



UNIVERSITIES & COLLEGES
EMPLOYERS ASSOCIATION

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NEWS RELEASE

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SEPTEMBER RPI SEES UNIVERSITY STAFF THREE YEAR PAY DEAL EXCEED 15 PER CENT

Today's announcement of the 5% September RPI figure, enables the HE sector to confirm the rate of the final instalment in the current 2006-09 pay agreement. With this final piece in the jigsaw, the three year deal has produced an overall total pay rise of at least 15 per cent for the sector, with many staff at the lower end of the pay scale receiving in excess of 18 per cent during the period of the 2006-09 pay deal; 8 per cent alone during 2008. These figures exclude further rises in pay through annual incremental increases, which could have added a further 10.5% to an employee's salary during the period of the pay deal, and possible promotion and pay framework increases. This deal has put HE employees in the enviable position of having salary increases that have considerably exceeded inflation.

While the September RPI clearly exceeds expert predictions made throughout the negotiation process in 2006, and as late as April 2008 when the UK Treasury predicated 2.9%, UCEA member HEIs have, to date, indicated that they wish to keep their part of the agreement. They are now in the process of making difficult adjustments to planned budgets to decide how best to manage the financial impact. To minimise the risk of job losses, some institutions will have to look at phasing or deferring implementation over 11 months, permissible under the terms of the pay agreement.

It is expected that Unions, in turn, will also honour the agreement in full to ensure stability for the full three years of the deal. This includes delivery of the two Reviews provided in the agreement*

With HEIs also being hit by exceptionally high inflation on other costs, such as those of energy, it is clear that meeting this pay award will place serious constraints on the level of future pay settlements and possibly pensions and will impact on HEI finances in following years. This will need to be taken into account when the negotiations start next spring for pay from August 2009.

Professor Bill Wakeham, UCEA chair, said:

“Over a long period of time employers and unions have worked hard together to ensure competitive pay and conditions for university staff, culminating in this substantial increase. Negotiations over the coming months under the New JNCHES** arrangements will focus on how to sustain the excellent pay and conditions which the sector enjoys, whilst securing the financial stability of the sector.”

Ends

* The two reviews are the Review of the JNCHES Negotiating Arrangements published in July 2007 and the Review of HE Finance and Pay Data scheduled for completion in December 2008.

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Notes to Editors:

Case Studies of pay increase over the 3 year pay deal

Example 1. Steven is in the most senior lecturer grade below professor. Prior to the first increase under this agreement in 2006 he was earning £39,935 per annum. Having benefited from three increments and the annual pay uplifts under this JNCHES** pay agreement his salary is now £50,569, a 26.6% increase.

Sharron is in a similar role, but has been at the top of her scale since 2006, when her pay was £44,947 per annum. As a result of annual pay uplifts under the JNCHES pay agreement, she has seen a 15.9% increase taking her pay to £52,086.

Example 2. John is a lecturer on the most common grade in UK HEIs. Prior to the first increase under this agreement in 2006 he was earning £32,490 per annum. Having benefited from three increments and the annual pay uplifts under this JNCHES pay agreement his salary is now £41,118, a 26.6 % increase.

Helen is in a similar role, but has been at the top of her scale since 2006, when her pay was £43,622 per annum. As a result of annual pay uplifts under the JNCHES pay agreement, she has seen a 15.9% increase taking her pay to £43,622.

Example 3. Dominic is a member of a clerical support team. Prior to the first increase under this agreement in 2006 he was earning £12,692 per annum. Having benefited from three increments and the annual pay uplift under this JNCHES pay agreement his salary is now £16,081 per annum, a 26.7% increase.

Example 4. Jo, working as a cleaner, is on the lowest grade in UK HEIs. Prior to the first increase under this agreement in 2006 Jo was earning £11,060 per annum. Having benefited from an incremental rise, and the annual pay uplift under this JNCHES pay agreement Jo's salary is now £13,431 per year, a 21.4% increase.

Example 5. Charles, a long serving catering assistant, is at the top of grade. As a result of annual pay uplifts under the JNCHES pay agreement, his salary has risen from £11,377 to £13,431, a rise of 18.1%.

For more details see the attached pdf.

** JNCHES is the (former) Joint Negotiating Committee of Higher Education Staff (now superseded by New JNCHES). It comprises UCEA (University and Colleges Employers Association) and trade unions representing HE staff.