncertainties relating to income, so the true challenge for institutions is sustainability. Against the background of cuts in sector funding (£900 million in England alone) the employers have asked the trades unions to re-examine the details, costings and impacts of their claim and have invited them to consider how the non-consolidated pay increase which is being offered might be applied.

The current without prejudice 0.4% non-consolidated offer would cost the University £90,000 in-year, without factoring in the further costs associated with incremental progression (approx. £340,000 - see below). Without increments and standing alone, the 4% claim made by the unions would increase our salary bill by £900k in 2010-11 and would have significant follow-on consequences for future years at a time when we know the Higher Education sector is going to be subject to serious financial constraints.

Increases in previous years

The pay settlement of 0.5% last year followed several years of very significant pay increases for HE staff. Staff have benefited from extremely good pay awards in recent years equating to a cumulative base pay rise of at least 16.4% from 2006-07 to 2009-10. Between 2002 and 2009 (which included pay modernisation under the Framework) HE teaching professionals' average earnings increased by 35.8%, and all staff earnings rose by 44.5%, compared to 30% in the whole economy (ASHE) and against a total 20% RPI increase over the period. Full-time HE teaching professionals' earnings in April 2009 were £50,091 at the mean (£46,243 at the median). For more details please visit the UCEA's website:

http://www.ucea.ac.uk/en/Pay_and_Reward/FactsandFigures.cfm

Pressure on staff costs from pensions and increments

Increases in pension costs (for example the largely unreported 2% rise in USS contributions in October 2009) have meant that the overall increase to staff costs in HEIs will have significantly exceeded last year's headline pay award. York St John's employer contributions to the Teachers' Pensions Scheme currently stands at 14.1%, with 15% being the contribution to the North Yorkshire Pension Fund. This amounted to an annual cost of over £3 million in 2008-9, including interest charges on future pension liabilities.

Add to this the impact of incremental pay growth for about two thirds of staff across all HEIs and the increases in staff costs spiral further. Despite the economic pressures, employers have to find the funds to continue to pay incremental payments to a significant number of staff; these increments will amount to a 1.5% increase to the salary bill in 2010-11 at York St John. (The impact on other HEIs can be as high as 2.9% depending on the number of staff not at the top of their pay scale). Therefore, without any pay award being issued York St John would still see its salary bill increase by £340,000 in 2010-11. The current national pay offer from UCEA has to take into account the cost of incremental pay rises.

Job security issues and the Acas Digest on Job security

As part of their pay claim the trade unions have requested National negotiations on the provision and sustaining of jobs, leading to jointly agreed proposals to improve job security across the sector. UCEA has acknowledged the trade unions' concerns about job security issues, which are a serious concern for us all, however it has been explained that the unions' request for a national position on job security is an unrealisable aim for a national membership body. Job security and redundancy are matters for individual HE institutions, as independent and autonomous employers, and cannot be negotiated at national level. York St John takes its obligations and responsibilities in this area very seriously and is in active and ongoing dialogue with its trade unions around the issues of job stability and the avoidance of redundancy.

In relation to the issue of job security, the employers have reiterated and reminded the Unions of the *Digest on job security*, developed with the unions through Acas during the 2009 pay negotiations and recently distributed in March 2010. The Acas digest is intended for reference purposes, encouraging dialogue and a shared understanding of important issues facing institutions considering staffing changes. UCEA will also be working with the Unions in the coming weeks to ensure that there is an opportunity for broad dialogue at the next meeting of their national Joint Working Group on Sustainability. This is one of the three working groups currently in operation within the sector, details of which are below.

Training & development

At the JNCHES meeting on 5 May 2010, the trade unions submitted a paper on training, career progression, professional development and apprenticeships for discussion. The employers said they were keen to explore issues of mutual interest and pursue further joint working on training and development initiatives, as this is recognised as an important issue for both staff and employers. UCEA undertook to review the Trade Unions' new paper further with officers and report back to the next meeting.

Current joint working

Following on from last year's pay agreement, employers and unions are currently working on a range of issues (many of which were raised by trades unions) through three joint working groups covering:

- work to take forward a range of equalities issues, including looking at the systemic issues behind the gender pay gap;
- work to further evaluate pay modernisation through implementation of the Framework Agreement and to improve the collection of sector pay data;
- work to increase understanding in relation to HE funding and sustainability issues affecting financial decision-making.

These Joint Working Groups have started working together to tackle these important sector matters with work programmes running to December 2010.

Further information

There is no doubt that the higher education sector is currently in financially challenging times and York St John supports UCEA in its cautious approach to the 2010-11 pay negotiations. Whilst we appreciate that some may be disappointed with the employers' offer, we, like many other Universities, are anxious to secure a pay agreement that is affordable and sustainable and that does not create negative consequences in the years to come.

For further extensive background information on the 2010-11 Pay Negotiations, please refer to the UCEA website: http://www.ucea.ac.uk/en/2010_Pay_Negotiations/

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