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SRUC PAY OFFER 2022-23

Dear Colleagues,

Many thanks for your letter received on 28 October 2022, detailing the joint trade union (JTU) pay claim, presented at the meeting that day. The meeting as always was very helpful in expanding and supporting the trade unions pay claim for 2022.

The JTU pay claim submitted was:

- An increase in basic pay and allowances in line with a flat cash pay rise recognising the cost on all staff of at least £5000 consolidated for all staff including outsourced and fixed term staff backdated to 1st of August.
- SRUC to pay all progression payments due to all staff including hourly paid and fixed term staff.

SRUC, as is the case with other institutions, continues to face significant financial challenges as we continue to mitigate the impact of COVID and an unprecedented macroeconomic environment with fast rising costs. As we have previously outlined SRUC continues to have to manage material financial pressures which include: the continuing pension deficit recovery plan; estates maintenance costs and further investments in new digital and infrastructure facilities. SRUC continues to progress an exciting growth strategy but until this is delivered, the institution's short-term financial performance is not creating sustainable operating surpluses. In addition, in the financial year 2022/23 SRUC has set for the first time a deficit budget. Our mid-year position is predicting a year end deficit in the region of £1,500,000.

The pay claim submitted as outlined above would cost in the region of £7,000,000 per annum to implement and would cause significant financial risk in an already pressured year. SRUC is not in a position to put such a level of claim in place without significant cuts and reshaping of the institution which we are sure in the current climate none of us would not wish to risk.

However, we have considered very carefully what the institution could offer. We appreciate that these are times of significant difficulty and hardship, and that as a responsible employer we need to consider how to put money in people's pockets as quickly as possible, as well as

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to bring some stable uplift to income going forwards.

Having had the opportunity to consider the pay claim submitted by the joint trade unions and the impact this would have on the institution, SRUC has considered the pay offer for 2022–23 and against this backdrop SRUC is able to put forward the following option as a pay offer:

- **A consolidated increase in basic pay and allowances phased as follows:**
 - The sum of **£1750 FTE** applied as of **01 August 2022** and then on **01 February 2023** the balance applied to take this to **£2100 FTE**.
 - To illustrate:
 - On a salary of £25000 FTE, this would rise to £26750 FTE as of 01 August 2022 and then to £27100 on 01 February 2023.
 - This impact of this will raise SRUC's minimum hourly rate to £11.59, which is £0.69 (6%) above the Scottish Living Wage announced in September.
 - The estimated percentage increase across salary bands would be as follows:

Salary Band	Estimated % of Staff	Estimated % Uplift
£20–25K	21%	8.4% – 10.5%
£25–£30K	17%	7% – 8.4%
£30–£40k	27%	5.3% – 7%
£40–£50K	20%	4.2% – 5.3%
£50K plus	15%	Up to 4.2%
- For the avoidance of doubt, this award will be made to all staff in the qualifying groups inclusive of those who are on casual/hourly contracts.
- Progression payments in relation to salary journeys have and will continue to be applied under the previously agreed 2 step process.
- This award will also be applied to SRUC outsourced contracts to ensure these staff are paid in parity with SRUC staff.
- The wellbeing day that was allocated as part of the outcome of the 2021 pay award SRUC has been well received by staff and therefore SRUC will again allocate all staff a **wellbeing day** to be taken by 31 July 2023 either as a full day or 2 half days to focus on their personal health and wellbeing. There will be no cash alternative to this for those who choose not to take the time.

While we understand that this does not meet the pay claim put forward, we hope that it is recognised that SRUC has made all reasonable considerations to put forward a pay award that is fair within the current circumstances. This has been a carefully considered, values-led offer which is at the limit of what we can afford as we appreciate that our colleagues need resolution quickly rather than drawn-out negotiations.

To that end, please consider this letter to be SRUC's best and final offer in respect of the pay negotiation process for 2022/23. We hope we are able to reach agreement on the pay award for 2022 and would ask that the offer is presented to trade union members to allow suitable ballot arrangements to proceed. In the meantime, if it would be helpful a follow up meeting can be arranged for early January.

Yours faithfully

G. Macgregor

Gavin Macgregor
Chief Operating Officer
On behalf of SRUC Executive Leadership Team