

24 August 2022

Education, Children and Young People Committee

Colleges Regionalisation Inquiry

College Employers Scotland submission

Introduction

College Employers Scotland (CES) is the body through which the Scottish Government's Policy of National Bargaining is delivered and implemented by employers in the college sector, in partnership with the trade unions (EIS-FELA, GMB, UNISON and UNITE). Membership of CES is made up of senior leaders from colleges across Scotland.

The Committee has heard several pieces of evidence on industrial relations during its Inquiry into College Regionalisation. This submission, therefore, seeks to provide Members with accurate information and evidence about the employers' approach to industrial relations within the college sector.

Background

Negotiations take place via the National Joint Negotiating Committee (NJNC) which is the established forum for employers and trade unions to jointly agree issues such as pay, and terms and conditions of employment. The NJNC comprises of a Central Committee and two Side Tables – one for Lecturing Staff matters and one for Support Staff. Various working groups also provide support on key issues.

CES and its members seeks to build constructive relationships with the trade unions at the NJNC on the elements covered within the National Recognition and Procedure Agreement (NRPA). In addition, CES has also looked to work productively with trade unions on other policy areas that both sides can agree on, such as the use of the Coronavirus Job Retention Scheme for support staff, paid leave for lecturing and support staff and, most recently, on a National Menopause Policy.

College Sector Funding

Since regionalisation, college sector core funding has increased by £26.6m in cash terms, or a 5.8% real-terms increase, between 2014/15 and 2021/22, as illustrated by the table below:

	Core Teaching & Fee Waiver Element (excluding one-off funding) £000	% Increase in Teaching & Fee Waiver Element
AY 2014-15	393,868	
AY 2015-16	394,004	0.0
AY 2016-17	399,560	1.4
AY 2017-18	413,374	3.5
AY 2018-19	413,906	0.1
AY 2019-20	453,990	9.7
AY 2020-21	473,822	4.4
AY 2021-22	498,669	5.2
	Cash terms % increase (2014/15 to 2021/22)	26.6
	Real terms % increase (2014/15 to 2021/22)	5.8

Additionally, the Scottish Budget for 2022/23 leaves the college sector facing a £51.9m real terms reduction in funding – a loss of £23.9m because of inflation, with an additional £28m removed because of the loss of Covid-19 funding previously received.

In the recent report, *Scotland's Colleges 2022*, the Auditor General set out the stark financial challenges facing the college sector, and the likely further deterioration of the sector's finances over the next few years, operating an almost £5.7m deficit in 2021/22 and almost £2.7m in 2022/23¹. It is important to note that these figures have been calculated without considering the recent 2021/22 increase to staff pay costs or rising college energy bills - with one large college alone budgeting to spend £960,000 more on energy bills next year than currently.

Further, the Auditor General explicitly linked college budgets and increased staffing costs, stating that "*colleges already spend around 70 per cent of their overall budget on staffing and this is increasing, with increases in employer pension contributions and cost of living pay awards driving up staff costs*".

Each year the Scottish Government, through the Scottish Funding Council (SFC), allocate an amount of funding for pay increases. However, in recent years this has never been able to cover the pay claims of the trade unions. This year, for example, SFC allocated colleges £11.8m, with £2m of that spend earmarked for National Insurance increases. However, after negotiation with the trade unions, the total pay award offered to all staff comes to £14.6m, and is consolidated, so colleges will have to find that amount each year now going forwards.

¹ https://www.audit-scotland.gov.uk/uploads/docs/report/2022/nr_220707_scotlands_colleges.pdf

The “gap” of £2.8million is, therefore, filled by employers scrutinising their budgets to find amounts which can be put towards pay, as well as looking for staff reductions to cover the costs. However, the ability of colleges to find available budget cuts has reduced to a point where it is now directly impacting resource allocation to teaching and learning and thereby impacting learners and their educational experience. Resources are finite and increasingly scarce, and colleges’ ability to repeat this exercise of scraping budgets to afford pay deals beyond the SFC allocation is now extremely limited. Cuts to provision and redundancy programs are already been experienced as a result of the level of pay settlements.

Pay and Terms and Conditions of Staff

Colleges are organisations built around people – our students, our staff, our stakeholders, and our partners. Since regionalisation the pay and conditions of lecturing and support staff in Scotland’s colleges have markedly increased, with college lecturers in Scotland now enjoying significantly better pay and conditions than lecturers in any other part of the UK².

A college lecturer’s starting salary in Scotland now begins at £35,170, rising to £53,530 for a Promoted Lecturer at the top of their fixed point³, and is on top of up to 62 days a year holidays. College employers also make generous pension contributions which provides staff with a secure inflation-linked pension for life. Further, all staff the in the 23 signatory colleges to the National Recognition and Procedures Agreement (NRPA) are Living Wage Employers⁴.

Although often stated anecdotally, CES is not aware of any independent evidence of significant staff unhappiness within the college sector compared to any other public sector or tertiary education comparator. Indeed, staff remain in the college sector for many years according to a recent workforce survey undertaken by the College Development Network (CDN). The CDN survey showed that of those who completed the survey (1,810 respondents) almost half (48%) of college staff have a length of service of over 10 years and almost a fifth (18%) have served more than 20 years.

Further, it is also often stated that industrial relations in the college sector are particularly poor compared to other sectors. While it is true that the EIS-FELA have undertaken strike action in the college sector in six out of the last seven years, support staff trade unions have not undertaken strike action since 2016. During this period industrial relations across the tertiary education sector, as a whole, have also faced a challenging period. For example, the Universities and Colleges Union (UCU) has undertaken near continuous strike action on pensions at many universities in Scotland since early 2018⁵, while there have been no such pension disputes at colleges.

Lessons Learned Report

² <https://collegesscotland.ac.uk/documents/news/media-releases/1869-lecturer-infographics/file>

³ <https://njncscotlandscollges.ac.uk/njnc/lecturing-staff/993-circular-stl-04-22-lecturing-staff-pay-agreement-2021-22-1/file.html>

⁴ <https://collegesscotland.ac.uk/documents/news/media-releases/1774-scotland-s-colleges-celebrate-living-wage-accreditation-thursday-7-october-2021/file>

⁵ <https://www.ucu.org.uk/article/9242/UCU-announces-14-strike-dates-at-61-universities-in-pensions-row>

At the 8 June 2022 committee evidence session, there was discussion about whether there were structural issues with the NJNC, and on the Scottish Government's 'Lessons Learned' report. CES would disagree with the trade union witness that *"there is no structural reason why [the NJNC] should not work"*⁶ as we believe there are some structural issues that need to be addressed within the National Bargaining machinery, as well as addressing the inter-personal issues that have clearly been identified.

The independent 'Lessons Learned' report commissioned by the Scottish Government makes key recommendations on both structures and processes, as well as on relationships. While there were some areas of the report that college employers would disagree with, overall, CES thinks it is a fair reflection on current industrial relations within the sector. Employers have, therefore, intimated to government their willingness to accept the recommendations of this independent report, as a whole, and to work with government and trade unions on the detail of how these recommendations are implemented.

Structural issues at College Employers Scotland

On 8 June 2022, the EIS-FELA witness stated that *"the way that I understand the college employers association (sic) to work is that it needs unanimity in how it agrees things"* with the indication that the employers processes in some way slow down, or even undermine, industrial relations.

This is a mistaken understanding of the way CES works. It does not require its members to agree to a pay settlement unanimously. However, it is required to consult its membership about any proposed pay settlement with trade unions, in the same way that trade unions are required to ballot their own members on an employers' pay offer.

This does not mean, however, that CES is complacent about how it operates. Indeed, it underwent an external effectiveness review in 2017 which led to a more streamlined internal process and is, in fact, currently undertaking another governance review to ensure that the current structures and processes continue to be fit for purpose.

2021/22 Pay Award

It was disappointing to hear from the EIS-FELA witness on 8 June their belief that the 2021/22 pay dispute was "dragged out by the employers".

Employers held more than 20 formal and informal meetings with the EIS-FELA on the 2021/22 pay claim between August 2021 and May 2022 to resolve the issue and to seek to avoid industrial action. Several meetings were also held with the support staff side trade unions over this same period, even though they did not have mandate for industrial action. At every opportunity, employers sought dialogue and opportunities to discuss possible solutions. An offer of an "open book" exercise to give transparency of college finances to trade unions was rejected by EIS-FELA, although accepted by support staff trade unions.

⁶ https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/ECYP-08-06-2022?meeting=13816&iob=125266#orscontributions_C2412793

Employers sought to resolve the pay dispute with the EIS-FELA in advance of industrial action starting on 20 April 2022, by increasing their pay offer to £850 consolidated and £200 non-consolidated on the basis of avoiding strikes. This was, however, rejected.

Employers also agreed to meet trade union negotiators as soon as possible after the first day of strike action, and regularly met trade union representatives formally and informally all through the period of strike action itself.

Eventually the pay dispute with both lecturers and support staff trade unions was resolved with a £1,000 consolidated offer from employers on 1 June 2022⁷ ⁸, which was subsequently agreed to and welcomed by both sets of trade unions⁹ ¹⁰.

While the resolution of the pay disputes was welcomed, employers were clear that the eventual pay offer was over and above what colleges could financially afford– given the dire financial constraints outlined by the Auditor General – and will only exacerbate the difficult decisions colleges are already having to make on course provision and overall staffing levels.

Conclusion

In summary, since regionalisation colleges in Scotland have become a very attractive place for staff to work in, with higher levels of pay and better terms and conditions than other college workers across the UK or the average full-time employee in Scotland¹¹.

Further, College employers are committed to supporting National Bargaining and the NJNC “as a means of delivering progress and sustainable outcomes for college staff, in partnership with trade unions”¹².

College budgets are facing severe and ongoing financial constraints and, as the Auditor General has outlined, continually increasing staffing costs only adds to this long-term challenge. Nevertheless, College Employers Scotland will continue to work constructively with both government and trade unions to find positive solutions to improving industrial relations within the college sector.

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⁷ <https://njncscotlandscollages.ac.uk/njnc/support-staff/995-circular-sts-05-22-support-staff-pay-and-terms-and-conditions-agreement-2021-22/file.html>

⁸ <https://njncscotlandscollages.ac.uk/njnc/lecturing-staff/993-circular-stl-04-22-lecturing-staff-pay-agreement-2021-22-1/file.html>

⁹ <https://collegeemployersscotland.ac.uk/news/latest/487-a-joint-statement-by-college-employers-scotland-and-support-staff-trade-unions>

¹⁰ <https://collegeemployersscotland.ac.uk/news/latest/485-joint-statement-by-college-employers-scotland-and-the-eis-fela>

¹¹ <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/3/9/ce765259-d82e-4db7-8ecf-802683f7e56b#:~:text=At%20%C2%A312%2C000%2C%20Scotland%20has,higher%20than%20the%20UK%20figure.>

¹² <https://collegesscotland.ac.uk/documents/briefings-and-publications/publications/1794-college-sector-statement-of-ambition-final/file#:~:text=COLLEGES%20WILL%20MAKE%20AN%20IMPACT%20BY%3A,-%E2%80%A2&text=Building%20colleges%20into%20the%20regional,economic%20recovery%2C%20development%20and%20regeneration.>



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