



THE QUEEN'S
ANNIVERSARY PRIZES
FOR HIGHER AND FURTHER EDUCATION
2017



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April 2022

SRUC PAY OFFER 2021-22

Dear Colleagues,

I am writing on behalf of SRUC in advance of the pay negotiations meeting scheduled for 05 May.

In August 2021 I wrote on behalf of SRUC to the Trade Unions on 31 August 2021 to put forward a pay offer for 2021-22, detailed as follows:

- a pay increase of 2.5% on earnings up to and including a threshold of £39,000, together with a pay increase of 1% on earnings above the £39,000 threshold.

Following receipt of the letter received 7 October 2021 detailing the joint trade union pay claim, and the meeting the same day, I wrote on behalf of SRUC to outline a revised pay offer which included the outline of a consolidated and non-consolidated award detailed as follows:

- a) **A consolidated increase in basic pay and allowances of £800 FTE**, with the exception detailed in point 3 below. This is in line with the Scottish Public Sector Pay Policy, however rather than look to phase to 1% for earnings over £40,000 SRUC would intend to apply the £800 to all staff. SRUC view this as a more equitable approach that mitigates potential arising anomalies of a stepped percentage approach.
- b) **SRUC will make a one off non-consolidated payment of £300 FTE to all staff**, with a minimum pro rata payment of £100, in acknowledgement of the continuing hard work of all staff as we move forward.

As has been outlined 2020-21 was a year where we all found ourselves in exceptional circumstances and SRUC understands that the pay award for that year may not have met with expectation or been in line with previous years. SRUC, as is the case with other institutions, continues to face financial challenges as we continue to mitigate the impact of COVID, however as indicated in correspondence to date SRUC was committed to implementing a pay award for 2021-22 in a position more in keeping with previous negotiations. We believed that the above offer demonstrated this and was in keeping with the pay settlements agreed for 2018-19 and 2019-20.

We have previously confirmed that SRUC faces continues to face significant financial challenges as it progresses through the change journey to deliver on strategy. These include the continuing pension deficit recovery plan, estates maintenance costs and further investments in new digital and infrastructure facilities. In respect of the position on pensions, SRUC's appointed actuaries facilitated a session for the Trade Union pension specialists on 28 October. It is apparent that a sum in the range of £1,250,000 to £1,750,000 will need to be invested in the deficit recovery plan per annum from this year onwards. 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.

We maintain the belief that SRUC has made significant progress in recent years in fair and generous pay awards, including above-sector rate settlements, adoption of full Living Wage employer status and agreed acceleration of pay uplifts for lower pay grades as well as pay progression and journey times.

Having had the opportunity to consider and discuss with you the pay claim submitted by the joint trade unions and SRUC's revised offer made in November SRUC has considered the feedback and concerns raised around the non-consolidated payment revised its position and I write to provide details of this in respect of the pay offer for 2021-22.

1. Against this backdrop and with the aim to reach agreement, SRUC is able to offer the following option as a revised pay offer:
 - a. **A consolidated increase in basic pay and allowances of £1100 FTE**, with the exception detailed in point 3 below.

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.

2. Progression payments in relation to salary journeys have and will continue to be applied under the previously agreed 2 step process.
3. As we have previously outlined SRUC is unable to offer an enhanced rate of a £12 per hour minimum rate. We propose introducing a minimum hourly rate of **£10.50 per hour**. This would result in an annual uplift in the region of £1800 for those staff on the lowest grades. This will lead to an element of pay spine compression across the lower grades, but with the work now progressing on the pay and grading project and while it is important and we acknowledge this impact, the work to be undertaken will address this longer term.

For the avoidance of doubt those staff who have the minimum hourly rate applied will only be in receipt of the £1100 detailed above or payment up to that value if their uplift from the application of the minimum hourly rate is less than £1100

This minimum hourly rate will also be applied to SRUC outsourced contracts to ensure these staff are paid in parity with SRUC staff.

4. SRUC will allocate all staff a **wellbeing day** to be taken by 31 December 2022 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. In addition, SRUC has again this year offered support to staff with the cost of **flu vaccines**.

5. SRUC has now implemented the **Phased Retirement Plan** as was agreed as part of the 2020 pay negotiations.

Please note and as previously communicated SRUC does not consider workload challenges, annualised hours, the development of a common set of terms & conditions/pay & grading review or other line management issues to be in scope for discussion in the pay negotiation process as we have separate agreed mechanisms in place to address and progress such matters. The pin date for the pay and grading has now been set as **01 August 2022** and we are looking to progress the negotiations on these matters.

We hope we are able to reach agreement and move to conclude negotiations on the pay award for 2021 and the meeting scheduled for 05 May will allow for any matters arising from this to be discussed.

Yours faithfully

G. Macgregor

Gavin Macgregor
Chief of Staff
On behalf of SRUC