



University and College Union

‘Further, higher, better’

**Submission to the government’s
second Comprehensive Spending
Review**

Section 28

28 Pay

Further education

Foster Review 'think piece'

'Salary levels have been a major source of discontent in the FE sector since incorporation [1993], though not the only one. Many colleges have not been able, on one or more occasions, to offer the annual cost-of-living increase to which staff had become accustomed ... and over the same period salaries were slipping in comparison with those in schools. The FE premium on salaries, justification of which had been to do with the need to attract staff from industry and commerce ... had disappeared and had been overtaken.'¹⁵⁷

Bill Rammell, Minister of State for Higher Education and Lifelong Learning, England

'We envisage that with increased resources, greater flexibility over use and a longer-term funding framework, colleges should be able to address structural barriers in their current pay arrangements. The recommended pay deal for 2003-5 will pave the way for colleges to develop pay modernisation within the framework of Success for All and aims to provide a framework for career progression for colleges and their staff.'¹⁵⁸

Ruth Kelly, Secretary of State for Education and Skills, 16 November 2005 speech to AoC conference

'The reforms to initial teacher training announced last year will give college lecturers a new professional status. The Golden Hellos and bursaries are being developed to boost recruitment in a wider range of shortage subjects. Together they will benefit over 3,000 lecturers.'

The Modernising Pay proposals for further education for 2003-4 and 2004-5 sought to: establish new harmonised pay scales for all staff; implement a 6.5% pay increase; introduce a shorter pay progression point scale for lecturing staff with additional discretionary points; and introduce a minimum hourly rate for the lowest paid staff (£6). However, figures towards the end of 2005 showed that only between 75% and 80% of FE colleges had implemented the pay award, and only about one-third had introduced the shorter pay progression scales, while around 50% had introduced the harmonisation of scales.¹⁵⁹

NATFHE has for many years pointed out the widening gap between salary levels in schools and in colleges. This now stands at around 10% (see table). The further education unions concluded a salary settlement in 2003 that was to run for two years and included a scheme to modernize pay in the sector. The unions delivered their members' support for the scheme. Yet although colleges largely paid the salary increases of the settlement, only 34% have implemented the modernisation element involving shortening dramatically the

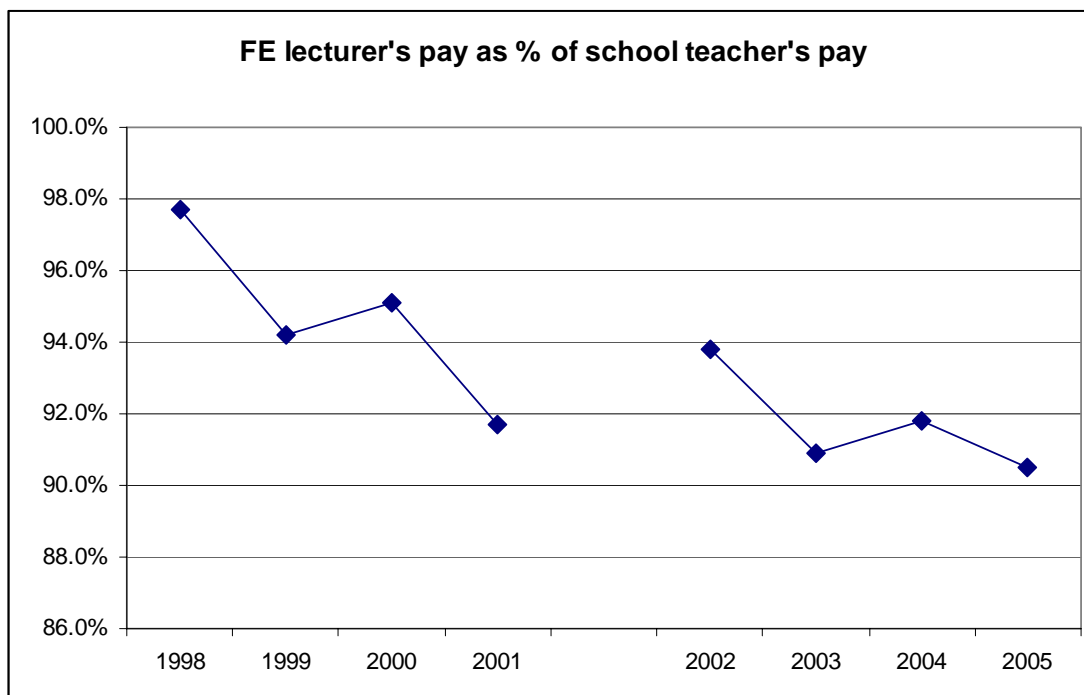
length of the pay scale - the very measure that would have narrowed these pay differentials between schools and colleges.

In 2006, FE lecturers in Wales were put on a single pay spine mirroring the pay structures of school teachers, backdated to 2005, in order to deal with the FE-schools pay gap in Wales. Part-timers are to be paid at the same rate as full-time colleagues, and lecturers on hourly paid contracts will be transferred onto long-term contracts.

Average weekly pay: teaching staff in schools and FE

	Higher and further education teaching professionals	Secondary and middle school deemed secondary education teaching professionals	Gap	FE as % of secondary
	£ cash	£ cash	£ cash	%
1998	460.3	471.3	11.0	97.7%
1999	466.8	495.6	28.8	94.2%
2000	490.1	515.5	25.4	95.1%
2001	508.3	554.2	45.9	91.7%
	Further education teaching professionals	Secondary education teaching professionals	Gap	FE as % of secondary
	£ cash	£ cash	£ cash	%
2002	542.8	578.5	35.7	93.8%
2003	549.0	604.0	55.0	90.9%
2004	565.4	616.1	50.7	91.8%
2005	586.2	647.6	61.4	90.5%

Weekly pay, mean, gross (£) - For full-time employee jobs^a: United Kingdom
 Full-time employees on adult rates whose pay for the survey pay-period was not affected by absence. Data for 2004 excluding ASHE supplementary information. Occupational classifications changed in 2002.
 Source: Annual Survey of Hours and Earnings; real terms and percentage calculations by UCU.



Weekly pay, mean, gross (£) - For full-time employee jobs⁹: United Kingdom
 Full-time employees on adult rates whose pay for the survey pay-period was not affected by absence. Data for 2004 excluding ASHE supplementary information. Occupational classifications changed in 2002.
 Source: Annual Survey of Hours and Earnings; real terms and percentage calculations by UCU.

Comment

The 2004 spending review investment facilitated a two-year pay settlement involving a new harmonised pay spine and job families which at last provided the opportunity for very significant progress towards pay parity with schoolteachers, and the potential to ensure pay equality. If implemented fully across the sector this would be a major step forward in tackling recruitment and retention problems in the sector, and enhance colleges' performance.

If the modernising pay strategy is to succeed, it is imperative that sufficient funds are provided to allow colleges to fully consolidate the new pay arrangements in future years, as well as meeting other additional staffing costs, including increased pension contributions and national insurance increases.

We must avoid at all costs the situation where colleges find that they can only meet the financial demands of the new pay structures through redundancies or worsening of conditions of service for staff. This will totally negate the potential benefits of the modernised pay structure.

Additional funds should be brought forward to enable the Adult and Community Learning Sector and Prison Education to benefit also from the implementation of this new pay and career structure.

The consequence of the pay gap between schools and FE is that colleges are losing staff to schools, and the persisting low FE salaries mean that it is becoming increasingly difficult for colleges to recruit, especially in shortage

subjects. With around 50% of current staff retiring within ten years this is a dangerous situation. The decision in 2006 to give FE lecturers in Wales pay parity with school teachers was a landmark victory for the FE sector, showing employers in England that there is another way – apart from industrial conflict – to deal with pay inequalities.

Low comparative pay affects not just colleges but all the learning and skills sector. FE colleges are in fact the market leaders in the sector in terms of pay. Their relatively low salary levels have an impact on both adult and community and work based learning providers. Just as colleges are losing staff to schools, so adult and community learning and work-based learning providers can lose staff to colleges.

Ultimately, salary levels will affect the quality of staff who work in the sector and the quality of the learning programmes they deliver. The impact of low pay can be seen in the figures for turnover of staff in colleges. Currently it is running at 15.9%, (14.3% for teaching staff, 16.4% non-teaching.) In 2004 92% of colleges reported vacancies, compared with 89% in 2003. Of total vacancies, 15.6% were for basic skills teachers, 12.3% construction, 10.2% in health and social care. Temporary cover and reallocation of duties are the main means that colleges use to try to cope with this situation.

Colleges say they cannot afford to honour pay settlements. Funders tell unions the money is there. Everyone passes the buck. We would urge the government that, in addition to ensuring the resources are there, they would consider a modernising fund for colleges to draw on as an interim measure and then a funding stream for the longer term. Wales has shown that where there is the will, there is a way to tackle these pay problems.

Further and higher education

For the period 1998-2001, public sector average¹⁶⁰ pay increased by 6.9% above inflation.¹⁶¹ For university and polytechnic teaching professionals, pay for the period was 0.1% below inflation; for higher and further education teaching professionals, pay rose by 3.7% above inflation.

Following the revision in 2002 of the Standard Occupational Classification, from SOC90 to SOC2000, there is a second series of average pay data, from 2002-2005. Over this period, public sector average pay increased by 5.8% above inflation. For higher education teaching professionals, average pay rose by 2.7% above inflation; for further education teaching professionals, pay fell by 1.0% below the rate of inflation.

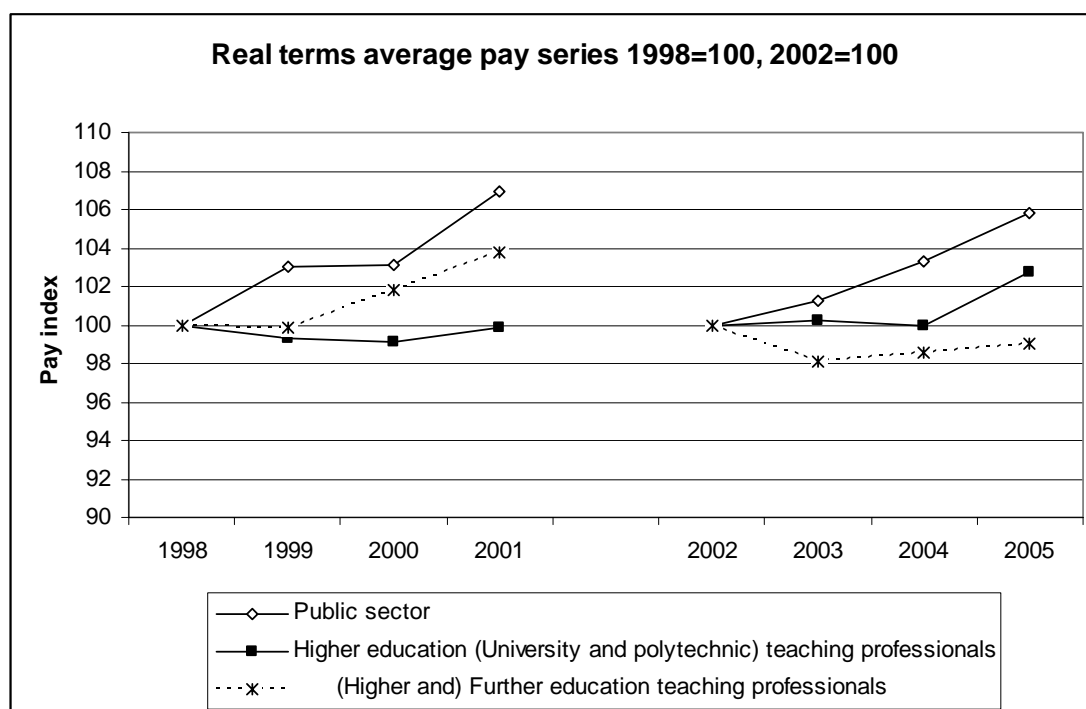
In summary, average pay for teaching professionals in further and higher education since 1998 has fallen far behind the level of increases in the public sector as a whole; indeed, for higher education staff in 1998-2001, and further education staff in 2002-5, average pay has not even kept up with all items RPI inflation.

Indexed real terms average (mean) pay series, 1998-2005, UK

3 digit SOC code	Public sector	University and polytechnic teaching professionals	Higher and further education teaching professionals
1998	100.0	100.0	100.0
1999	103.0	99.3	99.8
2000	103.1	99.1	101.8
2001	106.9	99.9	103.7
4 digit SOC code	Public sector	Higher education teaching professionals	Further education teaching professionals
2002	100.0	100.0	100.0
2003	101.3	100.2	98.1
2004	103.3	100.0	98.6
2005	105.8	102.7	99.0

SOC: Standard Occupational Classification
 Full-time employees on adult rates whose pay for the survey pay-period was not affected by absence. Data for 2004 excluding ASHE supplementary information.
 Source: Annual Survey of Hours and Earnings; real terms calculations by AUT

Indexed real terms average (mean) pay series, 1998-2005, UK



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 Source: Annual Survey of Hours and Earnings; real terms calculations by AUT

Comment

At a time when public sector average pay has been increasing well above the rate of inflation, very little if any of this benefit has been seen by teaching professionals in further and higher education. A great deal of pay catch-up needs to take place for FE teachers and their colleagues in higher education. Over the decade from 2008, we look to the government to provide public

sector funding increases sufficient to tackle the problem of past underfunding of pay in further education. We look to employers in higher education to pass on the benefits of increased grant and fee income to their employees.