FE NATIONAL JOINT FORUM

Joint Trade Union Pay Claim for 2013/14

Background

Since 2009 FE college staff have seen a dramatic cut to their pay in real terms. As a result of rising prices and below inflation pay awards, in some cases pay freezes, college staff now face a living standards crisis with many already being dragged into financial hardship and poverty.

Coupled with cuts to their real term pay college staff are also, as a result of large scale job cuts, struggling with increased workloads and excessive working hours. Stress levels are reaching breaking point and staff morale is at rock bottom.

For FE lecturers this injustice is compounded by the fact they continue to be paid on average 5.7% less than their school teacher colleagues to teach the same students.[1] The October 2012 Lingfield Report into Professionalism in FE in England established that the long-term position is that FE Lecturers salaries, on average, have been between those of school teachers and university lecturers i.e. FE Lecturers salaries have been higher than those of school teachers. The report found that from 2001 the position changed from the established trend so that currently FE Lecturers in England tend to earn between 6% – 8% less than school teachers and that this is undesirable from the point of view of staff retention in FE.[2]

**This table below demonstrates the scale of the cuts in real terms pay since August 2009*

Point on AoC Scale	% cut in real terms pay since August 2009	Drop in real terms value of salary since August 2009 – i.e. reduction in spending power
4	8.4%	£1,129
13	10.1%	£1,750
35	10.9%	£3,602

As stark as these figures are they actually underestimate the full impact of rising prices, particularly on low paid support staff.

The Institute for Fiscal Studies published a report[3] in 2011 which found that because low income households had to spend a higher proportion of their income on basic essentials it meant, on average, they had higher inflation rates than higher–income households. This means in reality low paid staff have taken a bigger cut in their real terms pay then either the CPI or RPI measure of inflation would imply.

1 Annual Survey of Hours and Earnings (ASHE)

2 Professionalism in Further Education Final Report of the Independent Review Panel Chaired by Lord Lingfield Kt, MEd DLitt FCGI DL

3 Peter Levell and Zoe Oldfield, The spending patterns and inflation experience of low-income households over the past decade, Institute of Fiscal Studies, June 2011

The hike in utility bills in 2012, with gas price rises hitting 15% over much of the last year and electricity prices frequently running at 8%, will therefore have made a devastating impact on the personal finances of many low paid college staff. A recent UNISON survey of its members found that 73% had been forced to reduce their spending on food, with one in four describing their financial situation as 'struggling to survive' or 'difficult'. A situation set to get much worse as government's changes and cuts to 'in-work' benefits start to bite in 2013.

Childcare costs have also rocketed for many working parents. The annual Daycare Trust survey[4] for 2012 found that nursery care costs for children under two had rose by 5.8% to an average yearly expenditure of £5,103.

The trade unions commend the AoC for its support of the Living Wage, as a way of helping the lowest paid staff deal with these financial pressures, but on its own it is not sufficient. There is an urgent need for both an underpinning for the lowest paid and for an across the board pay increase to help arrest the dangerous decline in overall pay levels.

College finances

The trade unions fully recognise the funding situation faced by colleges, indeed we are actively campaigning against the government's failed austerity policies.

We also believe however, that colleges can make better decisions about how they allocate existing resources. A UNISON freedom of Information survey found that FE colleges spent at least £65 million on agency staff in 2011. These agencies regularly charge as much as three times the cost of directly employing staff. Colleges also have to pay 20% VAT on agency bills. Millions could therefore be saved by directly recruiting staff instead of relying on expensive employment agencies.

The joint unions also note the comments[5] from Kim Thorneywork, Chief Executive of the Skills Funding Agency, that overall college finances have improved with fewer colleges in poor financial health than two years ago.

The claim

The trade unions are calling on the AoC to recommend:

- a 5% consolidated increase in all salaries and allowances with a £750 underpinning for the lowest pad
- all colleges to apply to the Living Wage foundation to become fully accredited Living Wage employers

Our members want to work with their employers over the coming months to both mitigate and campaign against government funding cuts. At the same time however, our members are clear that they will not accept year on year cuts to the value of their incomes to pay for a financial crisis not of their making.

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[4] Daycare Trust, Holiday Childcare Costs Survey 2012, January 2012

[5] Financial health is improving despite cuts' - FE news | Published in TES magazine on 12 October, 2012 | By: Joseph Lee

They are rightly angered when they read that in 2012, a year of savage cuts to public services, average pay increases for FTSE 100 directors rose by 27%.[6]

The unions urge the AoC to help alleviate the living standards crisis hitting college staff by meeting our modest and fair claim in full.

[6] Incomes Data Services - Directors' Pay Report 2012'