

## Pay and Negotiation

08 May 2006

To: Heads of Universities and Colleges  
HR Directors

### Action:

To note the key features of the employers' final offer in pay negotiations today

### Attachments:

UCEA press release 8 May 2006

## PAY NEGOTIATIONS – EMPLOYERS' FINAL OFFER

### Executive Summary

This Update reports the key features of the employers' final offer in today's pay negotiations. Further detail will be circulated tomorrow.

### Negotiating Meetings

- 1 Meetings of the two JNCHES negotiating sub-committees, including representatives of all seven HE trade unions, were held today to discuss pay levels from August 2006.

### Employers' Final Offer

- 2 During the course of the negotiations the employers' representatives set out their "best and final offer" and made clear that this was at the limits of the mandate given UCEA by its subscribing institutions. The employers asked the unions to put this offer to their members, and that the AUT and NATFHE should suspend their industrial action in the light of the offer.
- 3 This final offer comprised staged pay increases over the next three academic years as follows:

August 2006	greater of 3% or £515
February 2007	1%
August 2007	3%
February 2008	greater of 1% or £200
August 2008	3%
February 2009	1%

Compared with pay rates in 2005-06, this implies pay increases by the second half of each academic year totalling at least:

2006.7	4%
2007.8	8.2%
2008.9	12.6%

- with increases of up to 15% by the end of the period for the very lowest paid staff.

- 4 Because of the phasing, the overall cost of this offer to institutions would be a little lower, as follows:

2006.7	3.6%
2007-08	7.7%
2008-09	12.0%

The employers' representatives emphasised, however, that this would be on top of the costs of implementing new pay structures under the Framework Agreement (typically between 3% and 5%) and increased employer contributions to superannuation schemes.

### Unions' Reactions

- 5 The support staff unions welcomed the improved offer, especially the higher increases for the lowest paid, and undertook to report the offer in positive terms to their Executive committees. They did, however, press for further progress on outstanding matters other than pay rates.
- 6 The academic unions, on the other hand, made clear that in their view the offer was disappointing and unacceptable. They considered that the proposed pay increases fell well short of adequately reflecting the increase in the sector's income from 2006-07. They indicated that they would not put the offer to their members and that they would strongly encourage continuation (and possible reinforcement) of the assessment boycott.

### Further Information

- 7 A copy of UCEA's initial press release on the offer is attached.
- 8 A more detailed report will follow in a further Update tomorrow morning. This will include: more comment on the detail of the final offer; a report of discussions on other aspects of the unions' pay claims; and comment on where we go from here.

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