



UNIVERSITIES & COLLEGES
EMPLOYERS ASSOCIATION

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To: Heads of Institutions

Dear Colleagues

PAY DISPUTE

As you will know from Updates 06/65 and 06/66, the employers' best and final offer of 12.6% (compound) over 3 years has been dismissed out of hand by the AUT and NATFHE national negotiators without any serious consideration or engagement about the level or structuring of the deal. We hope that through student and public pressure they will re-think this position and will see the need to put it to their members. Given that Sally Hunt has previously signalled to Ministers and other senior figures that something in double figures or in the range 11-14% "should do it", the union itself will be under huge pressure to explain why the goal posts have now moved.

We will be issuing a further press release shortly, and will provide HEIs with further illustrative material on the pay offer early tomorrow. It would be helpful if you could make sure students and staff clearly understand what is on offer and that this both exceeds the unions' original demand for 1/3rd of tuition fee income and represents a very big proportion of all new income to the sector. By any measure, this is an extremely good offer and if they chose to present it positively it could easily be seen to address their "catch-up and keep-up" claim. To not give it serious consideration is not a credible or tenable position - particularly given the growing student and public concern about the dispute. The NUS nationally has now significantly changed its position and their President will be making a direct appeal at the AUT Conference tomorrow to stop the exam-setting boycott.

The UCEA Board is very aware that in making this final offer we have stretched our Subscribers' mandate to the limits. It is, therefore, concerning that the AUT are seeking to promote the view that we are out of touch with our membership and that many Heads of Institutions would be prepared to pay more. If you do not share that view, please make this known to the AUT. It would be helpful if more voices were heard on the affordability issue, reinforcing the line that we have made the best possible offer in the circumstances.

It may be tempting for you to consider other options and no doubt we will discuss these in full at the UCEA Subscribers meeting on Friday 19 May. I would urge extreme caution about this approach unless the local offer is the same as the one already made nationally.

The experience at the two Scottish HEIs which have made local offers is not auspicious. Whilst the offer made at St Andrews was accepted by 90% of AUT members who voted (which shows that the ball park of 12.5% is likely to be acceptable to many staff), the deal was reneged upon by the local AUT at the instruction of their national leadership. At Aberdeen, national intervention meant that the offer was not even put to a ballot of members. So, whilst national AUT may seem to be encouraging local and consortia deals, it would seem that this is with the sole purpose of ratchetting up a national settlement. The position of NATFHE HQ is even stronger on the retention of national bargaining. It is noteworthy that no HEI has managed yet to implement a Framework Agreement deal without approval of one of the academic unions at national level. Therefore, although the time may come when the national offer should be put to staff directly, it is unlikely at this stage that either union will honour a local deal whatever may be said by local union negotiators.

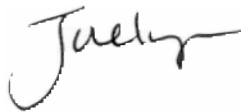
Elsewhere in Scotland, it seems that the EIS-ULA may be about to join AUT and NATFHE in dispute. There is, however, some lack of clarity about this, and any way by the time they have held a ballot on industrial action the main assessment period will be over.

I also enclose a summary of the latest position of HEIs regarding deductions of pay for partial performance, as reported to us. UCEA, UUK and SCOP are sending out today a report about minimising the potential impact of industrial action on students.

I am extremely sorry we haven't yet been able to resolve this dispute, but I do believe that student, public and government opinion are very much against the tactics of the unions. Pressure from those quarters is likely to increase greatly over the coming days, which may change the climate very swiftly.

Please be assured we will make every possible effort to end this damaging dispute. Finally, if you would like to discuss any of these issues further, please do contact UCEA Board members (list enclosed) or Declan Leyden, Peter Thorpe or myself.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Jocelyn'.

Jocelyn Prudence
Chief Executive