



Joint Imperial College Trade Unions Pay Claim 2015/16

Prepared jointly by Unite, Unison and UCU at Imperial for Management, 27/5/2016

Our Case

The consideration of any pay settlement should incorporate the cost of living to staff and the affordability of the settlement to College. A rational approach to determine a settlement under these changes was described in 2013's pay claim. Again this year we use the updated NIESR data to quantify the additional cost of living in London. In addition we present salary comparators between Imperial and our best matched institutions, London Russell Group universities.

Pay at Imperial

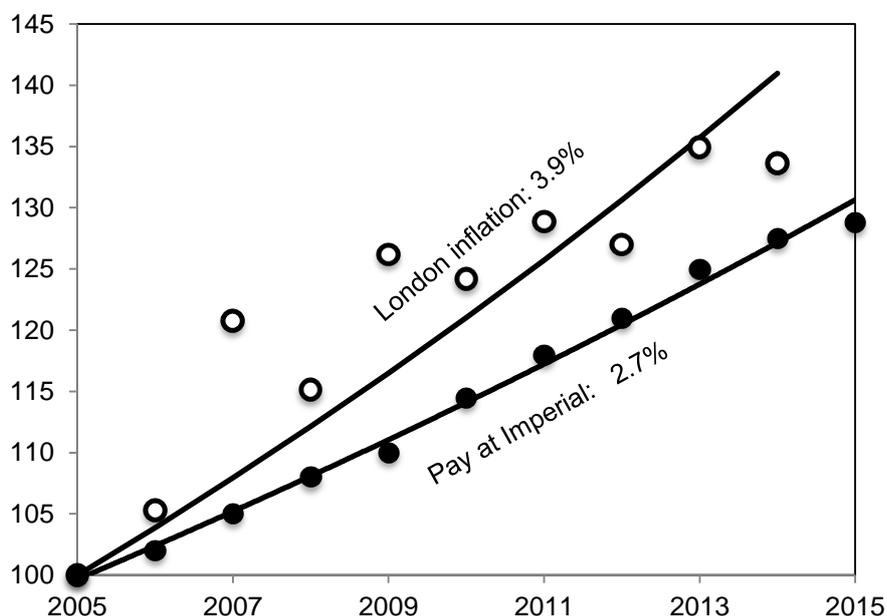


Fig. 1: Imperial annual pay settlements and London inflation from 2005 to 2014/15 with average trend over the period of local negotiations (source Imperial and NIESR: London CPIH private rent, 2005 = 100, 2016)

We now have from NIESR ten years of cost-of-living data stretching back to when local negotiations started at Imperial (figure 1). By comparing London inflation with the annual settlements over the same period, it is clear that the cost of living in London has consistently

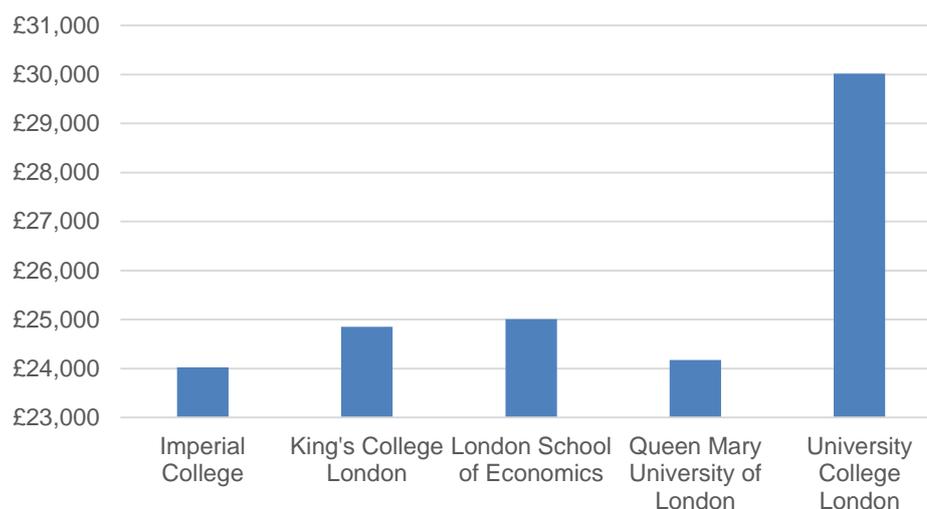


Fig. 2: Average pay for manual staff at London Russell Group institutions (from THES salary survey 2015, source HESA staff record 2013/14)

outstripped pay. Although there have been fluctuations in the gap, taking the trend over the entire period inflation in London has averaged 3.9% a year since 2005 while pay at Imperial has increased by 2.7%. This trend equates to a loss in earning power of over 12% during the period of local pay at Imperial.

The claim that Imperial pay has just about kept up with national CPI ignores the growing gap evident in figure 1. Even taking into account the increased cost of living in London as calculated by the NIESR, this gap does not reflect that the lower paid often face an even higher inflation rate. This was quantified by the Institute of Fiscal Studies in 2014 which found that between 2008 and 2013 the lowest income fifth of households faced average annual inflation 1% higher than the highest income fifth. (Institute of Fiscal Studies, IFS Green Budget 2014).

For example, increased travel costs are a much larger component of the spending of the lower paid and particularly affect Imperial College staff at the lower end of the pay scales. In addition, Imperial College staff who live in Local Authority or Housing Association rented property will be facing significant increases in their rents from the introduction of the Government's Pay to Stay scheme currently before parliament.

When pay at Imperial is compared to our most closely matched comparators, Russell Group universities in London, it is possible to see how the lower paid here might be benefiting, or otherwise, from Imperial's local pay levels. Figure 2 shows the average pay for all staff in manual grades. It is evident Imperial pays the lowest average salaries to the lowest paid segment of staff, manual workers, of all the five London members of the Russell Group.

There is a similar picture for the academics on all but the highest salaries. Figure 3 shows a comparison of pay for academics, excluding professors and senior management. Again Imperial pays the lowest average salary within our most closely matched comparators. These academic staff make up more than 40% of the entire workforce at Imperial and are fundamental to the Imperial's mission as a world-leading research university. This comparison further highlights an issue we have repeatedly identified in previous claims, and quantifies Imperial's position amongst its peers.

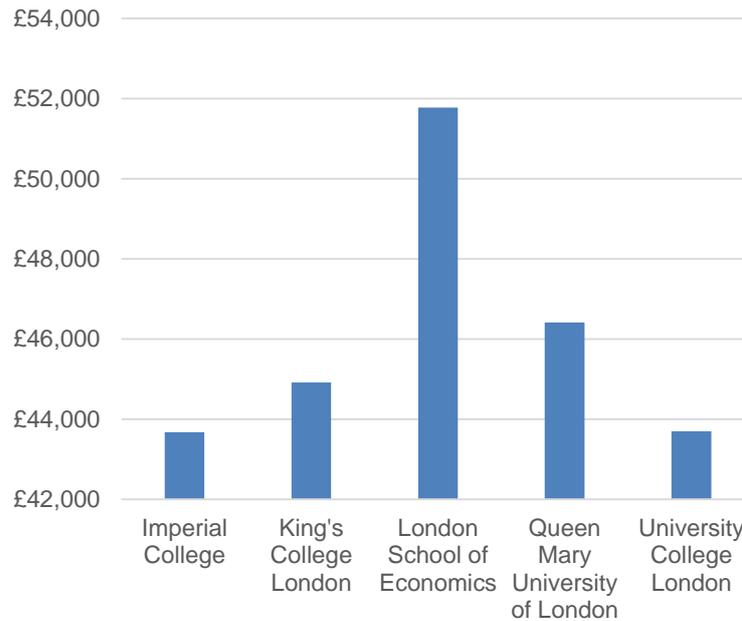


Fig. 3: Average pay for non-professorial academic staff at London Russell Group institutions (from THES salary survey 2015, source HESA staff record 2013/14)

From these two comparisons there appears to be a pattern at Imperial that the relatively lower paid, whether academic or support staff, are less well insulated from the rising costs of living in London. This is also evident in difference in pay by gender. While female professors average pay is slightly above their male counterparts, by just 0.3%, for non-professorial academics, female average pay lags by some 7%. In addition, while females have less than 15% of the highly paid positions, overall 31% of academics at Imperial are female, and are therefore predominantly lower paid. Imperial might vaunt the positive pay gap for their female professors, but behind each of these professors stand many more female academics paid less than their male colleagues, with both paid on average less than their London Russell Group colleagues.

In fact in every category in the HESA data, apart from professors, average pay for women at Imperial lags pay for men, by 7.2% for senior academic management, 13.3% for managers, directors and senior officials, 9.4% for professional, technical and clerical staff, and 3.5% for manual staff.

In addition, from April 2016, our members face further significant costs. As detailed by Imperial HR, members of staff, especially those on the pay scale, face increased NI contributions of up to 1.4% and for those in USS, additional pension contributions of up to 1.5%, or up to an effective 2.9% overall cut in take-home pay.

Affordability of the claim

The unions accept that our claim has to be seen in the light of affordability to College. Last year Imperial recorded its largest surplus ever of £143.5 m, equivalent to nearly £20k per member of staff. Even taking into account the one-off windfall enjoyed from the Research and Development Expenditure Credit income of £47.5 m, the surplus is still more than 50% larger than 2014.

Last year we expressed our doubts about the assessment from management that as far as income was concerned “the risks were on the downside”. Clearly, with an additional £47.5 m anticipated at that time there was at least one major upside that was not shared with us. In

fact, all components of Imperial's income streams grew faster than projected by management. In particular, "other operating income" which we highlighted as being likely underestimated in management projections was indeed £18 m higher than College's anticipated value, and even £11 m above our expectations.

Imperial has been consistently running a surplus many tens of millions above projections, while management is at the same time stating that there is not enough money to meet the increasing costs of living in London. The divergence between management projections and the reality faced by staff living in London has never been larger than at present. A clear link between the two was recognised in the CFO's report to Council last November: "One of the primary reasons for the College generating a larger than budgeted surplus each year was the delay in recruiting suitably qualified research staff on research funding grants." The CFO's statement echoes our experience.

It is past time that pay at Imperial reflects both the cost of living in London and the financial resources that staff have earned for College, if not themselves. In addition meeting our claims would help attract, without delays, and retain the quality of staff needed to undertake the world-class research expected from Imperial.

Our claims

We have constructed our pay claim to specifically address the major issues with compensation at Imperial we have identified.

- A 5% increase across the board to start to address the established trend in the cost of living in London since 2005 and the increase in NI and pension contributions.
- A 7% increase of all the Imperial pay scales to direct resources to the grades where the relatively lower paid who are predominantly found. It would bring non-professorial academic pay up to the average of Queen Mary, though still below that of LSE. It would push up manual staff levels of pay, though still leaving them some way behind UCL's. This combined with the 5% increase of our first claim provides the 12% increase to bring pay back to its value in 2005. Higher paid staff have been better insulated, and the split between our first two claims reflects this.
- We seek agreement on action to close the gender pay gap at Imperial College entirely by 2020, with again this action concentrated on the lower paid.
- A minimum College Worker Rate that meets or exceeds the London Fairness Commission minimum rate of £9.70 an hour. The London Fairness Commission recommended this level in its recent report and it would bring London's lowest paid wages to 60% of the London median.
- Restarting of the pay structure working group with a clear and financed mandate to provide equitable pay scales at no detriment.
- A focus for the Casualisation working group on the extensive use of fixed-term contracts.

With regard to the substance of this year's pay negotiations, one reason for divergence between Imperial and its London peers has been the incorporation of substantial increases in London Weighting within their pay scales through local negotiations, while negotiations at Imperial have in recent years produced little increase beyond the national settlement. If management continue to give no benefit to local negotiations, it is difficult to see why we should be wasting time and effort in them. While we are this year still currently seeking a settlement that reflects local pay conditions, if a corresponding response from management is again not forthcoming, we will be considering in future presenting our claim as effectively a national settlement plus a London weighting if that is how management by their actions rather than their words are choosing to treat pay at Imperial.