

Ben Thomas and Shahenda Suliman
Joint Union Side Secretaries
Joint Higher Education Sector Trade Unions

By email

15 May 2026

Dear Ben and Shahenda,

2026-27 New JNCHES pay round

Following the conclusion of the final meeting of the 2026-27 New JNCHES pay round on 13 May 2026, I am writing to set out UCEA's full and final offer on behalf of our participating employers.

1. 2026-27 pay uplift

As you will be aware the sector's financial position remains worrying, as reflected in the House of Commons Education Select Committee (ESC) report [Higher Education and Funding: Threat of Insolvency and International Students](#). In addition, the latest Higher Education Statistics Agency finance data ([HE Finance Data | HESA](#)) shows that for 2024-25 some 43% of higher education institutions (HEIs) were in deficit, a position not anticipated to materially change; and already reduced liquidity levels are set to worsen further. For many institutions, both domestic and international student recruitment remains challenging and for several institutions the near future looks bleak. The Office for Students' (OfS) report [Financial sustainability of higher education providers in England 2026](#) predicts that, if student numbers remain at 2025 levels, the number of HEIs in deficit could increase. The Government's move to ameliorate the financial position, by increasing the undergraduate tuition fee by 3.1% for 2025-26 with a further year's inflation linked rise, is welcome. However, these are the only fee increases since 2017 and are modest by comparison to the significantly deflated real-terms value of the fee. In reality, these increases simply pay for the increase in employer's National Insurance Contributions (NICs).

Against this challenging financial backdrop, UCEA's pay offer for 2026-27 is as follows:

- an uplift on each point on the New JNCHES pay spine of 2% from 1 August 2026
- where adjustments have been made to comply with the 1 April 2026 National Living Wage (NLW) rate of £12.71, the 2% uplift will be applied in addition.

Deferral

As has been the case in previous years, the offer is made subject to the condition that HEIs will have the option to defer the pay award for 2026-27 by up to 11 months, without back pay, from 1 August 2026, until 1 July 2027, at the latest. The deferral clause is as follows:

“As with previous years, there is a clause that allows an HEI with extenuating circumstances to defer implementation of the pay uplifts by up to 11 months on the grounds that this is determined to be in the wider interests of the institution’s sustainability or due to immediate cashflow issues. This would be done following discussion of the reasons with the institution’s recognised trade union(s).”

This means a full deferral, i.e. without back pay.

Foundation Living Wage – With regard to the claim that all institutions become Foundation Living Wage employers, our position remains that UCEA cannot require this of its members, as it is a matter for individual institutions to determine.

Minimum pay rate of £15 per hour – As highlighted during the negotiations, the final offer is at the limit of the sector’s affordability; as such, it is not possible to meet the Joint Unions’ claim for a minimum £15 per hour pay rate.

2. Pay spine review

Building on jointly agreed Terms of Reference from previous New JNCHES pay rounds, UCEA reaffirms its commitment to a joint review of the New JNCHES pay spine, with time-limited negotiations to seek agreement to a new pay spine which is properly costed and affordable. This review will be conducted on the basis of the Terms of Reference provided at Annex A. Prior to starting the review, UCEA will consult its members to seek permission to take forward the work following the principles that were agreed during the negotiations, attached at Annex B.

If agreement can be reached, the outcome of these negotiations, together with indicative timescales for implementation and assimilation, will be subject to further consultation with UCEA member institutions. This consultation will be conducted on the basis that any new pay spine will be implemented by an HEI on or after 1 August 2027.

3. Sector funding

UCEA has engaged with the Joint Trade Unions and sector representative bodies to attempt to develop a joint position statement for the purposes of lobbying government to improve higher education funding. At the final New JNCHES meeting the unions requested that we consider two further amendments to the statement, specifically referencing the ESC report on HE funding and the need for any improvement in funding to benefit both staff and students. We have committed to consult the relevant representative bodies on these two amendments. If there is agreement to this revised statement, we propose a further meeting outside of New JNCHES between UCEA, the Joint HE Trade Unions and sector representative bodies to discuss opportunities for joint or coordinated lobbying.

This position does not form part of our offer and can be pursued independently of the outcome of the New JNCHES pay round. However, any joint work on sector funding will only be taken forward following assurances that it will not be used to support a trade dispute which results in industrial action at UCEA member institutions.

4. Contract types, pay gaps and workload

Previous New JNCHES offers have included a commitment to begin joint work under the previously agreed Terms of Reference in respect of contract types, workload and equality pay gaps. Following decisions made by trade unions to ballot over previous offers, it was not possible to progress this work jointly. However, given the importance of each of these sets of issues, UCEA progressed work in these areas with our member institutions. This work has now been completed and was launched to the sector in March 2026.

Although we are, therefore, unable to restart this work jointly with the Joint Trade Unions, we have shared outputs of UCEA's work with the unions. In addition, we have agreed to meet with the Joint Trade Unions outside of New JNCHES to discuss HESA data and interpretation.

5. Scottish Subcommittee of New JNCHES

As this has been a feature of previous Joint Union claims, UCEA has regularly consulted its Scottish member institutions to understand whether there is any appetite to establish a separate Scottish subcommittee of New JNCHES. We undertook similar consultations again this year, which confirmed that there is no support for a separate pay negotiation at a Scottish level, which is the main responsibility of New JNCHES. Many Scottish HEIs recruit in discipline-specific rather than purely geographic labour markets, and so it remains appropriate that collective pay bargaining at a sector-level should be for the UK as a whole. In addition, forums exist in Scotland for dialogue between HEIs and trade unions. An example of this is the current project on the future funding framework, but there are also ongoing discussions between Universities Scotland and sector unions. For both of these reasons, our 2026-27 offer does not include a commitment to establish a separate Scottish subcommittee of New JNCHES.

6. Job security

In respect of the Joint Unions' claim on avoiding redundancies, UCEA members take their responsibilities for mitigating the impact of job losses extremely seriously, including through voluntary means where possible and addressing expenditure outside of the paybill. To underpin the approaches being undertaken by individual HEIs, UCEA proposes that we update the joint Acas Digest on Job Security, which emphasises the good practice being followed by employers in managed restructuring and redundancy exercises. In addition, UCEA will attempt to identify and disseminate any examples of existing regional collaboration between HEIs and any examples from relevant external organisations which have helped to promote job opportunities.

7. Career pathways for professional services staff

The Joint Claim included a demand relating to career pathways for professional services staff. UCEA fully recognises the role that professional services staff play in the success of the UK's higher education sector. HE institutions engage in this work locally and many have learning and development teams in place. UCEA also promotes good practice within its membership through case studies and discussions about the wider benefits of working within the sector. Our understanding is that the Joint Trade Unions wish to review any relevant guidance issued through New JNCHES. We are, therefore, willing to meet with the Joint Trade Unions outside of New JNCHES to discuss how to take this forward.

The contents of this letter constitute UCEA's Full and Final Offer for the 2026-27 New JNCHES pay round.

Yours sincerely,



Raj Jethwa
Chief Executive

Annex A – New JNCHES Pay Spine review: Terms of reference

Background and purpose

The New JNCHES 2023-24 negotiating round included a commitment to a joint review of the UK HE pay spine, with time limited negotiations to seek agreement of a new pay spine and principles for its implementation, paying particular attention to compression within the pay spine. Although the terms of reference for work on the review of the pay spine were developed in the New JNCHES 2023-24 round, and subsequently in the 2024-25 round, any agreed joint work to review the pay spine will be taken forward as an outcome of the 2025-26 negotiating round.

The negotiations will seek agreement on a no detriment basis* and ensure that the proposal is properly costed and affordable**. The review will take into account the impact of increases in the National Living Wage, which has resulted in the deletion of points at the bottom of the pay spine and the impact that this has had on subsequent pay points. The aim of the review will be to reach a joint position for a nationally agreed pay spine which both UCEA and the trade unions are able to recommend to their respective memberships. The review will recommend a process of implementation, for local discussion and agreement, and the timeframe for such implementation from the beginning of the 2026-27 pay year. This will include taking necessary action after carrying out an Equalities Impact Assessment to rectify any potential discrimination identified by that.

* the detail to be discussed in the working group

** including reference to any findings of the joint agreed review of sector finances

Remit of negotiations

The outcome of the negotiations will be an agreed, jointly costed proposal for the reform of the pay spine which will strive to standardise the differentials between pay points and be accompanied by a revised Appendix A to the New JNCHES Framework Agreement laying out the principles to be applied by HEIs during implementation and a revised Appendix B listing the new annual salary pay points. To achieve this, the following will be included:

- consideration of data relating to the use of the pay spine in the sector including, but not limited to:
 - qualitative research relating to the challenges and limitations of the current spine from employers and trade unions.
 - quantitative data on grading structures and number of staff on each pay point, including equality data.
 - secondary research on approaches taken to address similar pay and grading developments in other sectors (including, for example, potential benchmarking against external comparators etc).
- consider current and future developments through the pay spine, identify and seek to address/remove drivers of pay spine compression, including a potential mechanism to avoid future compression of the pay spine.
- model potential changes to the pay spine and examine the associated costs.
- agree a proposed new pay spine.

The remit of the negotiations will be to agree proposals for a new UK pay spine. It is recognised that the constituent members of New JNCHES will need to consult their members on such proposals; the intention of these negotiations will be to agree proposals that can be recommended for acceptance.

Both parties understand the importance of, and sign-up to the principle of, reaching agreement on a new UK pay spine. If agreement is reached, both parties agree that the new spine will be recommended for implementation. In the unlikely event that no agreement is reached the existing position regarding the pay spine will remain as per the New JNCHES agreement.

Negotiating group membership

- up to 13 representatives, including at least one full-time official and one lay representative from each union, to be determined by the Joint Trade Unions.

It is agreed that a minimum representation of one representative from each union will be sufficient quorum to convene a meeting.

- up to 10 Employer representatives (including UCEA officers and representatives from HEIs)

Additional specialists may be invited with the agreement of both sides to provide input and research findings where relevant.

Pay spine review negotiations: Chair and secretariat

The negotiations will be chaired on an alternating basis.

The joint secretaries will act as co-ordinator between meetings.

UCEA will provide secretariat support to the negotiations.

Meetings

Will be held regularly and as required to progress work effectively within the agreed timescale.

The meetings can take place in person or virtually, so that the joint work can be completed within the agreed timescales and provide reasonable opportunity for both sides to participate.

Responsibility for hosting meetings will be shared between the employers and the trade unions as appropriate.

Timescales

The first negotiating meeting will be held as soon as possible in accordance with the schedule of work provided as part of the Employers offer for the 2025-26 pay round with the aim to complete negotiations as soon as possible.

Annex B – Proposals for a review of the pay spine

Building on jointly agreed Terms of Reference from previous New JNCHES pay rounds, UCEA's Full and Final offer for 2025-26 included a commitment to a joint review of the New JNCHES pay spine, with time limited negotiations to seek agreement of a new pay spine which is properly costed and affordable. Although this review was not progressed in 2025-26, UCEA is willing to revisit this commitment as part of the 2026-27 New JNCHES pay round.

As a basis for subsequent detailed discussions on the review of a new pay spine, UCEA proposes that it would be useful for New JNCHES to reach an initial agreement on the guiding principles which should underpin attempts to negotiate a new pay spine.

The negotiations will seek agreement on a no detriment basis* and will take into account the impact of increases in the National Living Wage on both the bottom of the pay spine and subsequent points.

**Detail to be discussed in the working group.*

UCEA notes the desire expressed in the Joint HE Trade Unions' Full Claim that a review of the pay spine should seek to:

- Achieve consistent and even differentials throughout the pay spine
- Address pay-spine compression
- Review the use of discretionary pay points
- Ensure the durability of the pay spine
- Be recommended by UCEA and the Joint Trade Unions to all institutions with an agreed timeline for implementation.

UCEA would also want the review to:

- Explore the basis for pay progression between spine points
- Take into account local approaches adopted by HEIs to address pay spine challenges.
- Ensure that any new proposals can be applicable across HEIs, regardless of their size, focus or geographical location

If a set of guiding principles can be agreed between UCEA and the Joint HE Trade Unions by the end of the 2026-27 New JNCHES pay round, UCEA will consult participating employers on these principles and assume that Trade Unions would wish to consult their representative structures.

If these principles are endorsed by all parties as the basis for the pay spine review, a Joint Working Group will be established to carry out detailed negotiation on proposals for pay spine reform with the aim of concluding negotiations by 31 December 2026.

The joint working group will also consider the timescale for any transitional arrangements for implementation by HEIs.

If agreement can be reached, the outcome of these negotiations, together with indicative timescales and guidance for implementation and assimilation, will be subject to further consultation with their respective memberships/decision-making structures of UCEA and the Joint Trade Unions. This consultation will be conducted on the basis that any new pay spine will be implemented by an HEI on or after 1 August 2027.