



Joint union pay and conditions claim 2010/11

Context

Colleges are at the forefront of efforts to sustain the UK's economic recovery, dealing with record levels of demand for education and training places as a result of high unemployment. At every level college staff are putting in record hours of unpaid overtime to help their communities recover from the recession. Many taking on additional unpaid responsibilities as a result of cuts in staffing levels. It is therefore vital, in the interests of maintaining morale and productivity, that college staff receive a fair pay award in 2010/11.

The unions are of course concerned by the impact of the recent cuts in adult learner responsive (ALR) funding; indeed we have been campaigning against these cuts. However, we are absolutely clear that the impact of these funding changes will vary from college to college, depending in part on the scale of each college's ALR programmes. In fact the Association of Colleges (AoC) estimate that just 16% of total college income in 2009/10 comes from ALR funding.

Cuts in adult funding are also balanced in part by a 6.2% increase in 16 – 18 funding for 2010/11. In addition, as publically acknowledged by the AoC, apprenticeships, part time HE, courses for 14 year olds and privately funded education are all possible areas of future income growth (1). It must also be remembered that investment in further education colleges, including capital investment, has increased in real terms by 57% between 1997-98 and 2008-09.

We also believe that colleges can make considerable savings in the amount of money they spend on hiring consultants and agency staff. A recent Freedom of Information request by the trade union side found that 79 colleges in England had spent nearly £51 million pounds on consultancy and agency fees in 2008/09.

Colleges can therefore free up considerable financial resources by cutting back spending on external consultants and by taking on directly employed labour.

Taking all these factors in to account we are clear that our pay claim is affordable.

Pay

Last year the recommendation was that colleges pay a minimum 1.5% increase on salaries and allowances. This meant that college staff fell further behind their colleagues in schools who were awarded a 2.3% increase. The AoC also refused to recommend a minimum underpinning to help cushion the lowest paid.

Rising prices

RPI stood at 4.4% in March 2010, its highest annual rate since October 2008. According to the IRS panel of experts RPI will peak at an average of 4% in the second quarter of 2010.

However, both the RPI and CPI measures of inflation actually mask the full impact of rising prices, particularly on the lower paid. For neither RPI nor CPI gives an accurate description of what has actually happened to the cost of a minimum household budget (i.e. items such as food, clothing and fuel). The Daily Mail's Cost of Living Index found in January that a basket of the most commonly bought foods had increased in cost by 7.5 per cent over 12 months. It also revealed a nearly 30 per cent rise in unleaded petrol prices. In addition according to the OECD energy prices in the UK rose by 7.8 per cent over the year. College staff with children will also have been hit by big increases in childcare costs. The Day Care Trust has found that childminder costs for children over the age of 2 increased by 7% in 2009.

Pay Claim

In the decade to 2009 average earnings across the economy rose by 49.7% ⁽²⁾ however in the same period the average pay of further education lecturers has only risen by 23%.. Although some progress had been made in recent years to close the pay gap between school teachers and FE lecturers the latest figures now show that the pay gap between these is widening again and now stands at 7.5% in 2009. While the average annual pay for a college cleaner in 2007/08 was just £11, 330 and the joint AoC/unions' support staff survey revealed evidence of minimum rates of pay as low as £5 80 an hour.

We therefore call on the AoC to recommend that colleges pay:

- **a 3.5% increase on all salaries and allowances from 1 August 2010 with a £1000 underpinning**

Equal pay

According to the third Annual Workforce Diversity Profile report from Lifelong Learning UK (LLUK) women in further education earn 10 per cent less on average than men. A man's average full-time annual pay was £25,600 in 2007/08 compared with £23,300 for his female colleagues, according to the report.

In light of these findings it is of great concern that only a minority of colleges have undertaken equal pay audits and conducted job evaluation (JE) for their entire workforce. In fact the AoC/unions support staff survey found that less than 30% of colleges had introduced JE for all groups of staff:

The trade unions therefore call on the AoC to:

- **take serious and meaningful steps to ensure colleges implement equal pay audits and conduct JE using the Further Education Job Evaluation Scheme.**

Outsourcing

The AoC and unions support staff survey found that 87% of colleges have contracted out one or more services. We are concerned about the VAT implications for colleges and the development of a two tier workforce as a result these high levels of outsourcing.

We therefore call on the AoC to agree a joint national agreement on outsourced services that recommends colleges:

- **ensure new starters in contracted out services are placed on terms and conditions that are fair and reasonable and no less favourable than those of transferred staff.**

Disability Equality Agreement

According to the LLUK Annual Workforce Diversity report staff in FE seem 'disinclined' to declare a disability, with less than 3 per cent doing so in 2007/08, although nearly 18 per cent of the general population is disabled.

The joint equalities working group has produced important agreements on all the equality strands, LLUK's findings however prove we have much more to do.

As a starting point we are calling for the AoC to:

- **take immediate and meaningful steps to ensure the full implementation of all elements of the Disability Equality Agreement signed in 2009.**

Fractional contracts for part-time and agency staff

The unions believe that the overuse of casual forms of employment including hourly-paid part-time and agency staff contracts contributes significantly to pay inequalities in FE. Research consistently shows that equality groups are over represented in these categories of employment exposing colleges to potential equal pay and less-favourable treatment claims.

From 1 April 2009 VAT became applicable to the entire salary of all agency staff employed by colleges whereas previously VAT had only been applied to the fee levied by the agency. This change in VAT regulations creates around a 17.5% increase in cost to colleges using agency staff when compared to directly employed staff on the same pay. The unions believe that in the current funding environment it is no longer possible for colleges to justify wasting funds on the payment of VAT on top of agency staff wages when employing these staff on directly employed contracts would avoid this cost.

In addition to the financial and equality impacts of the overuse of casual forms of employment these arrangements also undermine efforts to improve quality and learning outcomes by reducing security for both learners and staff.

The trade union side therefore call on the AoC to:

- **Recommend the transfer of all part-time, hourly-paid and agency employed staff to directly employed fractional contracts.**

Independent Safeguarding Authority

As part of last years pay negotiations we had initial discussions with the AoC about the £64 ISA registration fee. ISA registration will be compulsory for new starters from November 2010 and for existing staff from April 2011.

The trade union side strongly believe that the £64 registration fee should not be borne by individuals but should be incorporated into recruitment costs by employers. We note that a number of colleges, such as St Helen's, have already agreed to cover the whole cost of the ISA registration fee for their entire workforce. The trade union side therefore call on the AoC to:

- **recommend that all colleges agree to cover the cost of ISA registration for their staff**

Notes

- 1 FE Focus article 'Colleges' prospects are not so bleak' 2 April 2010
 - 2 Source: ONS ASHE Table 14.7a
 - 3 Figures from unions' Freedom of Information request sent to those colleges refusing to implement 2008/09 pay recommendation
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