

University Pay offer.

20 April 2023

Purpose

- This communication outlines the University's pay offer to UCU (University and College Union) and Staff Representatives.
- The offer recognises UCU's collective bargaining rights for all faculty and adjuncts, and the elected Staff Representatives role in consulting on behalf of all professional services staff.
- The pay discussions seek to align with the University's annual budget planning cycle, which typically concludes in June.
- Any agreed pay award would normally be implemented with effect from 1st January in following year, with eligible employees being in post by 1st October in the preceding year.

Our operating context

- The University has achieved much in 2022-2023, including a successful move to Chiswick Park, several new partnerships and validation agreements, and positive trends in student recruitment.
- We are grateful to the hard work of all our employees in helping to achieve this.
- However, much work remains to achieve financial sustainability and to reassure our stakeholders (including students, investors, accrediting bodies and regulators) - as well as you, our employees and colleagues.
- Many of you will be aware that, in the recent few years, we have:
 - Experienced a sharp drop in income due to the combined impact of the death of our founder and benefactor, and the Covid-19 pandemic. The University is yet to fully recover from this.
 - Worked hard to avoid compulsory redundancies and minimise the impact of the crisis, reducing operating expenditure to the absolute minimum.
 - Ensured survival due to the financial backing of China Education Group (CEG), but with the understanding that we cannot expect this to be open-ended and we must become self-sufficient in our own right.
- Looking forward, the University has ambitious, but achievable, growth targets to support our turnaround. This means targeting a significant increase income and controlling expenditure to achieve breakeven in 2024/25.
- As part of this, we are aiming to double student numbers from around 870 in 2022/23 to over 1800 in 2024/25. Thereafter, we are forecasting accelerated growth to over 3000 students in 2025/26 (including some on-line provision) and return to a surplus.
- Like any organisation, the University must demonstrate continued sound financial management to be deemed competent and credit worthy, and to meet the requirements of our regulators and accreditors. A surplus is also the key indicator of financial health for our strategic partners, and provides the ability for us to invest in faculty, staff, premises, and equipment.

The sector context for HEIs (Higher Education Institutions)

- We are not alone in dealing with tough circumstances.
- The broader national and global economies remain uncertain. HEIs are facing increased expenditure, including fixed costs such as utilities, pension contributions and NI (National Insurance). Many institutions are also dealing with government-imposed caps on student fees.
- Positively, our mean Gender Pay Gap at 7.43% remains below that of both the Sector and the wider economy.
- However, compared to the sector, our staff costs are relatively high; currently representing 57% of our expenditure, compared to the Sector average of around 51.5%.

Our commitment to improving pay and reward.

- The University recognises and appreciates the hard work, loyalty and commitment demonstrated by employees in recent years.
- We are also aware that employees are dealing with the increased cost of living and seeking career progression and salaries more reflective of the Sector.
- The University also recognises that our employees are vital to the success of the University and appreciate that pay and progression must be improved.
- We also acknowledge that last year's pay award was below that of many other HEIs, but it was at the limit of what was affordable without adversely impacting jobs.
- We are committed to rewarding our employees in a way that is fair, transparent, and sustainable. As a result, the University has commenced a significant Reward Review project which aims to address the gap between Richmond and sector pay in a fair and equitable way. This work will involve:
 - Pay benchmarking to help understand current pay gaps.
 - Developing and reviewing pay scales for faculty and staff.
 - Developing a 'Pay Progression model' (comparable to that introduced for faculty) for both professional staff and adjunct faculty.
 - Reviewing the full benefits package for faculty and staff.The University will work with UCU and Staff Representatives on this project.

The University has also sought to improve employee pay and benefits in other ways:

- One extra day of annual leave for professional services staff.
- Provision of free tea and coffee.
- Cycle to work scheme.
- Subsidised transitional 'meal deal' in the Chiswick café.
- New faculty workload scheme.
- Increased salaries for our lower paid employees to a minimum threshold, that is well above the London Living Wage.
- Around 30% of faculty being successful in the initial round of the new faculty progression and promotion scheme.
- Maintained BUPA private medical insurance, and introduced a separate Employee Assistance Programme which is accessible to all employees.

And in the near future:

- We will be analysing the data from the recent EDI survey to assess any evidence of barriers to progression and how factors may intersect with each other to contribute to the pay gap.
- We are working with UCU to improve job security for eligible adjuncts by guaranteeing minimum course numbers.
- We will shortly be launching a Pension salary sacrifice scheme for both USS (Universities Superannuation Scheme) and Standard Life schemes.
- We are finalising an agreement with Virgin Active Chiswick for subsidised gym membership and hope to launch this soon.

Pay Offer

- The University has commenced pay discussions with UCU and Staff Reps earlier this year so that discussions and potential outcomes can be considered within the budget cycle.
- Our offer will be based on balancing our desire to improve pay at Richmond, alongside needing to consider affordability, protecting Richmond's financial viability and sustainability, and avoiding any adverse impact on jobs.
- However, as we are at a critical point in partnership negotiations, which have included the need to improve pay at Richmond, we will not be in a position to table a formal offer until June (effective 1st January 2024). By this time, we hope to have clarity on any new partnership arrangements.
- When making our offer, in listening to the feedback from UCU and Staff Reps, we are considering proposing a multi-year proposal this year, which would cover the next three years (January 2024, 2025, and 2026). In addition, where funds allow, we would also consider proposing additional non-consolidated payments.
- Subject to discussions with UCU and Staff Reps, we are also aiming to draw on the outcomes from the Reward Review to guide the allocation of individual pay awards. We will share more details on this as the Review progresses; our current aim is to finalise this review in Fall 2023.

Our commitments to you:

- We are committed to establishing a fair, transparent, and sustainable reward package for all our employees.
- We are committed to becoming a more diverse and inclusive institution and to monitoring and improving our practices to support equitable career and progression opportunities.
- We are committed to protecting jobs, enhancing career development opportunities, and making Richmond University a great place to work