

## National Bargaining – The View of the College Sector

### Background

The 2015/16 pay offer made included the living wage for all directly employed staff, 1% consolidated pay increase, or £300 for employees earning less than £30,000, whichever is the greater. This means that all staff would receive at least a 1% increase in their salary and workers on less than £30,000 will receive more than 1%. This offer exceeds public sector pay policy. This offer has been rejected by the trade unions.

Trade unions are seeking to reduce differentials in pay across the sector. We recognise that differentials in pay and conditions do exist, but this cannot be addressed overnight. Trade unions and the employers need to work constructively to find a credible and sustainable way to address these differentials without putting colleges or jobs in colleges at risk.

Local bargaining, which the trade unions were an integral part of, has existed for over 20 years and the differentials in pay and conditions of service are a result of that bargaining machinery.

Scotland's colleges are also totally unique across the public sector in the UK following reclassification as public bodies by the Office for National Statistics (ONS) and then undertaking National Bargaining as part of a voluntary process. The Scottish Government is committed to National Bargaining (which we are now delivering), but limited resource has been allocated to implement National Bargaining outcomes.

### The Trade Union Pay Claim and Harmonisation

The pay claim that trade unions have made is unprecedented, with one trade union General Secretary confirming it will mean pay rises for some of up to 25%.

Audit Scotland in their *Scotland's colleges 2015* report illustrated budget cuts of around £60 million<sup>1</sup> in the past 3 years; colleges don't have additional funds they can access for higher pay awards. As already stated there has been limited resources allocated to the employers to deliver the outcomes of National Bargaining. To meet the trade union demands for more money at this point in time would put the future of some colleges and jobs at risk, not to mention the detrimental impact on students.

#### Flat cash demands

The trade unions are seeking flat cash, ensuring every employee receives the same cash increase pro rata. This is a reasonable proposal in theory and the employers' side would be more than willing to accommodate this request, however there are no universal pay scales in the sector and so a flat cash increase does nothing to address the pay differentials.

#### Harmonised pay

The trade unions seek to harmonise pay, however, their timescales and expectations do not take account of the current context of what the sector is being asked to achieve and the financial realities. The employers' side is confident we can address these aspirations but this will have to be done through a negotiated position that provides the sector with a credible and sustainable model going forward. We want to ensure the highest standards of learning and teaching in every one of Scotland's colleges. Harmonisation of pay and conditions needs to be considered alongside the requirements of the workforce for the future.

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<sup>1</sup> Audit Scotland *Scotland's Colleges 2015* report, p29 [http://www.audit-scotland.gov.uk/docs/central/2015/nr\\_150402\\_scotlands\\_colleges.pdf](http://www.audit-scotland.gov.uk/docs/central/2015/nr_150402_scotlands_colleges.pdf)

## **Financial Constraints on the Sector**

The sector is likely to present in its next set of accounts before parliament, a large number of colleges in 'deficit', so there are clear indications that the sector as a whole is sitting in a precarious position with regard to the long term sustainability, and even the short term situation in a number of cases. The pay offer made is from existing college resources. College staff know the financial pressures facing colleges and more generally within the public sector.

Trade unions have pointed to Arm's Length Foundations (ALFs) as a source of cash, but this is not an option. The Trade Union assertion that ALF's are the route to getting more money for operational issues such as pay is based on a lack of understanding of the purpose and nature of ALF's.

These foundations were set up as a result of ONS reclassification and in agreement with the Scottish Government to ensure that the money was not lost for good from the college sector or indeed from Scotland, as part of the Scottish block grant.

ALF funds are governed by independent trustees, which colleges have no control over. While the governance of each ALF varies, the aim of them is in general to further strategic decisions for the benefits of college students e.g. investing in capital equipment, rather than for ongoing operational issues.

Colleges Scotland  
December 2015