

Employment Frameworks: Developments in UK Higher Education

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Consultation

Promoting equality Representation

Professional advice Research

Lobbying Pay modernisation

Pensions Health and safety

Negotiation

Employment Frameworks: Developments in UK Higher Education



- Context - UK Higher Education and UCEA's role
- UK employee relations context
- Landmarks in HE employee relations
- New Bargaining Arrangements
- New Pay Arrangements and pay outcomes
- Employers' Reforms
- Looking forward

UK Higher Education

- 168 autonomous Universities and Colleges of HE in the UK
- Changing policy framework: increasing diversity
- Separate funding arrangements for England, Scotland, Wales and N.Ireland.
- UK HE income in 2006/07 £21.3 billion (AUS\$ 46.4b)
- UK expenditure in 2006/07 £21 billion (AUS\$45.8b)
- Overall 60% of income from public funding
- 2.4 million students
- Over a third of a million employees

About UCEA

- Set up in 1994 as an Agency of UUK and GuildHE
- Employers association for HEIs in UK to represent, inform and advise on employment related matters
- Membership is voluntary by subscription – 164 HEIs
- Policy determined by UCEA Board after consultation with subscribing HEIs
- UCEA is a limited company and employs 15 staff

UCEA Services



- National negotiations on pay
- Professional advice and information on employment legislation, pensions, health & safety and HR issues
- Research and analysis of information to support pay negotiations and to promote good practice in HR management
- Surveys, publications and seminars
- Representation and liaison with external bodies and governments

UK Employee Relations



- Election of Labour administration in 1997 followed 18 years of Conservative reform of UK employment law:
 - Major changes in trade union law
 - Major decline in trade union membership
 - Growth in individual employment rights
- Election of Labour led to acceptance of EU employment law and new domestic laws (e.g. union recognition rights and minimum wage)
- Increasing case law on equal pay for equal value
- **Collective bargaining remains voluntary between the parties**

New Employment Rights under Labour



- Minimum wage, currently £5.72 (AUS\$ 12.47) an hour from October 2008
- Right to union recognition following a ballot
- Maximum working time and minimum holidays and working breaks
- New rights for part-time and agency workers
- New rights to information and consultation
- New rights to 'family friendly' benefits and flexible working
- Impact on HE minimal as among best employers already

Landmarks in HE Employee Relations



Bett Report 1999

- Pay arrangements outdated
- Serious equal pay problems
- Pay relativities poor

2001 Agreement

- Established JNCHES national negotiating machinery
- Commitment to pay reform

Framework Agreement 2004/06

- Single pay spine
- Grading rooted in job evaluation
- Locally-negotiated detail
- Contribution-related pay
- Market supplements

2006-09 Pay Agreement

- 5 stage increases of up to 18% in total
- Agreement to JNCHES reform
- Review of HE Finance and Pay

The Context for Pay Negotiations



- 364,000 staff, 55% support staff
- Approx 80% of staff up to professional level covered by national bargaining
- Around £13.5 billion (AUS\$ 29.4b) pay bill (58% of total expenditure)
- Changing TU dynamics and cultures: EIS, UCU (Academic Staff Support), GMB, UNISON and UNITE
- Union density variable in HEIs but overall at least 30% of all staff

New Pay Arrangements



- Virtually all HEIs have now implemented 'framework' agreements
- Virtually all are using the 51 point national pay spine
- 8 to 10 pay grades within new local grading structures
- Cost between 3 and 5% on pay bill (on top of 2006-09 pay increases)
- Reduced hours of work for support staff: 39 to 37 or 35 hours per week
- Agreement allows for 'contribution' pay and market supplements

Pay Outcomes



- JNCHES Review of Finance and Pay Data took over a year to complete.
- HEIs financially secure in the short term but surpluses too small in the medium to longer term to be provide sustainable growth.
- Pay settlements in UK HE have increased basic pay levels by 36.5% since 2001.
- Average earnings in HE are markedly higher than the whole economy (25% higher for FT staff). Support staff earnings ahead of comparable occupations in whole economy.
- Academic staff fifth best-paid professional occupation out of 44.

Employers' Reforms

- Learning since difficult pay dispute in 2006
 - New approach to collective negotiations
 - Improvements in dispute management
 - Improvements in UCEA consultations
 - Improvements in negotiating mechanisms
- Pay strategy in the longer term
 - Better linkages between pay and pensions
 - National v local pay bargaining

Key Issues for 2009 Negotiations



- Key issues for employers:
 - Finances and affordability
 - Exceptional economic climate: uncertainty /recession
 - Escalating pensions costs and concerns
 - One year or longer term deal?
 - Avoiding dispute
- Key issues for Trade Unions:
 - Early UCU claim for inflation plus 5% or 8%, whichever the greater
 - Other unions seek to “maintain and build” on recent pay increases
 - All unions: action to tackle gender pay gap and equal pay; some changes to the pay spine and conditions of employment

Looking Forward

- Period of growth in HE appears to be ending - global economic recession and pressure on public spending. Job losses?
- HE pay has now caught up but unions want 'keep up'
- Questions around the 2009 negotiations
- Increasing pressure for HEIs to bargain pay increases locally?
- Increasing pressure on pensions
- Aiming to build on current consensus and collective approach

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