

ACADEMIC STAFF SUB-COMMITTEE TRADE UNION SIDE



Pay claim 2002

1 Introduction

This pay claim contains evidence of significant recruitment and retention problems among academic and academic-related staff in UK higher education. There is also continuing evidence of a substantial shortfall in earnings compared with average earnings, and compared with relevant public sector comparators, despite major increases in productivity.

The significance of these issues is heightened by the government's student expansion target, as expressed in the Labour Party's 2001 education manifesto: "We will enable 50 per cent of young people under the age of 30 to progress to higher education by 2010 while improving standards". This target can only be achieved if staff can be successfully recruited, retained and motivated through appropriate pay strategies.

It is our view that piecemeal and short-term initiatives are not the way to deal with the pay crisis in UK higher education. As the *Independent review of higher education pay and conditions*, chaired by Sir Michael Bett, concluded in 1999: "There is a need now for increased spending on people."¹ We do not consider that the negotiated national pay increases since then (barely above inflation), or the government's funding linked to human resource strategies in England to 2004, or the selective increases in stipends for PhD students, are sufficient to meet the needs highlighted by the Bett report.

A major initiative on pay is required if recruitment and retention issues are to be addressed effectively, and the government's policy of 50 per cent of under-30 year olds participating in higher education by 2010 is to be met. Unless that takes place, recruitment and retention difficulties particularly related to starting and senior salaries will increasingly threaten the provision of higher education in the UK, and the vital research conducted by our universities. This pay initiative will also need to address the need to motivate academic and academic-related staff in mid-career with a strategy for reducing their long-term pay shortfall, and the problems encountered by staff living in London. The high levels of job insecurity caused by the epidemic of fixed-term contracts in higher education – particularly for women and some ethnic minority staff – also needs to be addressed.

The establishment of the new industrial relations machinery for the sector in 2001 has the potential for bringing about far-reaching reforms in the pay and conditions of staff in higher education, including the introduction of a single pay spine for the sector. But the success of this new machinery will be undermined if there is no major improvement in pay levels at the same time.

¹ Para. 341.

In order to address the issues outlined in this report, the academic unions recommend:

1. A significant increase in the pay of academic staff in the pre- and post-1992 higher education institutions, and academic-related staff in the pre-1992 institutions, to restore comparability with other professions.
2. Concerted action to end low pay including new starting salaries in August 2002 for academic and academic-related staff, which are not less than the best available in the sector, as outlined in section 7 (pages 7-9). This would include:
 - ⌚ The abolition of the Research grade A and the first increment of the Research grade B in the post-1992 institutions and the abolition of Research grade 1B in the pre-1992 institutions
 - ⌚ The amalgamation of the two academic-related scales in pre-1992 institutions (Admin, Library and Computer and Other related grade) and the establishment of a common starting salary across all grades.
3. The consolidation of existing discretionary points into appropriate grades, wherever they exist in the sector.
4. An increase in the London allowance for academic staff in the pre- and post-1992 institutions, and academic-related staff in the pre-1992 sector, to no less than £4,000. A review should also include a consideration of existing boundaries for the availability of the allowance.
5. Hourly paid rates, where it is agreed they remain after transfers to pro-rata contracts,² to increase by a significant amount in order to establish parity with the mid point of the Lecturer pay scale by 2004 and these to be applied to all staff in the sector (with no prejudice to any existing higher rates of pay).

2 Recruitment and retention

“Universities will receive £170 million a year by 2003-04 to recruit and retain the key staff they need to improve the quality of teaching and learning. We will also introduce £5,000 ‘golden hellos’ for new lecturers in shortage subjects.”

Labour Party, general election 2001, education manifesto
Realising the talent of all – our mission for a second term

The employment measures mentioned in the Labour Party’s 2001 general election manifesto are an acknowledgement of the widespread existence of recruitment and retention problems in UK higher education.

The Bett report in 1999 said there were particular difficulties in recruiting and retaining academic staff in business subjects, information technology, electronic engineering, accountancy, law and some rarer specialisms. There were also problems in the retention of staff on fixed-term contracts. There were likely to be problems in departments of physics, chemistry, mathematics and engineering due to the age profile of academic staff, with up to one third of staff approaching retirement age in the next five years. “Recruitment of sufficient high calibre replacements in these fields will prove problematic unless the rewards are attractive enough.” In addition, there were recruitment and retention problems related to administrative staff in finance and IT. In general, the report concluded: “We are worried that

² The transfer of hourly paid staff to pro-rata contracts is being negotiated through JNCHES, defining minimal agreed criteria for the continuing use of hourly paid staff. Where hourly paid staff do remain their pay should be increased as set out in this claim, including those staff awaiting a transfer to a pro-rata contract.

these indications may be the harbingers of much more serious recruitment and retention problems to come in the HE sector.”³

A survey of deans of science in UK universities published in 2000 found that 79 per cent of the deans thought that the recruitment of postdoctoral research assistants had become harder. The vast majority of institutions believed it to be increasingly difficult to appoint good researchers at all levels (lecturers, postdoctoral and postgraduate students), and most institutions had left posts unfilled because of a lack of high-calibre candidates.⁴

Other recent studies of recruitment and retention have highlighted particular areas of concern, such as the survey for the EPSRC on attracting sufficient high calibre British students to do PhDs,⁵ the analysis of the low take-up of PhD studentships in economics, and the analysis of the study intentions of undergraduates – which reported “pressure points in economics and business studies, mathematics/IT, engineering, physics and the biological and environmental sciences”.⁶

The British Academy’s *Review of Graduate Studies in the Humanities and Social Sciences*, published in September 2001, reported a majority of heads of department saying there were currently problems attracting good quality UK PhD students. On recruiting academic staff, the report said: “There are signs that some subjects are experiencing major difficulties in the recruitment of academic staff. These include Business Studies, Economics, Psychology, Law and Education.” In Education departments in Scotland the situation is even more stark following the recommendations of the McCrone report which has resulted in salary increases for school teachers of 23% by August 2003. On potentially endangered subjects, the British Academy report said: “Our analyses have identified many areas of the arts, humanities and social sciences that give grounds for concerns. There is good reason to fear that expertise through higher education in these areas will soon be lost, with serious implications for teaching at undergraduate and postgraduate levels as well as for research.”⁷

3 Staff age profile

One of the reasons for the increase of recruitment and retention difficulties lies in the age profile of academic staff. In the past five years the proportion of younger entrants to higher education teaching has fallen, while the proportion of academic staff of retireable age has increased considerably, particularly among staff engaged wholly or partly in teaching. In 1995, 19 per cent of academics doing both teaching and research were aged under 35, falling to 16 per cent in 2000. Meanwhile the proportion of teaching and research academics aged 50-plus increased from 30 to 36 per cent. This changing age profile indicates that potential entrants into the profession under the age of 35 are going elsewhere, while the number of retirees increases

Without sufficient teaching staff, it will not be possible for universities to deliver the kind of student increases envisaged by the government. It should be borne in mind that the kind of students the government would like to attract into higher education – i.e. those who come from lower socio-economic groups and without a family background of proceeding to higher education – will need greater support from academic and academic-related staff if they are to succeed in their courses.

³ Sir M. Bett (1999), *Independent Review of Higher Education Pay and Conditions*, London: Stationery Office, para 171-2.

⁴ Details of the survey can be found on the Save British Science web-site at:
<http://dSPACE.dial.pipex.com/sbs/texts/documents/2000/SBS0020.html>

⁵ Strategic Marketing Associates (1999), *Survey of Postgraduate Students and Permanent Staff in Information Technology and Computer Science*, EPSRC website.

⁶ University of Sheffield Research Services Department (1999), *Survey of Postgraduate Study Intentions*, Sheffield: University of Sheffield.

⁷ The British Academy (2001), *Review of Graduate Studies in the Humanities and Social Sciences*, published at www.britac.ac.uk.

Table 1 UK academic teaching and research staff by age

AGE GROUP	
24 & under	0%
25-29	4%
30-34	12%
35-39	15%
40-44	16%
45-49	17%
50-54	18%
55-59	12%
60-64	6%
65 & over	1%
Unknown age	0%
Grand Total	100%
Grand Total	80910

Source: HESA individualised staff record 1999-2000

4 Staff and student numbers

Between 1995 and 2000 the number of academic staff in the UK increased by more than 21,000 to 135,750. About half of the additional staff were on full-time contracts, and half part-time. The main increase in proportional terms has come in the employment of part-time staff; the growth in full-time staff has been comparatively small.

Table 2 UK academic staff numbers

	Full-time	Part-time
1994-95	101,864	11,873
1999-2000	113,276	21,760
<i>Increase</i>	<i>11,412</i>	<i>9,887</i>
<i>% increase</i>	<i>11.2</i>	<i>83.3</i>

Source: HESA (series), *Resources of Higher Education Institutions*, Cheltenham: HESA.

The numbers of academic-related staff in the pre-1992 higher education institutions has roughly doubled in the past two decades. In 1981-82 there were 9,780 academic-related staff in British universities⁸. By 1997-98, that number in the UK's pre-1992 institutions had increased to an estimated 20,701, of whom 15 per cent were part-time⁹.

Over the past two decades, student numbers have increased more than four-fold. While there has been a growth in staff numbers, the numbers of those employed wholly or partly in teaching have little more than doubled since 1980. In 1980 in UK universities, there were on average nine students to one member of academic staff wholly or partly engaged in teaching. By 2000, there were 18 students to one member of teaching staff – the same ratio as the pupil:teacher ratio in UK schools (table 3). This is a matter of concern. The workload of academic staff has effectively doubled in two decades.

⁸ USR (1983), *University Statistics 1981-82 Vol 3 Finance*, Cheltenham: USR, Table 12.

⁹ Sir M. Bett (1999), *Independent Review of Higher Education Pay and Conditions*, London: The Stationery Office, Table 1, page D5.

With the government's plans to add further numbers of higher education students between now and 2010, it is likely that the SSR in the UK will further deteriorate.

Table 3 Staff* : student ratio in UK higher education, full-time equivalents

1980-81	1 : 9.1
1985-86	1 : 9.6
1990-91	1 : 11.4
1995-96	1 : 16.9
1999-2000	1 : 17.5

* excludes research-only academic staff

Source: USR (series), volume 1; HESA (series), *Students in Higher Education Institutions*; HESA (series), *Resources of Higher Education Institutions*.

5 Productivity and performance

Over the past two decades, the student:staff ratio in UK higher education has doubled. In the same period the number of qualifications obtained annually by students in UK higher education has grown from 98,000 to 460,000. Meanwhile, academic standards, as measured by the proportion of first class degrees, have been maintained, and the degree completion rate is second only to that of Japan among OECD member states.¹⁰

As well as outstanding productivity record, academic staff in the UK continue to demonstrate world-class standards in research.

"British science is among the best and most cost-effective in the world. With only 1 per cent of the world's population, we are responsible for 4.5 per cent of the world's spend on science, produce 8 per cent of the world's scientific papers and receive 9 per cent of citations. UK scientists claimed around 10 per cent of internationally recognised prizes steadily through the last century. We are second in output and quality only to the United States, ahead of countries such as France, Germany and Japan, which are larger than the UK, and spend more on public science. In value for money, we are second to none."

DTI White Paper, *Excellence and Opportunity – A science and innovation policy for the 21st century*, 2000

"It's a success story ... We rank first in the world in terms of the number of publications and citations generated for each pound spent on research."

Secretary of state for education and skills, Estelle Morris, 22 October 2001

"I am absolutely delighted with the latest Research Assessment Exercise results which show very clearly that university research is a jewel in Scotland's crown."

Wendy Alexander, Minister for Enterprise and Lifelong Learning, Scotland. *The Scotsman*, 14th Dec 2001

Much of the praise in the DTI's white paper for British scientists belongs to academic staff in our universities. One of the reasons government ministers throughout the UK can say our higher education institutions are second to none is the effort put in by academic and related staff into quality assurance and maintaining academic standards. Although the academic unions have strong reservations about the methods used in assessing teaching and research in the UK, nevertheless indicators used in subject review and the research assessment exercise show that work by academic and related staff is of a very high standard.

¹⁰ OECD (2000), *Education at a glance*, Paris: OECD, table C4.1, p. 172,

A report by the Greater London Group at the London School of Economics compared the productivity of staff in higher education sector with staff in the service sector, based on the number of staff relative to the proportion of gross domestic product for the relevant sector, for the period 1991-95. It concluded: "In the 1990s, higher education staff productivity has increased three times as much as the service sector average, 6.5% per annum against the service sector average of 2.2%."¹¹

6 Pay levels and inflation

Over the past two decades higher education staff have doubled their output, and there is strong evidence of an increase in quality and standards in the sector. But at the same time academic and academic-related staff in the pre-1992 sector and academic staff in the post-1992 sector¹² have seen very little genuine increase in their salaries. In fact, their pay has been cut in real terms in nine of the years between 1991-92 and 2000-01. In all, pay for pre-92 academic and related staff has risen by 5 per cent in real terms in that time (chart 1).¹³ Academic staff in the post-92 sector have fared little better. In the same 20 years, their pay has gone up by 7 per cent over inflation. By contrast, average earnings for all full-time employees (manual and non-manual) has risen by 44 per cent over inflation since 1981, and only failed in one year to rise above the level of inflation.

The Bett report noted that average earnings for pre-1992 university academic staff in 1997-98 had increased since 1981 by 30 per cent less than the average for UK non-manual employees.¹⁴ The average salary for full-time academic staff in the UK in 1999-2000 was £30,628 (table 4) – an increase of 20 per cent on the average salary in 1994-95 (£25,619). The average for full-time female academics in 1999-2000 was 16 per cent lower than for males, compared with a 15 per cent gap in 1995.

Table 4 UK full-time academic staff average salary 1999-2000

Location of Institution	Female	Male	Overall average salary	Female as % male salary
England	£27,396	£32,209	£30,625	85
Wales	£26,352	£32,355	£30,505	81
Scotland	£26,572	£32,621	£30,673	81
Northern Ireland	£26,999	£32,474	£30,734	83
Overall average salary	£27,240	£32,274	£30,628	84

Source: HESA *Individual Staff Record 1999/2000*

¹¹ Greater London Group (1996), *Higher Education Productivity* (draft report), p. 3.

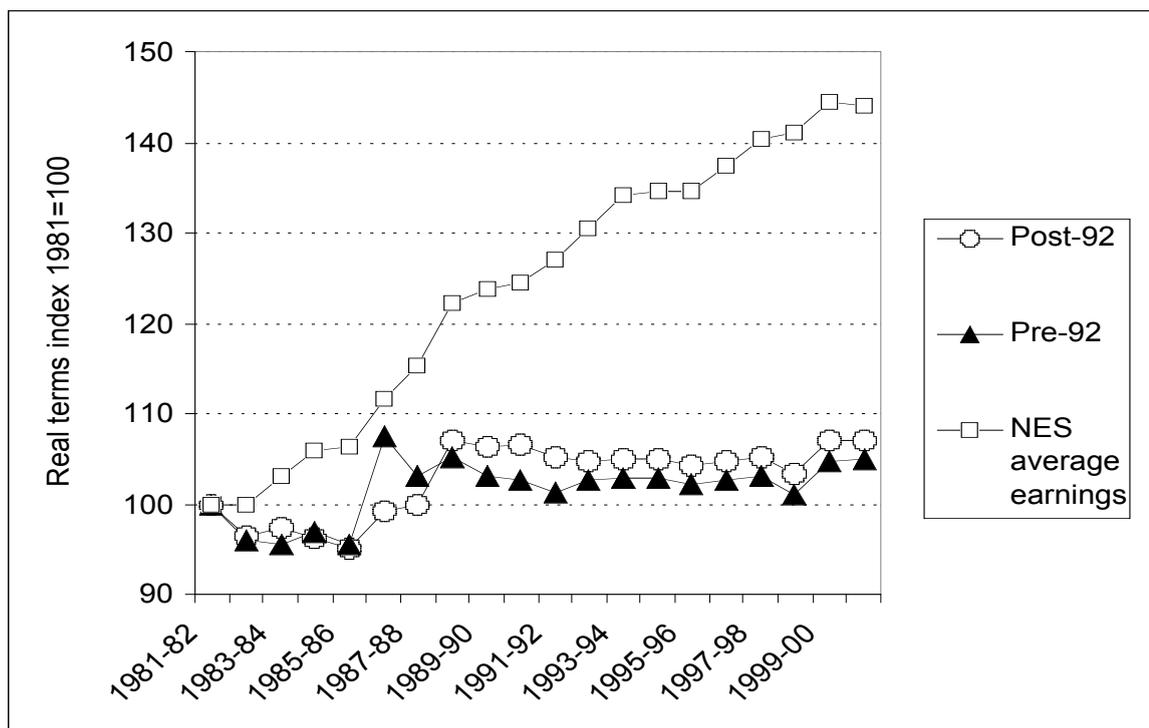
¹² Pre-92 refers to the 'old' universities; post-92 here refers to the 'new' universities or former polytechnics in England and Wales. Comparable data on pay movements in the post-92 sector in Scotland are not available at the time of writing.

¹³ Pay settlements in 1981-2001 in the pre-92 sector have been the same for all pre-92 grades and scales of academic and related staff, so percentage increases for a particular grade (for example, Lecturer B, top of scale) can be applied to all grades. Data for 2001-02 not included because the 2001 *New Earnings Survey* was not available at the time of writing.

¹⁴ Sir M. Bett (1999), *Independent Review of Higher Education Pay and Conditions*, London: The Stationery Office, para. 155.

Chart 1 Academic and academic-related pay and average earnings* 1981-2001 (real terms)

* average of all full-time employees (manual and non-manual)



Source: AUT; New Earnings Survey, series

7 Starting salaries and harmonisation

A key issue in terms of pay relativities and recruitment and retention is starting salaries. The most outstanding problem concerns the researcher A scale in the post-1992 institutions in England, Wales and Northern Ireland. Table 5 provides some comparisons of entry level pay, which are particularly telling since a researcher employed in higher education will normally have completed a PhD.

Table 5 Entry-level starting salaries 1 (outside London), at 1 April 2001*

	£
Researcher A post-1992 (at 1.2.02)	11,562
School meals supervisor	11,817
Army private (Grade 1)	12,071
Newly-qualified NHS nurse (at 1.4.02)	16,005
Qualified ambulance staff	17,451

*except where indicated
Source: IDS Report, series

Table 6 provides some public sector starting salary comparisons for academic-related and entry-level research staff in the pre-1992 institutions, and for lecturers in pre- and post-1992 institutions. Although the starting salaries for immigration officers and schoolteachers are slightly below those of pre-1992 research and academic-related staff, it should be noted that research staff in particular have had to spend longer as a student. The schoolteacher's starting salary in England and Wales of £17,628 is the minimum starting point for a newly qualified teacher with a good honours degree (2nd

class or higher). It is close to the starting salary for researchers in pre-1992 institutions, although the latter will also normally have a PhD rather than just a one-year postgraduate qualification. Similarly, while the starting salary for a police constable is close to that of a higher education lecturer, the former will be a school-leaver, while the latter has normally had to study for a degree and a doctorate.

The graduate starting salary is the median across all sectors: while the typical graduate will start employment in their mid-20s, only 4% of lecturers are aged under 30 (table 1). On the other hand, the starting salaries for a number of public sector comparators such as doctors, educational psychologists and accountants - who either have longer than average degree courses, or who have to undertake postgraduate study - are significantly higher than those of researchers and lecturers in higher education.

Table 6 Entry-level starting salaries 2 (outside London)

	£	Start date
Home Office immigration officer	16,036	1.7.00
Academic-related Grade 1 pre-1992	17,626	1.3.02
Research Grade IB pre-1992	17,626	1.3.02
School teacher (England & Wales)*	17,628	1.4.02
School teacher (Scotland)*	18,246	1.4.02
Graduate starting salary, median (all sectors)	19,000	2000-01
Police constable	19,170	1.9.01
Lecturer post-1992	19,575	1.2.02
Lecturer A pre-1992	20,470	1.3.02
Lecturer Scotland	22,522	1.3.02
Clinical academic Lecturer (not holding honorary consultant contract)	25,015	1.4.01
Hospital registrar	25,015	1.4.01
Educational psychologist (England & Wales)	25,281	1.9.00
Home Office accountant	26,401	1.7.00

* *entry grade for graduate with 2nd class degree or higher*

Source: *IDS Report, series; IDS Management Pay Review, series*

It is a measure of the concern raised by the effect of poor starting salaries on recruitment that the Labour Party announced in 2001 it would introduce 'golden hellos' for university lecturers in shortage subjects in England and Wales. This measure shows that the government is beginning to view recruitment and retention problems in higher education as of similar seriousness with recent secondary school teacher shortages (from September 2000, postgraduate teacher trainees in England and Wales receive a training salary of £6,000, and in shortage subjects of maths, modern foreign languages, science and technology, trainees are also eligible for £4,000 golden hellos, making a total package of £10,000).

In this context it is not surprising that Imperial College, London, announced in October 2001 that it was increasing starting salaries for lecturers to £28,319 or that other institutions such as the universities of Bath and Warwick are only appointing permanent lecturers onto the Lecturer B grade - minimum point £25,455. These growing discrepancies within the higher education sector represent a worrying development where this piecemeal approach of additional market related supplements or higher starting salaries is replacing nationally agreed minimum salaries. A general uplift in pay is required to prevent such fragmentation.

There are also differences in starting salary across the national pay scales. The starting salary for a lecturer in Scotland is £22,522 with effect from 1st March 2002, compared to £19,575 in the post-1992 institutions and £20,470 in the pre-1992 institutions.

In October 1999, research fellows employed by the Wellcome Trust, the UK's largest medical charity, received a salary increase which was 30 per cent above the basic university pay scale. Many

researchers doing work funded by the Trust are employed by higher education institutions. Announcing the award, the Trust's director, Dr Michael Dexter, said: "There has been serious erosion of salaries in real terms for UK researchers over the past decade. Science is no longer seen as an attractive career option for many of our best undergraduate and postgraduate students, and because of this, the UK is in grave danger of losing its position amongst the world leaders in scientific research by failing to recognise and reward its rich crop of top scientists. Urgent and immediate action is necessary to encourage the best graduates to remain in research and not be forced by financial considerations to move elsewhere."¹⁵

Although the increased science budget for 2001-04 includes increased stipends for PhD science and engineering students, rising from £6,620 to £9,000 (outside London) in the period 2001-2004, at a total cost of £34 million, it is unlikely that this will solve the problem of recruitment into academia if starting salaries remain so low.

In 1998 the Bett Report commissioned research into the pay relativities between academics and other comparable public sector groups. Bett estimated that in 1998 academic staff within the post-1992 Universities were paid below the level of comparable groups in the public sector. The median salary of a main grade lecturer was 10% less than public sector comparators such as junior police inspectors, experienced teachers and NHS ward managers¹⁶. In response to those findings the Bett Report made a series of recommendations on the need to increase the minimum levels of academic salaries as follows:

- | | | |
|------|---------|--|
| i. | £20,000 | Entry grade research posts in pre and post 1992 Institutions |
| ii. | £22,500 | Starting salary for Lecturer and experienced researcher, in pre and post 1992 institutions |
| iii. | £28,000 | Senior Lecturer posts (post 1992)
Lecturer B and senior researcher II posts (pre 1992) |
| iv. | £35,000 | Principal Lecturer posts (post 1992)
Senior Lecturers, Readers, Researcher IIIs and small Researcher IVs posts (pre 1992) |
| v. | £46,500 | Heads of Department and Equivalent posts (post 1992)
Professors and large Researcher IV posts (pre 1992) |

The Bett Report also recommended that the starting salaries of academic-related grades, and the number and scope of these grades, be determined by benchmarking against the pay structure for academic staff. It is worth noting that a recent survey by the British Computer Society highlighted a serious staffing problem in university computing departments due to the uncompetitive nature of academic related starting salaries.¹⁷

Since the publication of the Bett Report the pay of academic and related staff has continued to decline when compared to the earnings of other key public sector groups. Police officers, primary and secondary school teachers and nurses have all seen increases in relation to average earnings in the whole economy since 1998.¹⁸ The pay settlement for 2001 – 2002 failed to arrest the drift in salaries between these comparable groups:

- ⊙ Researchers continue to be paid at extremely low and uncompetitive rates of pay at levels more than £4,000 below the minimum salary suggested by Bett for relatively inexperienced Researcher posts, with Researcher A posts in the post-1992 universities attracting a salary of only £11,562 on appointment.

¹⁵ The Wellcome Trust, press release 43/99, 15 June 1999.

¹⁶ Bett Report 1998 Appendix F pg F35

¹⁷ British Computer Society (2001), see web site www.bcs.org/ebulletin/011219/university

¹⁸ IDS Report August 2001

- ① For 2001–2002, lecturers' pay in the post-1992 institutions, outside Scotland, is £19,191–£26,163, while lecturers' pay in the pre-1992 institutions is £20,470–£24,435 compared with the Bett comparator of junior police inspectors who now earn £33,849 to £36,834.
- ② The Bett comparator of an experienced teacher (with threshold payments) now earns between £25,959 and £30,018 whilst the pay of Lecturers remains below the minimum levels suggested by Bett for 2002.
- ③ Salaries for Senior Lecturers in post-1992 institutions and Lecturer B's in pre-1992 institutions in 2002 should, according to Bett, commence at £28,000. Yet in February 2002 Senior Lecturers in post-1992 universities outside Scotland will still be paid only £24,906 on appointment and in March 2002 the Lecturer B scale will start at £25,455.
- ④ Bett compared Senior Lecturers in the post-1992 institutions who now earn between £24,906 and £32,265 with larger Inspector roles. The salary for Chief Inspector roles in 2000 ranged from £37,830 to £40,878 substantially more than the pay of senior lecturers. Bett also compared Senior Lecturers' salaries to those of senior teachers who, with advanced teaching skills, can now be placed on a salary scale anywhere between £27,939 and £44,571.

A significant increase is required in 2002 in the minimum salaries for academic and related staff in the higher education sector in line with the recommendations of the Bett Report, and adjusted to take account of the increases in pay of other public sector comparators (as also outlined in section 8 below).

The academic trade unions support the harmonisation of pre- and post-1992 salary scales and of academic and related salary scales in pre-1992 institutions. In line with the work of the Pay Spine and Structures Working Group¹⁹ and the development of interim arrangements in 2002 towards the harmonisation of the pay spine, the academic unions recommend:

- **The abolition of the Research grade A and the first increment of the Research grade B in the post-1992 institutions and the abolition of Research grade 1B in the pre-1992 institutions;**
- **The amalgamation of the two academic-related scales in pre-1992 institutions (Admin, Library and Computer grade and Other related grade) and the establishment of a common starting point across all academic and related scales;**
- **The harmonisation of starting salaries for lecturers in higher education to not less than the best available in the sector.**

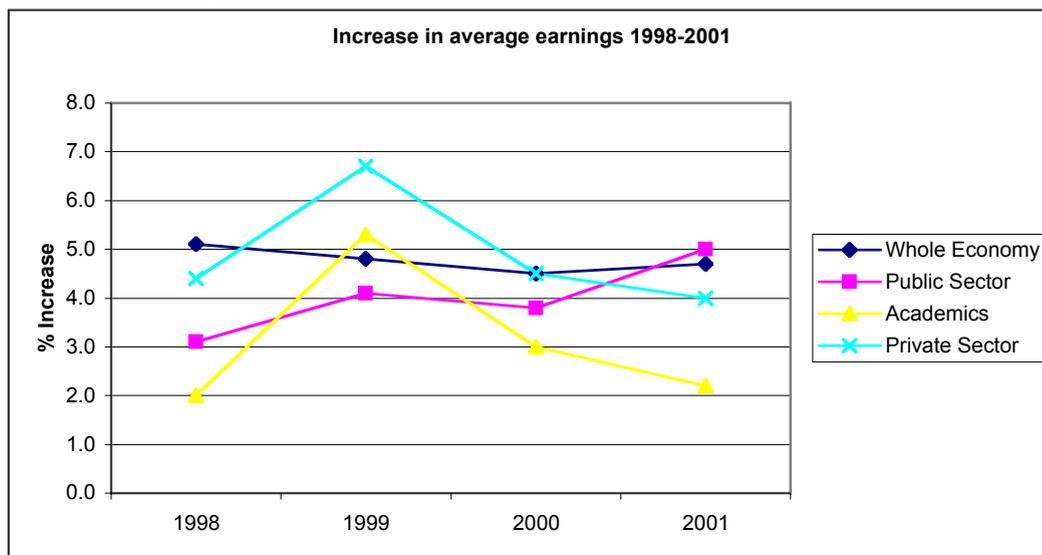
8 Pay comparability

Average wage increases in the UK economy

Since 1998 pay awards for workers in the UK economy as a whole have consistently been above the awards made by the higher education employers. In 1999, a 5.3% pay award was paid in two stages, thus reducing its value. In other years the differential between academics in the post-1992 universities and workers in the economy as a whole ranged from 1.5% in 2000 to 3.1% in 1998. The result is that academics are failing to keep pace with average pay increases within the UK economy as a whole, as illustrated by Chart 2.

¹⁹ One of four working groups of the Joint National Committee for Higher Education

Chart 2 Pay comparability with other sectors since Bett²⁰



Average wage increases within the private sector

Since 1998 pay awards for academic staff and academic related staff (pre 1992 institutions) have only once - in 1999 - reached a level of near parity with increases for workers in the private sector. As stated above, the value of the 2001 pay award was diminished by the decision of the higher education employers to stage the award. In other years the differential between private sector increases and the pay of academics in the post-1992 universities ranged from 1.5% in 2000 to 2.2% in 1998.

Average wage increases within the public sector

Since 1998 pay awards for workers in the public sector have increased at a much higher rate than the earnings of academics. In 2000 the differential was 0.8% and the figures up to August 2001 show a differential of 3.8%. Pay increases since 1998 for academics have not kept pace with the specific comparators suggested in the Bett report. Furthermore, the average level of the pay awards made by the higher education employers fell below settlements for other public sector workers and the level of settlements for the economy as a whole.

Table 7 Comparative increases in earnings 1995 to 2000²¹

Date	whole economy	public sector	private sector	pre 1992 academics	post 1992 academics excluding Scotland	post 1992 academics - Scotland
1998	5.1%	3.1%	4.4%	2%	2%	3.1%
1999	4.1%	4.8%	6.7%	5.3%	5.3%	3.5%
2000	4.5%	3.8%	4.5%	3%	3%	3%
2001	4.7%*	5%*	4%*	4%**	2.2%**	5.1%

*To August 2001, ** pre 1992 academic salaries were increased by a further 1% on 1 March 2002 and post 1992 academic salaries were increased by a further 2% on 1 February 2002

Table 8 Pay settlements for 1998 – 2001 compared to academics in post-1992 universities²²

Date	Whole economy	Public Sector	Private Sector
1998	-3.1%	-1.1%	-2.2%
1999	+1.2%	+0.5%	+0.5%
2000	-1.5%	-0.8%	-1.5%
2001	-2.25%	-3.8%	-1.8%

²⁰ Source – Labour Market Trends - Incomes Data Services 2001

²¹ Incomes data Services/Labour Market Trends

²² Incomes Data Services/Labour Market Trends 2001 - figures do not include Scottish institutions

Ensuring that staff within higher education are fairly paid in comparison with other public sector workers should not constitute an impossible objective for higher education employers. The academic trade unions believe that staff within higher education are entitled to receive at least pay parity with public sector comparators, whilst progressing towards a general pay uplift in accordance with the Bett recommendations on minimal levels of pay for all higher education staff. Bett recommended pay rises totalling 9% of the paybill by 2002. Our figures, in sections 7 and 8 above, show that the rise needed has grown significantly since the Bett Report.

The issue of pay comparability within the public sector should be addressed by the government and the academic unions strongly suggest that consideration is given to ring fencing institutional funding to ensure that institutions allocate sufficient resources to meet the needs of recruitment, retention and reward strategies underpinned by realistic national rates of pay.

9 Senior salaries

Another key area of concern is senior pay in higher education. The minimum pay for a professor or top-grade academic-related staff is well below that of most public sector comparators (table 9). Even the increased professorial minimum at Imperial College, London, from 1 October 2001 of £42,500, rising to £45,000 from 1 October 2002, will not greatly improve senior pay in comparative terms.

In the Bett Report, salaries for professors were found to be 25% below the public sector external market and demanding senior lecturer jobs were valued below all the private and public sector medians. Professors throughout the higher education sector were compared to NHS medical consultants whose basic pay now ranges between £50,810 and £66,120, when the average salary for professors is now £50,648, below the first increment on the consultants' basic pay scale.

Table 9 Senior-level salaries (outside London), at 1 April 2001*

	£	
Professor, minimum, pre-1992;	38,618	<i>* except where indicated</i>
Academic-related Grade 6, pre-1992	38,618	
MSP	42,493	<i>Source: IDS Report, series; IDS Management Pay Review, series</i>
Senior civil servant Band 1 (old grade 5), minimum	44,038	
MP	49,822	
NHS Consultant, minimum	50,810	
Schools head teacher Group 8, minimum	55,254	
GP, intended average net remuneration	56,510	
Army colonel, minimum	59,280	
Assistant chief constable (non-fixed term) (at 1.9.00)	63,270	

There are discrepancies between the academic scales at the top end of the grades. The final point of the principal lecturer grade in post-1992 institutions is £39,141 compared to the final point of £38,603 for senior lecturers in the rest of the sector. The academic unions wish to see this final point being applied to the senior lecturer grade in pre-1992 institutions and to institutions in Scotland as part of the interim arrangements for harmonisation of the pay spine in August 2002.

10 International comparisons of funding and academic pay

The UK does not compare well in league tables of countries with advanced economies. One simple measure is spending per teacher, which excludes any distortion caused by including research institutes.

Table 10 HE spending per teacher 1998/89²³

Country	£	
Canada	188,000	
Italy	*155,000	
United States	135,000	
Australia	134,000	
Finland	120,000	
Sweden	79,000	
Norway	74,000	
France	74,000	
Greece	*65,000	
United Kingdom	60,000	
Germany	*50,000	
Switzerland	*49,000	
Spain	48,000	
Japan	*42,000	
Turkey	39,000	
Czech Republic	38,000	
Mexico	26,000	

Note: This table is derived from OECD data published in Education At A Glance 2001 (pub OECD) and from data supplied by the OECD dataset available at www.oecd.org. Spending is converted from US dollars to £s sterling using Purchasing Power Parities (PPPs) which take account of variations in exchange rates and living costs. The figures take OECD data on current spending, divide that by OECD data on numbers of tertiary teachers and convert using OECD PPPs. All figures relate to 1998, the latest available. The systems most like that in the UK are Canada, Australia and the US - which spend almost twice as much.

** Unfortunately OECD data do not give full-time equivalents so systems which use proportionately more part-time staff will appear lower than they should be – this probably applies to Germany, Switzerland and Japan; the converse probably explains Greece and Italy.*

Not only is UK expenditure lower than in most other countries, a lower proportion of that expenditure is on pay. Table 11 shows the purchasing power of average academic pay relative to that of the UK. The academic unions believe that this is the first time that authoritative comparable figures for academic pay, translated in comparative spending power, have ever been calculated.

Table 11 International comparison of academic pay

Country	£	
Canada	72,700	
Italy	72,400	
United States	56,100	
Finland	47,100	
Australia	39,900	
France	34,500	
Norway	31,200	
Spain	24,900	
Germany	24,800	
United Kingdom	21,800	
Greece	20,800	
Mexico	18,400	
Turkey	18,200	
Japan	16,500	
Czech Republic	11,500	

Note: All figures for this table have been derived from official OECD statistics, either those published in "Education At A Glance 2001" or in the datasets which underlie the tables and which are available from www.oecd.org. OECD data on academic pay is in turn taken from the UNESCO/OECD annual survey of Tertiary pay. Previous comparisons of academic pay have suffered from the fact that tax regimes, exchange rates, social benefits and living costs vary greatly. Hence gross pay comparisons are little guide to relative purchasing power. The above table corrects for this by using the OECD Purchasing Price index, which takes benefits, taxes, exchange rates and living costs into account. It covers all teaching and teaching/research staff in tertiary level institutions, including part-time and fixed term staff.

The OECD dataset publishes spending on tertiary pay (defined as "compensation" which includes e.g. pension and other social benefits such as health care, which is a major factor in the U.S.A.) as a proportion of current expenditure, which is also published as a proportion of total tertiary spending. Those figures were used, together with OECD data on staff numbers purchasing power parities and total expenditure to calculate the table. The low placing of Japan may be due to a relatively high number of part-time staff, unfortunately the OECD does not publish full-time equivalent staff numbers. All figures relate to 1998, the latest available.

²³ Natfhe analysis of OECD (2000) *Education at a glance*

11 Graduates in debt

Aside from low starting salaries, the rising level of graduate debt is another factor which is contributing to recruitment problems in higher education. While the 2001 Barclay's Student Debt Survey put graduate debt levels at £6,507, the National Union of Students estimates students will graduate with debts on average of £12,000 - taking into effect the withdrawal of maintenance grants.²⁴ Whatever the exact amount, it is clear that the introduction of up-front tuition fee payments in 1998, and the full abolition in 1999 of maintenance grants, means students are increasingly in debt by the time they graduate.

In Scotland, the abolition of tuition fee contributions for all eligible students studying in Scotland from 2000/01 together with the introduction of the young student bursary scheme has gone some way to alleviating the debt for Scotland's student population. However, the Parliament's insistence that the graduate endowment of £2,000 be paid once a student is earning £10,000 continues to be a cause for concern. The NUS(S) and academic unions continue to press for the full implementation of the recommendations of the Independent Committee of Inquiry into Student Finance (Cubie Report).

It is not surprising that employers in both the public and private sectors have started offering golden hellos to graduate recruits to help with debt problems. Neither is it surprising to find graduates saying that their debts meant they could not consider a career in higher education because of the low salaries. Professor Robert Bennett, in his foreword to the British Academy's *Review of Graduate Studies in the Humanities and Social Sciences*, said: "In particular it is becoming difficult to recruit students to undertake PhD study in some subjects, and it is increasingly hard to encourage students to stay on to become academics. The main drivers of these changes appear to be: for students, the financial disincentives of increasing debt and low stipends; and for academics, unattractively low salaries and the decreasing appeal of an academic career."

12 Government pay policy

Government across the UK has traditionally refrained from direct intervention in higher education pay issues.²⁵ However, the problem with low senior-level pay in higher education was an important factor behind the government's introduction in 2001 of funding linked to human resource strategies in England, totalling £330 million over three years. Former education secretary David Blunkett said, "I will expect this to be used in part to recruit and retain high quality academic staff in strategically important disciplines or areas and to help modernise the management processes in the sector."²⁶

The Higher Education Funding Council for England is planning to distribute the money to institutions on the basis of their recurrent grants from the Council, to "support the development and implementation of human resource strategies"²⁷. The academic trade unions fear that a great deal will be spent outside the sector on human resource consultancies and the introduction of new "systems" with very little going towards the sums identified by the Bett report needed to improve pay in higher education.

The Bett report estimated that its recommendations on pay increases together with meeting employer's obligations on equal pay for work of equal value would in all be 6 per cent of the higher education sector's total costs, inclusive of 2.5 per cent for equal pay.²⁸ The sector's total costs in 1999-2000 (the most recent year for which data are available at the time of writing) were £12.7 billion, so the amount needed to meet in full the Bett recommendations was £763 million in 1999-2000, of which £318 million was needed for equal pay. Set against this recommendation, the government's £330 million – spread over three years to 2004 – comes nowhere near meeting the additional needs in the sector, even if all of that money went directly into pay packets.

²⁴ NUS (2001), Higher Education Student Financial Support Press Pack 2001/02.

²⁵ The normal line of the government is usually along the lines of: "Universities and colleges are expected to follow public sector pay policy by taking account of fairness, the need to recruit, motivate and retain staff, and affordability ..." (para 39, letter from David Blunkett to chairman, HEFCE, 23 November 1999).

²⁶ D. Blunkett, letter to chairman, HEFCE, 29 November 2000, para. 40.

²⁷ HEFCE (2001), Circular 01/16, para 1.

²⁸ Sir Michael Bett (1999), *Independent Review of Higher Education Pay and Conditions*, London: Stationery Office, para 340.

13 Workload, bureaucracy and assessment

Workload problems are another factor giving rise to recruitment and retention in higher education. Potential academic staff are put off the profession by excessive workload and bureaucracy. Average term-time working weeks had increased to 55 hours a week by the 1990s for academic staff.²⁹ A significant factor in that increase has been the growth of bureaucratic tasks for academic staff, particularly arising from the development in the 1980s and 1990s of formal assessment exercises in research and teaching. A recent study has shown how the increased administrative duties for academic staff has led to staff feeling overburdened, under-supported and under-rewarded.³⁰ Although proposals to reduce the extent of review of teaching are under discussion, it remains to be seen how much these will reduce the bureaucratic burden for academic and academic-related staff.

14 Casualisation, gender and ethnicity

The use of fixed-term contracts in higher education employment is having a disproportionate effect on women and some ethnic minorities. These issues are currently under consideration by the joint national working parties on a single pay spine, equal pay and role analysis, and modernisation.

The epidemic of casualisation in higher education is an important disincentive for those considering a career in academia. More than 90 per cent of research-only academic staff are now on fixed-term contracts. This level of job insecurity is seriously harming the long-term good of the profession. Attempts to improve career prospects for research staff, such as the 1996 Concordat, appear to have had little or no impact on employment practices in the sector. The academic unions are keen to negotiate a new agreement to replace the national framework document "Fixed Term and Casual Employment in HE: A guide to Good Practice" to take account of new legislation and to ensure the elimination of all unnecessary fixed-term and hourly paid contracts in the sector.

Casualisation impacts more negatively on women and some ethnic minority staff.³¹ While the proportion of all UK academic staff on fixed-term contracts increased to 42 per cent in 2000, the level of casualisation was greater among women: by 2000, half of female academics were on fixed-term contracts, compared with 38 per cent of men (table 12).

Table 12 Gender and terms of employment

	Permanent	Fixed-term contract	Other	Grand Total
1994-95				
Female	49%	48%	3%	100%
Male	64%	34%	2%	100%
Grand Total	59%	39%	2%	100%
1999-2000				
Female	46%	50%	4%	100%
Male	59%	38%	2%	100%
Grand Total	55%	42%	3%	100%

Source: HESA individual staff record.

A study in 2000 by the AUT, *Ethnicity, pay and employment in higher education 1998-99* analysed data collected by the Higher Education Statistics Agency (HESA) on the employment of academic

²⁹ S. Court (1996), The use of time by academic and related staff, *Higher Education Quarterly*, Vol. 50, No. 4, October, pp 237-260.

³⁰ EIS_ULA (Dec 2001) The Expansion of Administrative Duties in Higher Education

³¹ Issues relating to equal opportunities in employment in UK higher education are being addressed separately by the joint national working party on equal pay for work of equal value.

staff, in terms of their ethnicity. The results indicated that Asian academics were more likely than staff of other ethnicity to be employed on a fixed-term contract (table 13).

Table 13 Terms and ethnicity, UK academic staff 1999-2000

ETHNIC GROUP	Permanent	Fixed-term contract	Other	Grand Total	<i>fixed-term %</i>
White	63369	42088	2401	107858	39.0
Black	697	597	28	1322	45.2
Asian	2029	3907	49	5985	65.3
Other	1280	1103	118	2501	44.1
Information refused	6507	9625	1238	17370	55.4
Grand Total	73882	57320	3834	135036	42.5

Source: HESA individual staff record

The hourly pay rate for academics in the post-1992 Universities currently stands at £28.48 for staff providing Higher Education courses. The Bett Report estimated that 33% of academics in the post-1992 sector were employed on temporary hourly paid contracts of employment and recommended that institutions consider reducing their reliance on temporary and fixed term forms of employment.

Since the publication of the Bett Report no significant action has been taken to tackle the problems of casualisation, indeed the position of hourly paid lecturers in the post-1992 sector has worsened. In 1999 an hourly paid lecturer working on a full time basis carrying out 550 hours of teaching would have been paid £14,580, a full time lecturer employed on the bottom of the lecturing scale (point 3) in the same year would have been paid £14,902, a difference of £322 or 2%. Due to the removal of three points from the lecturing scale the differential in 2002 has risen from 2% to 20%. Today an hourly paid lecturer performing 550 hours of teaching is paid £15,664, whilst a full time lecturer employed at the bottom of the lecturer scale (point 7) earns £19,575, a differential of £3,911 or 20%.

Hourly paid part time lecturers are only paid for the hours they teach, however they are expected to prepare materials, deliver courses and undertake administration in much the same way as colleagues employed on permanent contracts of employment. Indeed many are required to do far more than 'just teaching', for example they may be required to be research active or take on course leadership and development roles.

Bett stated that 38% of academics in the post-1992 sector were hourly paid lecturers³², this equates to some 21,000 members of staff who are still paid below the minimum pay rate on the lecturing scale regardless of their length of service.

In order to address the widening differential between the hourly rates of pay for lecturers in the post-1992 sector the hourly rate of pay should be increased initially by 30% from £28.48 to £40.94. This would be equivalent to the starting salary for a lecturer based on existing rates in Scottish post-1992 institutions. The figure of £40.94 should then be subject to an increase in line with the agreed equivalent point for starting salaries from August 2002. Eventually the rate should be linked to the mid-point of the lecturing scale.

The academic unions support a move towards a national minimum hourly rate across the sector based on the above calculation, without prejudice to any other existing higher rates. This action will ensure that hourly paid part time lecturers are remunerated on a fair and equitable basis in accordance with the terms of the Part Time Workers Directive. Both UCEA and the academic trade unions will continue to discuss within the JNC – Modernisation Working Group, other targeted measures to reduce casualisation to the absolute minimum. Prior to achieving this an increase in the rate of pay for hourly paid staff is an important first step in the process of tackling the problems of casualisation and low pay within higher education.

Bett Report (1998), paragraph 213

15. London allowance

Paragraph 191 of the Bett Report said:

“The significantly higher costs of living and working in the capital will affect recruitment and retention if staff employed at universities and HE colleges in London are not paid a premium broadly equivalent to that offered by other employers.”

The report went on to recommend (Recommendation 30):

“The level of and mechanism for the necessary premium for HE staff in London should be negotiated in the National Council. It may be necessary for the HEFCE to review additional cost allowance included in its funding of universities and colleges in London.”

London is a major centre for higher education provision and is a world leader in many subject areas. London’s 40 universities and Higher Education Institutions command a research income higher than in any other British region. Over 300,000 students study in London HEI’s, including over 50,000 international students each spending in the region of £15,000 per annum. The higher education sector therefore plays a vital role in the economic and social well-being of the capital. To maintain that position, London institutions must be able to recruit and retain key staff.

While London weighting has been increased to £2,308 for academic staff in the post-92 sector,³³ the allowance for academic and related staff in the pre-92 institutions was last increased in 1992, and set at £2,134. In 1992 the London allowance of £2,134 was worth 15.9% of the minimum salary point of the Lecturer A scale. It is worth only 10.4% of the minimum salary point in 2002³⁴. If it had increased in line with the minimum point of Lecturer A scale, today it would be worth £3254 per annum.

While London weighting for staff in pre 1992 universities has remained fixed, the cost of living has continued to rise as Chart 3 demonstrates. It is worth noting that the average price of a London house is £179,558, 87% more than the UK average of £96,149³⁵. A recent study suggests that to adequately compensate for the cost of living and working in London, and to take into account regional differentials in the private sector, public sector London allowances should be more than £9,000.³⁶

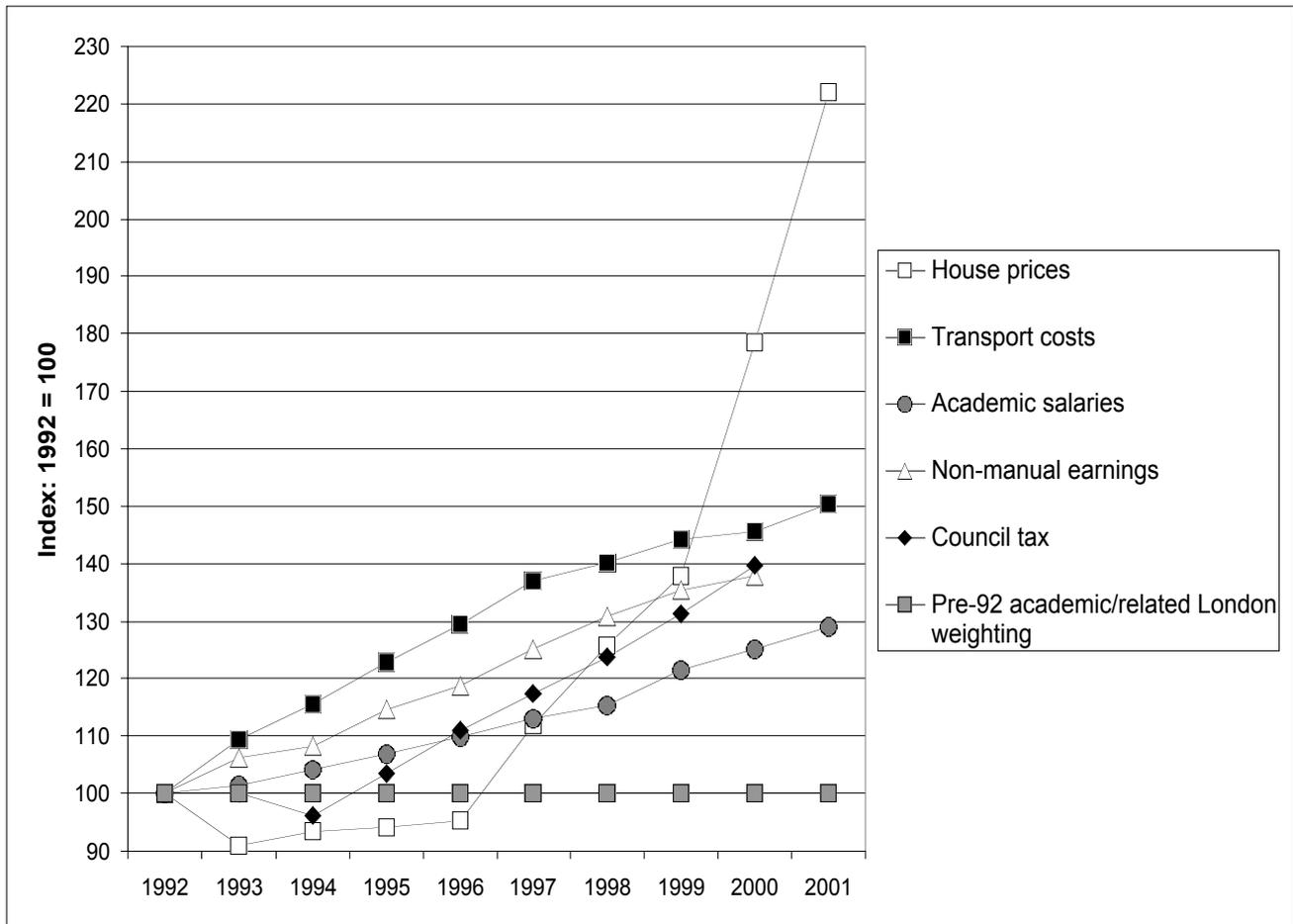
³³ At September 2000, the post-92 allowance for inner London was £2,191, outer London was £1,437 and fringe was £561.

³⁴ The minimum scale point for Lecturer A with effect from 1 March 2002 is £20,470 per annum

³⁵ Halifax house price data 2001 Q4

³⁶ The Economist March 9th 2002. The research was completed by NERA, an economics consultancy

Chart 3 Increase in cost of living, academic salaries and average earnings in London, 1992-2001



House prices = Greater London region average house price data (source: Halifax Building Society).
 Transport costs = price of London Transport annual season ticket zones 1,2,3 (source: London Transport).
 Academic salaries = top of pre-1992 lecturer B grade (source: AUT).
 Average earnings = non-manual average gross weekly earnings, London region (source: NES).
 Council tax = mean London authority band D council tax (source DETR).

Institutions have in the past received annual amounts of non-formula funding for London extra costs from the Higher Education Funding Council for England (HEFCE). Since 1998-99, under the HEFCE's revised methodology for the funding of teaching, current non-formula funds have been replaced by weightings of 8% for inner London and 5% for outer London³⁷. There is no reason why institutions should not be able to increase annually the amount paid to staff under London weighting.

In order to address the problems within the London labour market certain categories of workers have been designated as 'key workers' for London in both the public and private sectors. Key workers have access to various initiatives such as the 'Starter Home Initiative' and other shared home ownership schemes. The academic trade unions believe that academic and related staff are 'key' to the success of London in cultural and economic terms. As such these staff should be designated as London key workers and should be provided with access to the same range of benefits as other London key workers in the private and public sector.

³⁷ HEFCE (1997), *Circular 10/97*

Table 14 Market adjustments for public sector employees in high cost areas, 2000-01

ACAS staff	London allowances harmonised to £3,902 from April 2002 and consolidated to form London pay scales.
Firefighters	London allowance increased by 10 per cent to £3,072
Medical Research Council	£3,031 London allowance (inclusive of £500 central London supplement) rising to £3531 inclusive from 1 August 2002
Nurses and professions allied to medicine	£600 to £1,000 cost of living supplements in London; £400 to £600 in high-cost low-unemployment areas outside London (in addition to London allowances, worth £2,365 in inner London from 1 April 2001)
Police officers (London)	London allowance increased from £1,011 to £4,338 in July 2000, bringing combined allowances, including London weighting, to £6,051
Prison officers	Inner London allowance increased to £3,000
Teachers	Inner London allowance increased by 30% in April 2001 to £3,000 and will increase by a further 3.5% in April 2002 to £3,105

Source: IDS Report 839, August 2001, p. 12; Labour Research Department Bargaining Report 223 January 2002

The academic unions believe there should be a substantial increase in London weighting for all staff in line with the increases in London weighting for other public sector employees and to take account of the ever-spiralling costs associated with living and working in London. The academic unions recommend that London weighting for 2002/3 be no less than £4,000.

Conclusion

This paper demonstrates the overwhelming need for a substantial increase in pay levels for all academic and academic related staff. The Government's target to expand access to higher education can only be achieved if there are sufficient high quality staff to maintain the teaching and research required. It is clear from the evidence provided here that salary levels and insecure career opportunities are a major detriment to the most able of the current generation of graduates to embark on a career in higher education.

Employers must address this problem immediately by decisive measures, which will begin to restore pay levels, and reduce the reliance on fixed term and casual employment. Since 1976 the proportion of higher education institutions' expenditure on staff pay has declined from 70% to 58% and that on academic pay from 38% to 33%. Although additional funding is required to establish competitive pay and employment conditions, it is for employing institutions to demonstrate what is urgently required and to make the first substantial contribution.