Ben Thomas and Greg Barnett
Joint Union Side Secretaries
Joint Higher Education Sector Trade Unions

By email

24 September 2026

Dear Ben and Greg,

2026-27 New JNCHES pay round

I am writing following the dispute resolution meetings which took place on 15 and 23 September 2026. As always, we are grateful for the constructive engagement by the Joint Higher Education Trade Unions throughout the 2026-27 pay round.

The trade unions' ground of dispute related to the Employers' pay offer of an uplift of 2% pay for the 2026-27 New JNCHES pay round. Following the conclusion of the dispute resolution meetings, we have fully considered the representations made by the Joint Higher Education Trade Unions and I now write to set out UCEA's Full and Final offer on behalf of our participating employers, which concludes this stage of the New JNCHES dispute resolution procedure.

1. 2026-27 pay uplift

UCEA recognises the understandable disappointment of the unions that the dispute resolution process has not resulted in a higher pay uplift for the staff in the sector.

As we highlighted in our Full and Final Offer letter of 15 May 2026, the sector's financial position remains worrying. Since UCEA made its offer, the Office for Students' Financial (OfS) Sustainability Report (14 May 2026) found 35.8% of providers reported a 2024-25 deficit. The report included an upward trend forecast for deficits to rise to 42.7% of the sector in 2025-26 and warned that institutions remain under continued pressure from volatile student recruitment and rising costs.

Against this challenging financial backdrop, UCEA is unable to improve its Full and Final Offer on the pay uplift for 2026-27, which 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 to the adjustment

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:

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> *"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 and dispute resolution procedure meetings, 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

UCEA recognises the positive and constructive engagement of the Joint Trade Unions with the joint review of the New JNCHES pay spine. Time-limited negotiations have commenced, based on the jointly agreed Terms of Reference from previous New JNCHES pay rounds and the principles agreed during the 2026-27 pay round. UCEA reaffirms its commitment to this process. 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. The trade unions' commitment to taking this work forward was restated during the disputes resolution procedure meetings. 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 agreed during the 2026-27 negotiations to share outputs of UCEA's work with the trade

unions which we have now done. In addition, we have agreed and remain willing 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 for the UK as a whole. In addition, fora 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, alongside academic staff, 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, following conclusion of this stage of the Dispute Resolution Procedure.

Yours sincerely,

Raj Jethwa

Raj Jethwa
Chief Executive