Joint Higher Education Trade Union Pay Claim

2019/20

Submitted March 2019

New JNCHES claim 2019/20

The Higher Education trade unions national claim for 2019/20 is:

- RPI plus 3% or a minimum increase of £3,349 (whichever is greater).

- £10 per hour to be the minimum rate of pay for directly employed staff and Foundation Living Wage the lowest wage to be paid on campus (i.e. by contractors). Restoration of the 3% differentials between spinal column points.

- To achieve a 35 hour working week for all staff working in universities.

- Action to close the gender pay gap, and to work on closing the ethnic pay gap, taking account of the ways in which intersectionality affects pay and grading.

- Agree a framework to eliminate precarious employment practices by universities. This includes the ending of zero hours contracts and moving hourly paid staff onto fractional contracts; outsourced staff to be brought in-house to direct university employment.

- Nationally-agreed payment to recognise excessive workloads. UCEA to recommend the adoption and implementation of the Stress Management Standards approach (or suitable equivalent system) incorporating collaborative working with recognised trade unions on agreed action plans.

- To establish the Scottish Sub-Committee of New JNCHES as set out under the New JNCHES Agreement. The main purpose of the sub-committee would be to deal with matters not currently being dealt with at the New JNCHES Committee.
In recent months much attention has been given to senior pay in higher education. This pay and equality claim moves the focus to all staff in higher education, arguing the case that all staff in our world class university system finally deserve a decent pay rise that keeps up with the increasing cost of living as well as catching up with pay lost over the past ten years. Whether HE staff work in pre- or post-1992 universities the contribution of all staff should be properly recognised and rewarded. Employment in our universities should provide decent pay, and employment practices should reflect the same high standards that are expected of staff working in higher education.

The unions believe that reaching agreement on this claim will start to address falling standards of living, pay equality, and precarious employment. All of these are issues that universities urgently need to tackle and doing so will inevitably being to support improvements in staff morale,

This claim has the support of the five trade unions and is designed to set out a framework for positive dialogue on ways in which a number of employment-related matters can be addressed. Some of these elements are not new and will be familiar from previous claims. These elements have been included as the unions still strongly believe that jointly addressing these elements of the claim will bring benefits to our members' working lives as well as to higher education institutions.

Universities have, for a long time, relied on the goodwill of all employees to work excessive hours and take on more work without increases in their pay. The claim for 2019/20 re-visits this matter and seeks to address this ongoing problem.

The joint unions are now challenging universities to address pay that has significantly fallen behind inflation, to address, the gender pay gap, precarious working practices and the growing divergence between nations. The unions are also calling for a national framework agreement that will deliver parity between institutions to ensure that all staff are on a 35 hour per week contract (for full-time employees).

We believe that there would be merit in individuals and institutions having a degree of certainty around financial and workforce planning at a time when much else is uncertain.

**Background**

This claim is submitted at a time of serious and continued uncertainty for the higher education sector, as well for the UK economy and industry as a whole. At the time of writing the two key and overarching factors are Brexit and the potential changes to the fees/funding regime that are expected to be announced as part of the Auger review. This is acknowledged by the joint trade unions and this claim is submitted to seek to reach agreement with the employers on a pay settlement for the coming year.

This level of uncertainty may lead to an argument being presented for financial caution by universities in relation to a pay settlement. However, these uncertainties have existed for some time and have not, lead to significant caution and/or restraint in relation to university expenditure on capital investment and senior leadership pay.

The pay offer in 2018/19 for the majority of HE staff was yet another below inflation uplift. This is against a backdrop of staff reporting ever increasing workloads and working hours, increased work-related stress and casualisation. Staff are working ever harder in an increasingly marketised higher education system to deliver results for their university employers. It is vital at this point in time that universities invest in their single most important
asset, their staff. The continued erosion of the value of take home pay in recent years is felt across all grades of staff in higher education covered by the national pay spine and needs, urgently, to be addressed.

The joint unions are making clear that this year members’ pay needs to increase by both a ‘keep up’ and ‘catch up’ amount. The claim has two key elements for the majority on the 50 point pay spine – both RPI (‘keep up’) and an additional amount to start to make good the loss in members pay since 2009.

The joint unions believe that meeting the claim in full will start the process of eliminating the losses in pay due to sub-inflationary increases over the past ten years.

In 2016/17 UK universities reported a record surplus of £2.27 billion and in 2015/16 the surplus was £2.34 billion. This has increased since 2011/12 by more than double from £1.11 billion\(^1\).

New JNCHES negotiations can and should result in decent pay increases and not the real terms declines seen in recent years. The trade union side want national bargaining to work and to be effective. However, for the bargaining process to work it needs to result in outcomes that recognise the real value of the contribution of staff. A pay offer that does not deliver this message raises concerns about the effectiveness of New JNCHES. The pay offer in 2018 was so far below the ‘keep up and catch up’ joint union claim that most unions rejected it.

The unions genuinely want to secure an uplift in members’ pay and employment that they will be able to recommend to members to enable an agreement to be reached for the next twelve months.

**Pay**

The trade unions are seeking a positive response from the employers to our claim at the first JNCHES meeting on 26 March. We are seeking an increase to the pay spine that addresses the following issues for 2019/20:

The value of members’ pay has declined and continues to fall. Since 2009, the cumulative loss to pay (compared to rises in RPI) is over 20%.

It is the trade union side’s view that these, and future, negotiations should start from the basis that existing salaries will at least be increased by at least RPI inflation as the opening position and will thus keep up with rising prices.

**Addressing pay compression**

The joint trade unions have welcomed the positive impact on the income of the lowest-paid workers in higher education of the minimum wage and living wage legislation, and of the series of pay settlements in the sector in recent years that have boosted pay for those on the lowest points on the spine.

At the same time the sector has been facing the increasing issue of stagnating and falling pay for our members at the top of grades. The majority of employees on the 50 point pay

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\(^1\) The Times, 27 April 2018
spine are now at the top of their pay grade and, therefore, do not benefit from pay increments, receiving only the general pay rise from each annual settlement which have been consistently below inflation. The joint unions believe that the top of pay grade is the full ‘rate for the job’. Incremental payments are based on the locally agreed grading structure and are not under the remit of national talks.

The sections in this claim on loss of value, inflation forecasts and settlement data, when compared with the pay increase contained in recent settlements, show how far behind both the cost of living and average pay settlements the pay in HEIs has fallen. Our members at the top of grades have therefore faced a steady erosion in their pay packets from below-inflation settlements together with no increment.

HEIs are facing increasing problems of recruitment and retention for these roles. Recruitment and retention premia are usually used as a temporary solution to a temporary problem, but are increasingly being used by HEIs inappropriately as permanent payments, to offset the fall in the value of pay for those at the top of their grades. In other sectors these market premia are rightly treated with a great deal of caution as they may become a source of unequal pay, for example when they become a permanent payment, rather than clearly time-limited. HEIs should be aware of this as part of their ongoing commitment to addressing pay gaps.

The rationale for differentials in pay structures is important, particularly at a time when our members are taking on more duties as HEIs restructure and cut staff. It is vital to recognise financially difference across the structure, and to do this fairly and equally across the structure, as would be the case with restored 3% gaps. Given the high levels of uncertainty affecting the sector, differentials need to be predictable over time rather than being eroded.

Eroding pay differentials undermines fairness and equality, resulting in lower morale, a greater sense of unfairness and a lack of recognition of effort and contribution. The erosion of differentials impacts on the pay structure, changing it without the joint process that would be expected with other changes to the pay structure. With regard to equality, erosion of differentials needs to be checked for potential equality impacts by all HEIs.

The joint trade unions are seeking in this year’s settlement, a recognition of the dwindling value of pay for those at the top of grades. To do this, there are a number of possible routes that JNCHES should consider including a remodelling of the 50 point pay spine to address the erosion of differentials and seeking to restore a 3% gap across the spine.

**Loss in value of pay**

The loss in value of pay has resulted in HE staff having less disposable income and facing increasing financial difficulties. In 2018, 86% of union members told us that their pay had not kept up with the increasing costs of living (an increase of 3% since 2016 survey).

From a 2009 baseline, pay awards in higher education have resulted in a cumulative increase of 11% over nine years. In the same time period, the RPI index has increased by 31.8%. The impact of the cost of living rising so much faster than HE pay is that higher education staff have seen the value of their pay decline by an enormous 20.8% since 2009.
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<tr>
<th>Year</th>
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<th>Value of pay – indexed to RPI</th>
<th>Pay settlement %</th>
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Source: RPI annual rates from Office for National Statistics, Consumer Price Index: December 2018

**Predicted increase in cost of living facing staff**

The most recent inflation figures published showed that RPI stood at 2.7% in December 2018.\(^2\)

The Treasury average of independent forecasts states that RPI inflation will average 3.2% over 2019.\(^3\) It will then remain in excess of 3% every year until 2022, following the pattern shown in the graph below.

\(^3\) HM Treasury Forecasts for the UK Economy, November 2018
Therefore, any pay settlement below these levels actually represents a cut in the buying power of HE wages and an increasing decline in the standard of living among HE staff.

**Loss of competitiveness in HE wages**

Average pay settlements across the UK economy have been running at 2.75% over the last year\(^4\), with average settlements within the private sector slightly ahead at 2.8%. The upper quartile of pay settlements across the economy began at 3.5%.

The cumulative effect of years of HE pay settlements falling well below that seen across the economy as a whole, is set out in the table below. Whereas average pay has seen settlements lift pay by 22.7% between 2009 and 2018, HE pay settlements have delivered total growth of just 11% in nine years.

That means that the relative value of HE pay has declined 10.5% against the UK average since 2009. This represents a substantial decline in the competitiveness of HE wages on the labour market and a long-term danger to the ability of HE to attract and retain high quality staff.

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\(^4\) Based on the median for 799 pay settlements recorded in the Labour Research Department Payline database
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<tr>
<th>Year</th>
<th>Average UK % pay settlements</th>
<th>HE % pay settlement</th>
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<th>Value of pay - indexed to HE pay settlement</th>
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Source: Average annual UK settlements from Incomes Data Research

Across the economy, average earnings are now growing at their fastest rate in over a decade, hitting 3.4% in November 2018\(^5\).

Forecasts of average earnings by the Office for Budgetary Responsibility were last made before the recent surge in average earnings had fully set in. Nonetheless, it predicted that average earnings growth will run at 2.5% over 2019 before a steady escalation every year takes the rate to 3.2% by 2022, following the pattern below\(^6\).

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\(^5\) Office for National Statistics, Labour Market Statistics, January 2019

\(^6\) Office for Budgetary Responsibility, Economic and Fiscal Outlook, October 2018
Continuous rise of VC, principal and senior pay

The Office for Students (OFS) report into senior pay in universities confirmed the data brought by the joint unions to annual pay negotiations in recent years. In 2017 when the staff pay settlement was 1.7% university leaders saw their pay rise by 3.1%. In 2017 the median pay ratio of ‘heads of providers’ and staff as a whole was 7.2% but in almost 10% of HEIs the ratio of total pay package to the institution median was over 10:1. In the same financial year nineteen universities increased their VC total reward package by more than 6% and twenty three universities increased their VC’s pay by more than 6% - seventeen percent of all universities.

Whilst there has been increasing data on VC pay in the public domain in recent months, there is still a lack of accountability on this matter and, to date, a lack of commitment by the sector as a whole to address this problem. The joint unions believe that a fair and decent pay offer from the university employers would begin to restore staff, student and public trust in universities.

RPI plus 3% or a minimum increase of £3,349

The joint unions are calling for a pay rise that recognises the increases in the cost of living, as set out above. The Retail Prices Index is still recognised by the government and companies, and is used for a range of increases. The RPI was recently endorsed by the House of Lords Economic Affairs Committee as a ‘viable candidate’ for a single measure of inflation. Whilst the debate continues as to which inflationary indicator should be used, the RPI directly affects the increasing costs of living in relation to mobile telephone bills, increasing student loan repayments, and transport fares. The claim for 3% on top of an RPI

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Times Higher Education, February 12, 2019
increase would go some small way to ‘catching up’ with lost higher education earnings as outlined above.

The minimum underpinning figure of £3,349 would ensure that every HE employee earns at least £10 per hour, including employees working at those universities where working 37 hours per week is the standard full-time contract. This minimum figure would also ensure that staff employed by universities are earning above the £9.00 Foundation Living Wage (FLW) rate. Further, this minimum rate of HE pay would allow for the FLW to be increased in November 2019 and for HE pay to still be FLW compliant. In London universities, the increase in London weighting would be needed to ensure that staff are earning about the current Foundation Living wage rate of £10.55 per hour.

**Low Pay and Living Wage**

In February 2019 the Chair of the APPG on Poverty, Kevin Hollinrake MP (Con, Thirsk and Malton), stated “It would be an inspirational move and a welcome signal to others for the public sector to lead the way in paying the Living Wage, as defined by the Living Wage Foundation. ... The payment of a wage that people can live decently on is absolutely the right way forward.”

In formulating an offer in response to this pay claim the joint unions are requesting the universities sign up to this ‘right way forward’ by ensuring that everyone working on campus receives at least the Foundation Living Wage rate for their labour. This must include those who are employed by contractors – they are no less entitled to a decent wage for their work.

According to UNISON’s 2018 FOI survey 10,144 staff earn below the Foundation Living Wage, almost double the number earning above £100,000 per year. According to the Foundation, there are approximately 38,000 working for contractors delivering services to higher education institutions whose rate of pay is below the Foundation Living Wage. A number of universities are accredited Living Wage employers.

This claim calls for all universities to become accredited living wage employers and to lead the way in tackling poverty pay.

**Affordability**

The most recent figures released by HESA is the data from March 2018 showing that in 2016 income for all UK universities rose by another £930 million, taking the total increase in income since 2009/10 to £8.87 billion.

With capital expenditure increasing by more than £1.2 billion since 2009/10 and staff costs decreasing year on year to a new low of 52.9% of income, it is clear from university accounts that investment in higher education staff has been deprioritised in favour of investment in buildings and the hoarding of increasing reserves - £44.27 billion in 2016/17, which have more than tripled since 2009/10ef{8}.

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\[8\] HESA Finance Plus 2016/17 dataset, March 2018
The 2019 data will be available before the pay talks open on 26 March 2019 and this claim may be revised to take into account the latest figures.

Gender Pay

The joint unions are again calling for nationally-agreed action for HE institutions to close the gender pay gap and to specifically address the ethnic pay gap, taking account of the ways in which intersectionality affects pay and grading. This work should be planned and conducted in a transparent way with clear terms of reference.

Every year the official pay data in UK higher education shows continuing, shameful and persistent pay inequality. UK universities promote the values of equality, yet it is nearly fifty years after the Equal Pay Act and the sector still has huge gaps in the pay of men and women. In April last 2018 with the publication for the first time of all gender pay gaps in organisations employing over 250 people, the extent of the problem became clear with the average pay gap across the UK HE sector standing at 15.9% (mean 16.1%, median 15%)\(^9\), and with thirty institutions reporting gaps in excess of 20%\(^10\).

In previous years joint union/employer work has established best practice, case studies and benchmarking. The time has now come for universities to agree clear action plans with their unions and for joint work to be done to address the ethnic pay gap and the impact of intersectionality on staff earning in HE. UCEA’s own analysis shows that black non-UK men, black UK women and black non-UK women suffer the most significant pay penalty in comparison to white-UK men. The extent of the problem is widespread and deep-rooted and having been identified, urgent action is must now be taken.

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\(^9\) ASHE 2018 data
\(^10\) THE April 2018
UCEA’s Tackling the Gender Pay Gap report revealed that union involvement in developing action plans was inconsistent - whilst 40% of published action plans had “sustained, on-going” union involvement, only 6% of published action plans had received union sign off.

The interventions chosen within the action plans did not seem to be evidence based- UCEA finds that the most common actions taken “are not necessarily reflective of what works or what is relevant”.

For example, fewer than half of all action plans had identified contract type as an area of intervention, despite women being more likely to be on fixed-term, hourly paid or zero hours contracts. On the other hand, 86% of action plans included “mental health and well-being initiatives”, which is not an action relevant to closing the gender pay gap.

Only a third of published action plans considered the ethnicity pay gap.

As identified above, looking at the intersection between different pay gaps is crucial. UCEA’s report on the intersection between gender & ethnicity in pay found that the pay penalty experienced by BME women is much more likely to be due to ethnicity than gender. Failing to consider the intersection between different pay gaps risks action on the gender pay gap that doesn’t benefit all women, and could further compound ethnicity pay gaps.

Working proactively to eliminate the gender and ethnic pay gap makes business sense, makes moral sense and shows staff that the sector is committed to tackling this entrenched discrimination.

The joint unions are seeking:

- a national, time specific, agreement detailing how action will be achieved by each HEI to close the gender and ethnic pay gap,
- a commitment by all UCEA affiliates to encourage their staff to declare their protected characteristics with their employers to help address discrimination; then the completion of a full Equal Pay Audit covering all protected characteristics by a specific date, and all the data to be shared with the campus unions. UCEA to collate and share with the unions nationally copies of all the Gender Pay actions plans drawn up by UCEA affiliates.

**35 hour working week for all**

Each year the higher education pay offer is made with reference to HE staff being employed on a 35 hour per week contract. In recent years the Foundation Living Wage has been achieved as a minimum level of pay but only for those employed on a 35 hour contract. UNISON’s 2017 FOI showed that, in fact, the majority universities in the UK issue standard contracts which are higher than 35 hours, meaning that the FLW isn’t achieved even for staff directly employed by universities if they are paid on the lowest SCP.

Our data shows that:

- 51 universities employ staff on 35 hours per week,
- 33 universities employ staff on more than 35 hours and less than 37 hours per week,
- 50 universities employ staff on 37 hours per week or more,
- 8 universities employ some their staff on a 37 hours per week contract and some on fewer hours per week, depending on which grade they are on.
The joint unions are seeking to reach an agreement for this inequity between institutions to be ended. The current situation calls into question the integrity of the national 50 point pay spine and means that each SCP is worth different amounts per hour depending on which university staff are employed by. The joint trade unions would like HEIS to investigate the equality impacts where there is this an inequity of hours within institutions, as part of the employers’ continuing commitment to equality.

**Workload**

The 2018 CIPD report UK Working Lives identifies the seven key dimensions of job quality. Under the heading 'job design' the CIPD found that “People feel overworked and overloaded. Overload is a key finding. This cannot be seen as anything other than a substantial problem.” This finding, across a wide range of employment sectors, can be seen to accurately describe our findings of staff experience in higher education. Workload, still, urgently needs to be addressed.

UNISON’s 2018 survey of members in higher education found that 71% of members said that their workload had increased in the past year. 64% said that they were either ‘Very Concerned’ or ‘Concerned’ about workload and unsurprisingly, 63.5% said that they were either ‘Very Concerned’ or ‘Concerned’ about work related stress.

The cost to employers of not dealing effectively with both workload and stress at work has now been well documented. The cost affects productivity, sickness absence bills, and of course, has a health and financial cost to the employees directly concerned and their colleagues. Higher education institutions can no longer ignore this problem.

Workload has been identified as a key issue for all grades and roles across campuses. Nearly half of those surveyed (47%) stated that in the past year the number of staff in their team had declined and over 60% stated that they work extra hours each month for no extra pay.

The trade unions wish to make it explicitly clear that actions need to be taken by employers to reduce unsafe and excessive workloads, and that such excessive workloads mean, in effect, that staff are doing more work for less pay.

Our joint claim incorporates a demand for partial compensation for the significant unpaid and unrewarded work undertaken by staff in higher education over recent last years.

The trade unions are clear that a payment in recognition of the excessive workloads for this year does not mean we accept that a long hour’s culture is acceptable – we do not. Preventing the issue arising in the first place needs to be addressed.

The joint trade unions are seeking an agreement on the following terms:

- an agreed national action plan to audit and review the implementation of the Stress Management Standards across the sector, and the development of appropriate sector benchmarking data sets;
- UCEA to recommend the adoption and implementation of the Stress Management Standards approach (or suitable equivalent system) incorporating collaborative working with recognised trade unions and staff;
- the recognised trade unions commit to genuine engagement and joint working with the employers to agree local action plans to reduce the incidence of work-related stress ill health;
• a payment to be made to all staff in recognition of unpaid additional hours worked.

**Precarious work: casual contracts and outsourced workers**

The features of ‘good work’ were defined in the Taylor review as being “…shaped by working practices that benefit employees through good reward schemes and terms and conditions, having a secure position, better training and development, good communication…”11. Unfortunately for many working in higher education these basic conditions do not apply to their employment. Most universities continue to use hourly paid contracts for some teaching staff, and most universities rely on external contractors to deliver some part of their own services.

In 2018 the dramatic collapse of Carillion came at a huge cost to tax payers, councils, education employers (primarily schools) and, of course, the staff who had been employed by Carillion. In many cases these staff had been through a series of TUPE transfers – moved from one employer to another over a number of years.

In addition to the collapse of Carillion is the current serious situation with Interserve, another major outsourcing company. There is a battle to prevent its collapse, exposing HEIs to financial loss, but also the loss of services and of course for the many Interserve workers, the loss of their jobs. HEIs need to be alert to the continuing financial risk that they and their staff are potentially exposed by choosing to contract out services. The cost of outsourcing services is now being taken seriously by the government and parts of HE sector. A number of universities in London have agreed to bring their staff back in-house. They have recognised that better value for all can be achieved by directly employing staff who deliver their services including catering and cleaning.

However, there are still a large number of contractors taking profits from higher education. According to UNISON’s 2018 FOI, of those who responded 76 universities outsourced cleaning; 66 outsourced catering; 76 outsourced security services.

Casual contracts remain entrenched in higher education, harming staff and in turn students. Around 70% of the 49,000 researchers in higher education are on fixed-term contracts and there are 37,000 teaching staff on fixed-term contracts, the majority of them hourly paid. In addition, there are a further 71,000 teachers employed as “atypical academics” who are mostly hourly-paid.

The joint unions are seeking a commitment from UCEA to a joint call for universities to commit to a new institution-level action plan to create greater security of employment and to address the problems facing outsourced & casualised work, in line with the principles of good work. The joint call to institutions will set out that each institutional action plan should be agreed with the relevant unions and should include, as appropriate, specific commitments to:

- begin time-limited negotiations with the relevant unions
- commit to ending the use of zero hours contracts
- end the use of worker arrangements for teaching staff in favour of employee contracts
- transfer more hourly paid staff onto fractional employment contracts
- commit to moving more research staff onto open-ended contracts and work with unions on action plans to create greater employment security for researchers.

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• agree strategies and timescales to bring contracted out services back in-house.
• UK level review of the assimilation of HPL’s in Post 92 Universities.
• all PGTA or equivalent roles engaged in teaching on a regular basis be moved to employee contracts and given guaranteed hours. Payment will be linked to point 30 of the national pay spine.

As part of the joint call, universities will be invited to submit jointly agreed action plans for review by November 2019 and to report on progress against these plans in time by February 2020 to inform the following pay round.

A joint monitoring group will assess universities’ success in developing and then implementing plans and will report to JNCHES in May 2020. A joint report will then be written and co-authored by the unions and UCEA and published in June 2020 to update on the sector’s progress.

Scottish JNCHES
The New JNCHES Agreement expressly acknowledges the reality of the establishment of devolved HE sectors for the devolved administrations within the UK, and that a sub-committee of the NEW JNCHES Committee may be formed to look at HE issues for any of the devolved administrations. There is clear evidence that there are some diverging trends and structures emerging in Scotland relative to the rest of the UK. The Fair Work Convention is Scotland specific, and a Scottish JNCHES would need to ensure that this is embedded within Scottish HEI’s and is beyond the scope of the full JNCHES. A Scottish JNCHES sub-committee would provide the appropriate forum for legitimate discussion and engagement on this and other issues.

For this reason, the trade unions seek the activation of the Scottish New JNCHES Sub-Committee to look at Scottish issues.

Over the past year, the importance of having a Scottish sub-committee has become more pronounced. The ways in which Brexit will affect Scottish universities may be different from HEIs in England given the different funding and tuition fee regimes. The Higher Education Governance (Sc) Act 2016 is gradually being implemented, with dialogue taking place on this, and other key sectoral employment issues, in Scotland out-with New JNCHES.

The trade unions claim is to establish the Scottish Sub-Committee of New JNCHES as set out under the New JNCHES Agreement. The main purpose of the sub-committee would be to deal with matters not currently being dealt with at the New JNCHES Committee.

Conclusion
Based on the data presented above, HEI’s are able to fund pay increases to meet our claim. Whilst there is continuing economic and political uncertainty, the HE sector is able to address the increasingly acute problem of sub-inflationary pay rises highlighted in this pay claim and indeed it must do.

The unions are concerned that the increasing downward wage pressures and upward workload pressures are creating institutions in which morale is suffering. This claim provides clear ways in which problems concerning pay, pay discrimination, workload, and employment practices can be addressed.
HE staff contribute in so many ways to delivering the world class education at British HEIs, and they need and deserve a pay rise as well as working conditions which provide stable and fair employment.

Now is the time for employers to invest in their biggest asset when global competition is increasing and the UK’s position in relation to potential students and staff from the EU and beyond is uncertain. One certainty is that existing staff will help British universities to maintain their world class status and need to be shown that they are valued for their contribution.

This claim is a reasonable one and an accurate reflection of the key concerns of our members working in universities across the country. The unions believe that this claim should form the basis for a pay offer that we can recommend to our members. This pay claim aims to ensure that everyone is valued and that the hard work of all is recognised and rewarded.
HE pay claim addendum 26 March 2019

London weighting (new section page 9 after Low Pay)

The trade unions are again calling for an increase in London allowances to a minimum of £4,000 and for any basic pay award to be applied to London weighting and any other fringe/high cost area allowances.

Affordability (pages 9/10)

The most recent figures released by HESA in March 2019 show that in 2017/18 income for all UK universities rose by approx. £2.5 billion, taking the total increase in income since 2009/10 to £11.4 billion.

Whilst total staff numbers employed by the sector have increased by just under 10,000, overall staff costs have decreased year on year to a new low of 53.9%. In the past financial year university capital expenditure has increased to £5.18 billion - up from £4.87 billion in 2016/17. This is an increase of 6.4% on capital investment at a time when wages rose by only 2% for the majority of university staff. Reserves across the sector are at an all time high of £49.22 billion having increased since 2009/10 by nearly 300%. It is clear from university accounts that investment in higher education staff has yet again been deprioritised.

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<tbody>
<tr>
<td>Total Staff costs as a % of Total Expenditure</td>
<td>56.60%</td>
<td>56.20%</td>
<td>55.50%</td>
<td>55.20%</td>
<td>55.40%</td>
<td>54.90%</td>
<td>54.60%</td>
<td>54.70%</td>
<td>53.9%</td>
<td>-4.8%</td>
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<tr>
<td>Total Capital expenditure (£, billion)</td>
<td>£3.61</td>
<td>£3.73</td>
<td>£2.79</td>
<td>£3.11</td>
<td>£3.90</td>
<td>£4.28</td>
<td>£4.58</td>
<td>£4.87</td>
<td>£5.18</td>
<td>43.49%</td>
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<tr>
<td>Total Income (£, billion)</td>
<td>£26.80</td>
<td>£27.56</td>
<td>£27.92</td>
<td>£29.14</td>
<td>£30.74</td>
<td>£33.20</td>
<td>£34.74</td>
<td>£35.67</td>
<td>£38.25</td>
<td>42.72%</td>
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<td>Surplus/Deficit for the Year (£, billion)</td>
<td>£0.82</td>
<td>£1.20</td>
<td>£1.11</td>
<td>£1.08</td>
<td>£1.18</td>
<td>£1.58</td>
<td>£2.34</td>
<td>£2.27</td>
<td>£2.14</td>
<td>160.98%</td>
</tr>
<tr>
<td>Total reserves (£, billion)</td>
<td>£12.33</td>
<td>£14.64</td>
<td>£14.75</td>
<td>£17.90</td>
<td>£19.44</td>
<td>£21.24</td>
<td>£40.48</td>
<td>£44.27</td>
<td>£49.22</td>
<td>299.19%</td>
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