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Joint Union Side Secretaries
Joint Higher Education Sector Trade Unions

By email

3 July 2024

Dear Ben and Shahenda,

2024-25 New JNCHES pay round

As you will be aware, the 2024-25 New JNCHES pay round began on 26 March and continued until 26 June. I am grateful for the constructive engagement by the Joint Higher Education Trade Unions and your willingness to explore alternative options to reach a settlement in challenging financial circumstances for the sector. After a period of extensive negotiation, I write to set out UCEA's full and final offer on behalf of our participating employers.

1. Context for the 2024-25 pay uplift

The context for this year's pay award includes the following:

Pension schemes: Pensions are an important part of the overall remuneration package. For employers in the Teachers' Pension Scheme in England and Wales, the contribution level has increased by 5 percentage points from April 2024. In Scotland, the effect of the removal of funding by the Scottish Government has led to a 6 percentage point increase to the employer contribution rate. These increases have been extremely difficult for many post-1992 HEIs to absorb at current staffing levels.

International student numbers: HE employers express considerable concern that international student numbers have declined by around 40% for January 2024 intakes. The Home Office's May 2024 data release shows a 36% decline in Sponsored Study visa applications for the October to December period in the run up to January 2024 entry, with the downward trend continuing up to May 2024 (the latest figures). For most HEIs this income stream is crucial to cross-subsidise other activities. The fall in international student recruitment already poses a serious threat to the financial stability of UCEA members and is reflected in widespread reports of job losses.

Frozen domestic undergraduate tuition fees: Teaching domestic undergraduates is financially challenging due to fees only increasing once since the introduction of £9,000 tuition fees in 2012. Failing to increase with inflation means they are now worth only the equivalent of £6,631 in real terms (2012 value). The current figure of £9,250 in England will be matched in Wales from September 2024, which had retained the £9,000 fee. In addition, in Scotland the teaching grant has deflated by over 25% in real terms since 2014-15 and is projected to worsen to a 37% cut in real terms by 2024-25. The current maximum tuition fee for full-time undergraduates in Northern Ireland is £4,750 per year, compared to £9,250.

Inflation CPI inflation is on a downward trend and the Monetary Policy Committee (MPC) of the Bank of England, in its most recent report, forecast that inflation will return to the 2 percent target in the second quarter of 2024, and remain at or slightly above this level in the third quarter of 2024. Although it is forecast to rise above this level by the end of 2024, CPI is projected to fall back to 2 percent over the course of 2025. The latest projection from the Office for Budget Responsibility (OBR) is for CPI to average 2.2 percent for 2024 and fall to 1.5 percent in 2025.

2. Pay uplift

Against this challenging financial backdrop, UCEA's offer for 2024-25 is for staged approach which results in uplifts ranging from 2.5% to 5.7%. This is in addition to any adjustments made to scale points to comply with the National Living Wage (see below). On 1 August 2024, an uplift of £900 a year will be applied to all pay points. From 1 March 2025, the balance will be added to spine points to complete the uplift for 2024-25. The effect of this offer is that the award is distributed towards the lower spine points. That is, pay point 5 receives a total 5.7% uplift and the uplift gradually tapers to 2.5% at pay point 38 and above. From March 2025, all staff earning up to and including £38,205 receive at least 3%.

National living wage - UCEA members ensure that all pay spine points meet NLW by making local adjustments to JNCHES pay points where required. The length of the contractual working week defines the amount of the adjustment (see Appendix). The pay offer is an uplift to the 2023-24 pay scale. Where adjustments have been made to comply with the current National Living Wage (NLW) rate, from the 1 April 2024, the uplift will be applied in addition to the hourly rate of pay of £11.44.

Deferral - As we have discussed during the negotiating process, this offer is at the limit of the sector's affordability and is made subject to the condition that HEIs will have the option to defer the pay award for 2024-25 by up to 11 months, until 1 July 2025. The deferral clause is as follows:

"As with previous years, there is a clause that allows an HEI with extenuating circumstances to defer implementation of the pay uplifts by up to 11 months on the grounds that this is determined to be in the wider interests of the institution's sustainability or due to immediate cashflow issues. This would be done following discussion of the reasons with the institution's recognised trade union(s)."

This means a full deferral, i.e. without back pay.

London Weighting - We will also recommend that all Post-92 HEIs that have retained separate London weightings increase these by the same percentage as our minimum uplift of 2.5% from 1 August 2024.

Foundation Living Wage - With regard to the claim that all institutions become Foundation Living Wage (FLW) employers and pay points below the FLW to be deleted, this is not something that UCEA is able to require of its members, as it is a matter for individual institutions to determine. Further to this, we consider that making this recommendation would have the effect of pre-determining the part of the outcome of the review of the pay spine, which includes consideration for the impact of increases in the National Living Wage, resultant deletion of points at the bottom of the pay spine and the impact of that deletion on subsequent pay points

3. Terms of Reference

The New JNCHES offer for the 2024-25 negotiating round includes a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps. The purpose of this work is to improve employment practices in the sector. The New JNCHES offer for 2024-25 also includes a commitment to a joint review of the UK HE pay spine, with time limited negotiations to seek agreement of a new pay spine; the affordability of which will include reference to any findings of the jointly agreed Review of sector finances.

The terms of reference for these negotiations are provided at Annex A, B, C and D.

- A. Pay spine review*
- B. Contract types
- C. Equality Pay Gaps
- D. Workload

**There will be no expectation that any agreed national reform of the pay spine will be implemented within an HEI prior to a nationally agreed date and before the 2025-26 pay year*

4. Joint reference to the New JNCHES Pension Forum of issues arising from gender inequalities in pension contributions

UCEA has noted the concerns raised by the trade unions about inequalities in pension outcomes and, while it is not a matter for New JNCHES negotiation, we are willing to work with the trade unions through an appropriate time-limited working group to look at the drivers that cause pensions gaps with the purpose of seeing what action can be taken.

5. Green New Deal

As we indicated, there is much sympathy among employers to the sentiment expressed by the Joint Unions in support of this aspect of the claim. Many of HEIs have already taken significant steps to reduce their carbon emissions. While this is not a New JNCHES matter, UCEA is willing to work with unions and other sector agencies to convene a discussion on the commitments which they can make in partnership to work towards a more sustainable future.

6. Post-92 national contract

The post-92 contract was implemented by HEIs following an agreement reached in 1990. However, as is to be expected in any sector, circumstances have not remained static over the last three decades. Many local post-92 contracts have been varied, as permitted by the national agreement, and few HEIs operate the original 1990 model contract in its entirety. This is completely reasonable as HEIs seek to adjust their operating and workforce models to meet the continual pressures and challenges facing the sector.

While UCEA is unable to impose obligations on our members, we are nonetheless prepared to give general guidance to the sector that is proportionate in relation to the importance of consulting or negotiating with trade unions, where appropriate, through local machinery, for example through local Joint Negotiation and Consultation Committee processes, when making changes to employment terms and practices.

7. 35-hour working week

The Joint Union claim asks for specific actions to move all staff onto a 35-hour week, with no loss in pay, to be implemented at institutional level. However, as you will be aware, New JNCHES is only responsible for pay and related matters that are determined at national level. Hours of work are not negotiated at a New JNCHES level. The Framework Agreement for the Modernisation of HE Pay Structures (2004), recommended that HE institutions harmonise the length of the standard working week for all staff with a defined working week by 1 August 2005. The agreement was also clear that HEIs were responsible for negotiating locally with their recognised trades unions on matters related to the working week.

8. Scottish Subcommittee of New JNCHES

UCEA's view, based on regular discussion with our member HEIs in Scotland, is that there is nothing within the remit of New JNCHES which requires discussion at a devolved administration level. The core purpose of New JNCHES is to determine the uplift to the pay spine. In our view, it is not appropriate for negotiations on the pay uplift to be conducted at a devolved administration level given the existence of, and support for, a UK-wide process for collective pay bargaining. In addition, there are arrangements in place in Scotland to

discuss matters of joint interest outside pay. UCEA is confident that this is the view of our members. However, as this had been a longstanding request presented in subsequent joint trade union claims, UCEA conducted a formal consultation of Scottish HEIs and all respondents, representing the majority of Scottish institutions, confirmed that they did not feel it appropriate to establish a separate Scottish New JNCHES Subcommittee.

9. Migrant salary threshold and associated visa costs

Although UCEA and its members, like the trade unions, have been concerned by the impact of the government's changes to the migrant salary threshold for the sponsorship of Skilled Workers, UCEA is not able to link the pay offer to reflect the sponsorship requirements. UCEA members have the autonomy to use the grades and pay points that are appropriate for each position and can, therefore, use those that meet the migrant salary threshold if it is appropriate to do so.

With regard to the second element of your claim in this area, although it is not a matter for New JNCHES and UCEA is not able to require that our members reimburse visa application and application-adjacent fees, for migrant staff and their dependents on all visa categories, we are nonetheless willing to share practice amongst members on the different approaches that are being taken in the sector.

In both of these areas, at an appropriate time, UCEA is willing to work with the trade unions to present the effect of the changes to relevant government departments.

10. Term-time only contracts

As you will appreciate, similar to contracts with a fixed term or minimal hours, there are legitimate uses and purposes for term-time contracts in HE, including but not limited to catering, cleaning, teaching and library services.

This type of contractual arrangement was not discussed in the 2023-24 New JNCHES negotiations and therefore it has not been discussed with our members; UCEA is willing to explore the use of these types of employment arrangements in the sector outside of New JNCHES. We propose that the matter is initially discussed at a national level through the Officer's meetings.

We trust that the Joint Unions will recognise the efforts of employers to develop a meaningful pay uplift which also addresses a significant number of the many elements of this year's claim. For the absence of doubt, no single element of this offer will be agreed until all elements are agreed and the pay round is concluded.

Yours sincerely,



Raj Jethwa
Chief Executive

Annex A – New JNCHES Pay Spine review: Terms of reference

Background and purpose

The New JNCHES 2023-24 negotiating round included a commitment to a joint review of the UK HE pay spine, with time limited negotiations to seek agreement of a new pay spine and principles for its implementation, paying particular attention to compression within the pay spine. Although the terms of reference for work on the review of the pay spine were developed in the New JNCHES 2023-24 round, any agreed joint work to review the pay spine will be taken forward as an outcome of the 2024-25 negotiating round.

The negotiations will seek agreement on a no detriment basis* and ensure that the proposal is properly costed and affordable**. The review will take into account the impact of increases in the National Living Wage, which has resulted in the deletion of points at the bottom of the pay spine and the impact that this has had on subsequent pay points. The aim of the review will be to reach a joint position for a nationally agreed pay spine which both UCEA and the trade unions are able to recommend to their respective memberships. The review will recommend a process of implementation, for local discussion and agreement, and the timeframe for such implementation from the beginning of the 2025-26 pay year. This will include taking necessary action after carrying out an Equalities Impact Assessment to rectify any potential discrimination identified by that.'

* the detail to be discussed in the working group

** including reference to any findings of the joint agreed review of sector finances

Remit of negotiations

The outcome of the negotiations will be an agreed, jointly costed proposal for the reform of the pay spine which will strive to standardise the differentials between pay points and be accompanied by a revised Appendix A to the New JNCHES Framework Agreement laying out the principles to be applied by HEIs during implementation and a revised Appendix B listing the new annual salary pay points. To achieve this, the following will be included:

- consideration of data relating to the use of the pay spine in the sector including, but not limited to:
 - o qualitative research relating to the challenges and limitations of the current spine from employers and trade unions.
 - o quantitative data on grading structures and number of staff on each pay point, including equality data.
 - o secondary research on approaches taken to address similar pay and grading developments in other sectors (including, for example, potential benchmarking against external comparators etc).
- consider current and future developments through the pay spine, identify and seek to address/remove drivers of pay spine compression, including a potential mechanism to avoid future compression of the pay spine.
- model potential changes to the pay spine and examine the associated costs.
- agree a proposed new pay spine.

The remit of the negotiations will be to agree proposals for a new UK pay spine. It is recognised that the constituent members of New JNCHES will need to consult their members on such proposals; the intention of these negotiations will be to agree proposals that can be recommended for acceptance.

Both parties understand the importance of, and sign-up to the principle of, reaching agreement on a new UK pay spine. If agreement is reached, both parties agree that the new spine will be recommended for implementation. In the unlikely event that no agreement is reached the existing position regarding the pay spine will remain as per the New JNCHES agreement.

Negotiating group membership

- up to 11 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Pay spine review negotiations: Chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings.

UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale.

The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate.

Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held as soon as possible with the aim to complete negotiations as soon as possible.

Annex B – New JNCHES Contract Types negotiations: terms of reference

Background

The New JNCHES offer for the 2023-24 negotiating round included a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps. Although the terms of reference for work in these areas were developed in the New JNCHES 2023-24 round, any agreed joint work in these areas will be taken forward as an outcome of the 2024-25 negotiating round.

The trade unions welcome UCEA's commitment to use its leadership and convening power to identify concrete steps which employers are able to implement locally with involvement of recognised trade unions using local consultation and/or negotiation machinery.

Contract types - purpose of negotiations

The purpose of this joint work is to reduce the use of contracts with a fixed term, or without fixed or minimum hours.

As a positive first step, UCEA has agreed to consult its members, with a positive recommendation to take action on zero hours contracts, whether fixed-term or permanent/open-ended.

While the contractual arrangements offered to employees will be for individual institutions to determine, we would expect permanent contracts with a fixed number of hours to be the general form of employment relationship between employers and employees in HEIs, unless there are specific defined reasons determined by the working group.

The purpose of these negotiations is to seek agreement, in pursuit of which the parties will:

- Understand the barriers to reducing the levels of non-permanent employment in the sector.
- Explore examples and issues with the use of contracts with near zero hours.
- Consider and analyse the relevant data available and where possible, collect and analyse relevant data that is unavailable through HESA.
- Develop, agree and promote principles at a UK- level which employers are able to apply through the appropriate local consultation and/or negotiating machinery on the following contract types:
 - Graduate Teaching Assistants (GTAs)
 - Fixed-term contracts
 - Post Graduate Researchers (PGRs)
 - Hourly-paid contracts
- Review progress on employment practices for different contract types on an annual basis and report to UCEA members with further guidance and examples of success.
- Recommend to UCEA's members to carry out an Equality Impact Assessment when undertaking work relating to contract types so that mitigating action can be taken with regard to any adverse impact/s identified.

Negotiating group membership

- up to 11 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Negotiations: chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings.

UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale.

The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate.

Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held as soon as possible with the aim to complete the negotiations as soon as possible.

Annex C – New JNCHES Equality Pay Gaps Negotiations: terms of reference

Background

The New JNCHES offer for the 2023-24 negotiating round included a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps.

Although the terms of reference for work in these areas were developed in the New JNCHES 2023-24 round, any agreed joint work in these areas will be taken forward as an outcome of the 2024-25 negotiating round.

The trade unions welcome UCEA's commitment to use its leadership and convening power to identify concrete steps which employers are able to implement locally with involvement of recognised trade unions using local consultation and/or negotiation machinery.

Gender, ethnicity, and disability pay gaps – purpose of negotiations

The purpose of this joint work is to build on progress to date to close equality pay gaps.

The parties will jointly:

- Consider the relevant data available and, where possible, collect data that is unavailable through HESA.
- Examine the relevant data through an intersectional lens for gender, ethnicity, and disability pay gaps, where available.
- Present an analysis of the data and the issues to be addressed at a UK-wide level, broken down for academic, professional services and clinical academic staff and by contract type where possible, to New JNCHES and to HEIs, and relevant sector-level benchmarks to allow meaningful local action plans. UCEA will also recommend to its members to benchmark their results using the UCEA pay gaps dashboard.
- Explore the impact on pay gaps of direct and indirect employment strategies, while recognising that these are arrangements for each HEI to determine
- Develop and agree principles and minimum standards which employers are able to apply in action plans to address pay gaps and, if relevant, the reasons for low employee disclosure rates, based upon good practice, from within and outside of the sector, timescales, and the role of trade unions in action planning. These action plans will be developed and implemented locally.
- Develop and agree guidance on positive action initiatives to address equality pay gaps within the university workforce which remove well-evidenced barriers and systemic bias.
- Encourage employees to share protected characteristics data with their employers, highlighting the value of such information and its importance for future analysis of gender, ethnicity, disability and other equality pay gaps and helping to address discrimination.
- Develop and agree guidance on the need for employers to create safe environments and mechanisms through which employees feel comfortable declaring protected characteristics.
- Recommend that UCEA members undertake timetabled Equal Pay Audits and then share all audit data with their recognised trade unions.
- Review progress on all pay gaps at a UK level, including the proportion of HEIs making progress towards sector benchmarks, on an annual basis and report updated figures to the

trade unions and UCEA members with further guidance and examples of success, prior to the annual pay negotiating round.

Negotiating group membership

- up to 11 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)
Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Negotiations: chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings. UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale. The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate. Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held as soon as possible with the aim to complete the negotiations as soon as possible.

Annex D – New JNCHES Workload negotiations: terms of reference

Background

The New JNCHES offer for the 2023-24 negotiating round included a commitment to negotiate with the purpose of seeking to reach agreement in respect of contract types, workload and equality pay gaps.

Although the terms of reference for work in these areas were developed in the New JNCHES 2023-24 round, any agreed joint work in these areas will be taken forward as an outcome of the 2024-25 negotiating round.

The trade unions welcome UCEA's commitment to use its leadership and convening power to identify concrete steps which employers are able to implement locally with involvement of recognised trade unions using local consultation and/or negotiation machinery.

Workload – purpose of negotiations

The parties will jointly:

- Provide guidance and good practice examples in relation to workload management and reduction of work-related stress for all groups of staff, to enable HEIs to develop local action plans, in consultation and/or negotiation with recognised local trade union representatives, whichever is appropriate, to reduce the incidence of work-related stress/ill-health;
- Promote the HSE's Management Standards as a sector wide minimum;
- Develop and promote good practice which employers are able to adopt using the appropriate local consultation and/or negotiating machinery on workload management;
- Include consideration of the workload consequences of organisational change and vacancy management policies in workload management principles, taking into account post-pandemic changes to patterns of work;
- Recommend to UCEA's members to carry out an Equality Impact Assessment when undertaking workload management so that mitigating action can be taken with regard to any adverse impact/s identified.
- Promote any sector guidance for institutional organisational risk assessments, developed by USHA in consultation with the trade unions through the HESH forum, that will support the implementation of organisation level stress risk assessments to prevent and reduce known and foreseeable workload stressors.

Negotiating group membership

- up to 11 representatives, including at least one full-time official and one lay representative from each union, to be distributed as agreed by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs).
Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Negotiations: chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings. UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale. The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate.

Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held as soon as possible with the aim to complete the negotiations as soon as possible.

Appendix

National living wage - The pay offer is an uplift to the 2023-24 pay scale. Where adjustments have been made to comply with the current National Living Wage rate, from the 1 April 2024, the uplift will be applied on top of the hourly rate of pay of £11.44.

UCEA members ensure that all pay spine points meet National Living Wage (£11.44) by making local adjustments to JNCHES pay points where required. The length of the contractual working week defines the amount of the adjustment.

Example based on Scale Point 5

At the lower end of the pay spine the uplift is an initial £900 from 1 August 2024 followed by a further £300 uplift on 1 March 2025.

<i>Example working week.</i>	<i>As at August 2023 Spine Point 5</i>	<i>With adjustment for NLW (April 2024) Spine Point 5</i>	<i>As at August 2024 Spine Point 5 (+£900 uplift)</i>	<i>As at March 2024 Spine Point 5 (+£300 uplift)</i>
<i>36 hours</i>	<i>£20,880</i>	<i>£21,474</i>	<i>£22,374</i>	<i>£22,674</i>
<i>37.5 hours</i>	<i>£20,880</i>	<i>£22,369</i>	<i>£23,296</i>	<i>£23,569</i>