University and College Union

Protecting jobs in higher education from the impact of Covid-19

A REPORT BY UNIVERSITY AND COLLEGE UNION

May 2020

Contents

Part 1

The Scale of the Problem

Introduction

Since the start of the Covid 19 crisis there has been speculation about the impact on the university sector following the expected downturn in student numbers, especially of international students.

The Office for Budget Responsibility warned in mid-April that education will be the sector hardest hit by the crisis with the impact most likely to be felt by universities.

This Part of the document focusses on the report from London Economics which was commissioned by UCU to try and get a sense of the scale of the likely impact, and to support our demands for government financial assistance to UK universities, UCU commissioned that was published on 23 April 2020.

The full report can be found at:
https://www.ucu.org.uk/media/10871/LE_report_on_covid19_and_university_finances/pdf/LEreportoncovid19anduniversityfinances

Suggestions of how to use the report findings at a local level can be found at the end of this part of the document.

THE FINDINGS OF THE LONDON ECONOMICS REPORT: IMPACT OF THE COVID-19 PANDEMIC ON UNIVERSITY FINANCES

The report looked at the likely impact on student numbers and income from tuition fees and teaching grants as a result of:

- an economic recession as a result of the Covid 19 crisis
- the decisions made by students whether or not to enrol as a direct consequence of the crisis.

The report groups universities into four clusters:

Cluster 1: Oxford and Cambridge

Cluster 2: 38 mainly pre-1992 institutions (Russell Group and/or former 1994 Group institutions or unaffiliated institutions)

Cluster 3: 67 institutions (covering members of the 1994 Group, Million+, University Alliance, Guild HE and unaffiliated institutions)

Cluster 4: 18 institutions (including members of Million+, University Alliance, Guild HE and unaffiliated institutions

And within those clusters considers the impact of:

- different student domiciles i.e. UK, EU and Non-EU students
- different levels of study i.e. undergraduate and postgraduate
- different modes of study i.e. full-time and part-time.

IMPACT ON STUDENT NUMBERS

Assuming that GDP growth in 2020 will be approximately 14.8 percentage points lower than in the previous year (i.e. in the absence of the pandemic), the report authors estimate that, on average, and compared to the baseline, there would be a 1% increase in first-year full-time enrolments in 2020-21 (the assumption being that as the job market shrinks, more people will enter full time education), and an 8% decline in part-time enrolment, resulting in an overall 2% decrease in domestic students enrolling in higher education institutions (equivalent to 11,550 students).

Assuming a 4.8% global GDP contraction (estimated by the World Bank (2013)), the report authors estimate a 2% decline in the number of international EU-domiciled and non-EU-domiciled first-year undergraduate students coming to study in the United Kingdom in 2020-21. Due to the predicted economic recession alone (UK and world-wide) caused by the Covid-19 pandemic – by itself – would result in a (minimum) 1.5% reduction in the number of first-year students entering UK HE in 2020-21 (corresponding to approximately 14,000 students).

In terms of likely deferral rates, the report uses recent surveys of students but acknowledges that these figures are likely to change as the situation with regards to the easing of the lockdown changes.

The report assumes a deferral rate of between 12.1% (cluster 1) and 15.9% (cluster 4) in first-year UK students.

The assumed deferral rates for non-UK domiciled students are 44.9% (Cluster 1) to 48.6% for HEIs in Cluster 4.

The combined effects of the economic downturn and the expected deferral rate indicates that compared to baseline (i.e. 2018-19) first-year enrolments, a total of approximately 231,895 students will no longer enrol in UK higher education in 2020-21 – equivalent to approximately 24% of the baseline cohort. This includes approximately 111,000 fewer UK-domiciled students (a 16% decline), while the estimated decline in EU and non-EU students stands at 28,410 and 92,345 (approximately 47% within each category; amounting to a total decline in international students of 120,755). The impact on each of the 4 clusters is shown more clearly in the report.

IMPACT ON INCOME FROM TUITION FEE AND TEACHING GRANTS

In terms of the financial impact, the total decline in tuition fee and teaching grant income experienced across the sector as a result of the estimated fall in student enrolment is estimated to be £2.47 billion (comprised of a decline in tuition fee income of £2.33 billion, and a loss of teaching grant income of £137 million). By student domicile, approximately £612 million of this loss in income is associated with UK-domiciled students, with a further £350 million associated with EU-domiciled students. Driven by the significantly higher tuition fees charged to non-EU students, the largest decline in income was associated with non-EU students, where the expected loss in fee income was estimated to be approximately £1.51 billion.

Per institution, while the average decline in income per institution stands at approximately £20 million, the variation in the reliance on international students across clusters results in a significant variation in impacts by cluster. In Cluster 1, the average impact was estimated to be £42 million per institution compared to estimates of £37 million, £13 million and £6 million per institution in Clusters 2,3 and 4 respectively.

IMPACT ON NET CASH INFLOW

The report identifies that institutions without significant financial reserves with a net cash inflow of less than 5% could face significant operational challenges in the medium term. Prior to the pandemic the report identified 21 institutions with a net cash flow of less than 5%. As a result of the pandemic, the report estimates that number increasing to 91.

IMPACT ON STAFFING

The report uses the projected decline in income to demonstrate the potential risk to jobs in the sector to demonstrate the need for government to offer financial support to the sector to protect provision and staff jobs.

The report assumes that the estimated reduction in income for each institution following the pandemic would be fully offset by a corresponding reduction in institutional expenditure, and that the relative reduction in staff and non-staff costs will reflect the baseline distribution of expenditure of staff and non-staff costs. The results illustrate that a reduction of £2.47 billion (reflecting the estimated decline in university income after the pandemic) could translate to 30,280 job losses across the HE sector (in headcount terms). This equates to average job losses of between 95 (Cluster 4) to 420 (Cluster 2) with an overall UK average of 240 per institution.

THE LONDON ECONOMICS REPORT: ASSUMPTIONS AND LIMITATIONS

As with any report of this kind, there are a number of limitations and assumptions contained within the report. Whilst the report gives us a picture of the potential impact of the Covid 19 crisis on our universities, it is important to be aware of those assumptions and limitations so that the report cannot be used by employers to defend proposed cuts to our members' jobs:

- The report looked at the position of 125 Higher Education institutions only (those that could be categorised into the Clusters they used).

- The report uses the enrolments 2018/19 as a baseline and assumed that, in the absence of the Covid-19 pandemic, higher education institutions' positions in relation to student enrolments, finances and staff in the 2020-21 academic year would have remained the same as in the 2018-19 academic year.

- The use of clusters gives some differentiation between institutions in the sector but does not give the level of granularity that will be required to engage in meaningful negotiations at an institutional level.

- The report is useful in illustrating the devastating impact the Covid 19 crisis could have on our sector. However, it is unable to identify the impact at an institutional level as it does not take in account local student demographics, levels of reserves, value of assets, alternative income streams, cash ratios etc.

- The extent to which we will suffer a UK and world-wide economic recession and the rate at which students are likely to defer, are best estimates given the current information available. This is an ever-changing situation and it is therefore difficult to make predictions with certainty at this stage.

- The impact of proportions of different student domiciles, different levels of study and different modes of study are taken into account in the report. However, there are other factors which will impact, at an individual institutional level, the extent to which the expected economic recession and student deferral will have on an individual institutions' enrolment rates including:

  - the countries from which non-UK domiciled students come (and the extent to which the Covid 19 crisis will have impacted them economically and their willingness to travel to the UK)

  - the proportion of students who live at home (rather than move away to university)

  - how prepared students are for receiving at least a proportion of their learning remotely

  - how easily subject provision can be moved on-line and away from lectures/seminars/lab work, at least in the short term

- The report provides a picture of the likely impact on university income for 2020/21. However much of this 'lost' income is not in fact 'lost' but is merely deferred.

- The report does not look longer term at the financial situation taking into account the likely increase in student numbers as deferred students return and we experience an increase in the student population demographic in the next couple of years.

- The figures used in calculating net cash flow do not include wider consideration that would be caught by surplus or deficit as a proportion of total income (this may give a better or worse picture of financial health at an individual institutional level). More importantly, the impact on net cash inflow does not take into account an institution's reserves or assets.

- That the proportion of income spent on staff costs is fixed. In fact we know that this is not the case and the proportion of income and expenditure spent on staff is at a historical low and that the decision on what proportion of income/expenditure is spent on staff is a managerial rather than a financial one.

- The biggest assumption in the report that needs to be challenged at a local level is that a fall in income will be mirrored by an equal fall in expenditure and that the distribution of staff and non-staff costs remain the same leading to a commensurate cut in jobs.

NATIONAL LOBBYING

On 2 April UCU's General Secretary, Jo Grady wrote to Gavin Williamson, the Secretary of State for education, on the future of Further and Higher education proposing government action in seven key areas in order to address this crisis:

1. Underwriting present funding levels

2. Restriction of competition and a focus on the wider interest

3. Exams, admissions and protection of students

4. Protecting existing academic and institutional capacity

5. Protection against university and college closure

6. Reducing bureaucracy and allowing time for teaching, research and public engagement

7. Expansion of lifelong learning opportunities

For full details see:
https://www.ucu.org.uk/media/10844/G_Williamson_letter/pdf/gwilliamsonletter
and https://www.ucu.org.uk/?mediaid=10895

These remain our key demands to government and we will continue to lobby in support of them to protect both our institutions and our members' jobs.

GOVERNMENT SUPPORT

The announced government support to the sector, to date, falls a long way short of the packages of financial support that either UCU or the employers (via UUK) have been calling for and will do little to protect more vulnerable universities at the expense of the wealthiest universities.

The support currently announced includes:

- the early payment £2.6bn tuition fees that would have been paid anyway
- early payment of research funding (£100m)
- agreement that institutions can continue to charge the full £9,250 annual tuition fee for undergraduates while campuses remain closed and face-to-face classes are suspended as a result of the coronavirus outbreak, as long high standards of online teaching are maintained
- the ability to recruit only 5% of students above the number of domestic undergraduate places an institution has forecast to the Office for Students
- the provision of a further 10,000 places by the Department for Education, of which 5,000 will be reserved for nursing and healthcare courses.

LOCAL LOBBYING USING THE REPORT

As well as identifying the impact of falling student numbers on universities themselves, the report also identifies the wider impact on local communities and businesses. We hope that by drawing attention to this wider impact local MPs will take notice of the report and be willing to get involved in supporting the sector. Template letters for members to adapt and send to their local MPs, linking to the LE report, asking for their help in ensuring the government supports our sector and protects jobs can be found here:
https://www.ucu.org.uk/HEcovid19impact

WORKING WITH THE NUS

It is important that branches engage with their local student unions to try and reach agreement on demands around student support and no job cuts. The employer may well try to pitch the interests of staff and students against each other by for example, prioritising financial student support over staff jobs. It is important we do not let them.

USING THE REPORT AT A BRANCH LEVEL

The report can be used to start a conversation with the employer but it will not provide you with the necessary information to fully engage in meaningful negotiations on how your employer can deal with the negative impact of the Covid 19 crisis.

Your members and your employer may also be aware of the reports prepared by USSBriefs which seek to identify the level of risk each institution is facing as a result of the crisis. We would suggest considering the individual financial metrics rather than the overall risk rating for discussions with your employer. An overall risk rating is a useful indication, but risks in different financial areas may need different negotiation approaches.

No doubt each of our employers is also busy trying to quantify the impact of falling student numbers on their own institution.

We cannot ignore the fact that the Covid-19 crisis has had, and will continue to have, a significant impact on our sector. Not only on finances but on how and where learning takes place.

However, if we leave it to the employers to drive the agenda we will likely to be faced with extensive proposed job cuts and will find ourselves fighting a reactive campaign to save our members' jobs.

The LE report gives us a sense of potential losses to the sector from tuition fees and teaching grant income.

However, it clearly does not provide a full picture of the financial health of individual institutions and should not be used by employers to propose swingeing cuts to staff – including those on any form of casualised contracts. The more detailed work by USSBriefs provides detailed information about risk but it does not function as a justification for the sort of proposed job cuts that we are starting to see.

Some employers will try and use the report (and other sources of information) to argue that they have no choice but to cut jobs. Often, they will attack those on the most precarious contracts first. Although the current situation is unique, the employer response to address any fall in income with job cuts is not new – and something we have resisted for decades. And we need to continue to resist such knee-jerk reactions now, at a time when our members are at their most vulnerable, especially those on casualised contracts.

It is therefore important that we seek early and regular consultation on the likely levels of any reduced income and seek to work with the employer on how to manage any such reductions whilst protecting jobs. Key to this is being provided with details of, and understanding, the university's financial position and any modelling undertaken by the employer.

Part II of this document re-iterates UCU's role in fighting staff cuts and redundancies.

Although we have updated the guidance to take into account the current crisis the policies and strategies remain unchanged – **we should not let employers use the crisis to make job cuts and or target our most vulnerable members. We will continue to defend jobs and defend education as we always have done**.

Part 2

Challenging redundancies: negotiation

Updated advice in light of the Covid-19 crisis

CHALLENGING REDUNDANCIES[1]

It is important that UCU is involved in negotiations regarding all potential redundancies that are proposed by the employer – including potential redundancies at the end of a fixed-term contract.

We have the right to be consulted about potential redundancies and it is important that we engage with negotiations as early in the process as possible, with the aim of avoiding compulsory redundancies.

Such negotiations may take place under agreed procedures or through established committees.

We also need to be negotiating with our employers about preventing redundancy situations from arising by, for example, having clear policies on the rights of staff under organisational change, transferring staff to permanent contracts and re-examining the way in which staff resources are deployed.

CONSULTATION CHECKLIST

It is likely that the employer will seek to implement some level of organisational change during the COVID-19 crisis or in anticipation of changes to student numbers and funding from research councils. It is important therefore that branches seek the following from their employers:

- **agreeing** rapid escalation routes for the resolution of issues arising from changes to working methods between management and trade union representatives.

- **scheduling** regular meetings, at least weekly, between management and unions to review the situation generally and agree appropriate responses to any problems/issues that arise.

Once notification of potential redundancies has been given, the branch should ensure that:

- the regional office is notified

- regular consultation takes place with the branch/LA for the purpose of avoiding redundancies and with a view to reaching agreement. This should include weekly or at least fortnightly updates as situations could rapidly change which may have an impact on employer proposals

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[1] For complete Challenging Redundancies in HE document, please see here: https://www.ucu.org.uk/media/3076/Challenging-redundancies-in-higher-education---A-UCU-briefing-document/pdf/ucu_challengingredundancies_apr13.pdf

- the employer agrees that the intention of the consultation is to seek agreement on the avoidance of redundancies
- consultation is undertaken in a timely way
- consultation includes, in order of priority, the following:

  (a) avoiding the redundancies

  (b) reducing the numbers of employees to be made redundant, including those to be offered voluntary severance/early retirement terms

  (c) mitigating the consequences of redundancy, including agreeing appropriate terms to be offered for voluntary severance and early retirement
- consultation takes place irrespective of the numbers of employees affected by any proposed redundancy
- the employer provides detailed reports on any and all prospective redundancies in the staff categories for which UCU is recognised across the whole university; this will include prospective redundancies of employees on fixed-term contracts
- the employer undertakes equality impact assessments in relation to all equality strands for every prospective redundancy situation and the impact is taken into account in consultations
- that there is no unlawful discrimination (for example, on grounds of gender, race, disability, sexual orientation, religion or belief, age, part-time or fixed-term contractual status) in the process and methodology for avoiding redundancy, including ensuring that any terms or arrangements for voluntary severance/early retirement do not involve unlawful age discrimination
- That the employer provides all necessary financial data including the latest accounts and details of any modelling carried out in response to any predicated fall in student numbers
- that a financial impact assessment of any prospective redundancy is commissioned
- a ‘whole institution’ and ‘whole person’ approach is developed and maintained whereby the responsibility for avoidance of redundancy is taken and shared across the entire operations of the employer and the qualifications, skills and attributes of the individual prospectively redundant employee are considered in the round
- good practice in the provision of redeployment, retraining, career advice and counselling and other suitable methods of avoiding redundancy is developed

- there is weekly notification of vacancies at the institution
- the effect of any proposed redundancy on other employees is taken into account, for example, the workload implications. This is especially important if institutions want to move to an intensive on-line delivery model.

It is likely that employers will try and drive a wedge between staff and students by implying that if they provide additional support to students they will not be able to avoid redundancies and vice versa. Branches are therefore encouraged to liaise with local students' unions on a joint statement whereby the needs of additional financial support for students are not placed in opposition to staff costs.

KEY DEMANDS

- meaningful engagement with a view to reaching agreement on how to address any income shortfalls
- full access to institutional financial data and any modelling carried out
- guarantee of no compulsory redundancies (including of staff on casualised contracts)
- that all other options will be considered, including those that may provide 'one off' funds to deal with this unique situation (e.g. selling an asset)
- a joint review of any existing 'managing change' policy to ensure it is fit for purpose
- that face to face provision will remain a key part of learner provision (i.e. resisting moving everything on-line)
- to reach an agreement regarding on-line provision and lecture capture based on voluntary opt-in and protecting copyright and performance rights of individual members of staff
- that extra classes will be provided to help students complete / progress their studies
- financial support for students to allow them to enrol / progress their studies (this may include encouraging lobbying for access to Universal Credit for students or a national fund such as that established in Scotland https://www.fenews.co.uk/press-releases/45184-nus-scotland-welcomes-5-million-student-hardship-support-package)
- that employers will join us in lobbying for financial support from the government for the sector including using contacts with local MPs, councillors and businesses;
- a commitment from the employer to work collaboratively with other employers in the sector and to refrain from aggressive 'poaching' tactics.

REQUESTING AND ANALYSING USEFUL INFORMATION AND DATA

A basic introductory guide to analysing financial data is at Appendix I. Further advice and guidance is available to branch officers by contacting their regional office.

Branches should remember that a significant proportion of the financial impact because of the COVID-19 crisis will only be temporary because it relates primarily to deferral rates. Therefore, branches should highlight the following points to the employer:

HEADLINE BARGAINING POINTS AGAINST JOB CUTS

Finances

- Temporary nature of impact - caution against knee-jerk reactions that focus on staff reductions and that the institution needs to be well-placed for future years.
- There is a projected demographic increase in the 18-19 year old cohort which means that there is scope for increased student numbers relatively quickly.
- Deferring students returning.
- Branches should consider requesting that senior staff costs are cut/frozen in order to support front-line delivery.
- Suggest that the employer seek to cover temporary income shortfalls from reserves and assets in order to preserve existing provision through the crisis; and take full account of all reductions in expenditure (e.g. international travel expenses) to set against reduced income.
- Proportion of expenditure on staffing costs that have reduced over time could be increased.
- Target non staff spending

Workload

- Even if there is a fall in student numbers, there will not necessarily be a commensurate reduction in the required workload to provide students with the necessary support.
- There is a need to engage and support widening participation which may require additional support for students e.g. additional 'catch up classes' or intensive tutoring before campus lectures return (an ideal opportunity to provide summer work to staff on casualised contracts).
- Branches should also argue for additional front-line staff to cope with limited tutorial/lecture group sizes to facilitate social distancing. Employers cannot simply expect current staff to provide additional lectures/seminars/tutorials to accommodate safe social distancing rules without additional staffing resources. Branches may be

able to calculate the likely additional staff resources required once return to work plans have been agreed.

- Branches should also ensure that the employer negotiates any revised workload models which seeks to intensify workload via on-line delivery.

- Universities need to maintain their ability to respond to increases in demand in the future. To dismiss large numbers of staff, including those on casualised contracts, will mean that universities will be less able to respond to an upturn in demand and maximize their student offer in 2021/22. It is naïve of employers to think that they will just be able to pick up the necessary additional staff to fill any gaps caused by previous staff dismissals.

Equality

- Branches should be live to attempts by the employer to select staff for redundancy on the grounds of their health (e.g. for those staff who have had to shield because of COVID-19 because of an underlying medical condition or age, or who have caring responsibilities).

- Equality impact assessments should be requested including on any courses that are proposed to close.

- Equality impact assessments should be requested for students (including socio-economic background) who don't have access to equipment as readily (see Sutton Trust Report below) or for those with a disability or underlying health condition to ensure that they are not excluded from face to face or one-to-one support and delivery because of staff cuts/social distancing.

Quality

- The need to have high quality on-line provision (a criteria for charging full fees) and noting OU experience that developing a new on-line module takes on average two years; means that institutions need to retain staff expertise and allow staff the time to develop online resources (not just as an add on to all other work).

- It is highly likely that employers will seek to move to intensive on-line delivery. However, this does not mean that there should be a reduction in the number of staff required to deliver such teaching. For example; for students who have not been in receipt of formal education for a number of months since the closure of schools, universities and colleges, there is evidence which suggests that such students are going to require more focused and bespoke tuition, not less. There may be scope therefore for branches to argue for one to one tuition, reduced tutorial class sizes and face to face tuition for those students who do not have readily available access to on-line learning (especially those from lower-socioeconomic backgrounds – see Sutton Trust report https://www.suttontrust.com/wp-content/uploads/2020/05/COVID-19-and-Social-Mobility-Impact-Brief-2.pdf)

The following sections of our Challenging redundancies in Higher Education guidance (https://www.ucu.org.uk/media/3076/Challenging-redundancies-in-higher-education---A-UCU-briefing-document/pdf/ucu_challengingredundancies_apr13.pdf) remain relevant in any situation where the employer is proposing job cuts as a way to deal with the impact of the Covid 19 crisis.

ALTERNATIVES TO COMPULSORY REDUNDANCY

This section of the negotiating guidance covers a number of issues – some of which are based on legal requirements and some of which are based on good practice.

New posts/filling of vacancies

Every effort should be made to ensure that the creation of new posts or the filling of vacancies in some areas are used to reduce the threat of redundancies elsewhere in the institution.

All vacancies should, in the first instance, be considered for suitable alternative employment or redeployment (with training if necessary) for members of staff under threat of redundancy. The creation of new posts should be carried out in such a way as to maximise the possibility of them being filled by those under threat of redundancy.

Help in securing alternative employment, including retraining

As part of the consultation process with affected members of staff the institution should be identifying any assistance that those staff may need in securing alternative employment, either within or outside of the institution. The institution should be providing, in good time, the appropriate assistance, including any training required. Training may be needed to help a member of staff apply for a particular post or to provide them with additional skills to improve their chances of gaining suitable alternative employment.

Trial periods should be offered (at least four weeks) and if after that time the employee does not agree that the job is suitable then they should still have access to enhanced redundancy/early retirement packages and/or further redeployment opportunities.

Notification of vacancies

It is important that all staff in a potential redundancy situation have access to information about all vacancies across the institution. It is also a legal requirement (under the fixed-term regulations) to notify fixed-term staff of vacancies within the institution). In all cases this should not be done simply through notice boards or similar but staff should be notified individually of all such vacancies on a regular basis.

Offer of suitable alternative work

An employer should offer suitable alternative work to potentially redundant employees if it is available (see legal framework section, 16, for more details).

Employers should slot potentially redundant staff into vacant or new posts if there is a significant match between their current (redundant) post and the vacant or new post.

A potentially redundant employee should not be refused an offer of suitable alternative employment simply because they wish to maintain their current working patterns (e.g. part-time working, flexible working arrangements).

Employees should have the right to appeal against the decision not to slot them into a post that they believe constitutes suitable alternative employment.

Redeployment

Where the above measures have not resulted in the threat of redundancy being withdrawn, redeployment should be made available for all affected members of staff who are interested. The aim of any redeployment process is to identify vacant or new posts to which a potentially redundant employee could be appointed, with reasonable training if necessary. Such posts may not be a job match for their current post but will be posts that the potentially redundant employee could fill.

The decision whether or not to seek redeployment should be with the employee.

However, once an employee has indicated that they are interested in seeking redeployment as an alternative to dismissal the employer should actively seek suitable vacancies from across the institution. This should include any posts for which training may be required. Any redeployment process should be about matching transferable skills, not necessarily seeking an exact job match.

Some institutions run redeployment databases holding details of all these seeking alternative employment and matching those against vacancies in the institution.

As part of the redeployment policy departments should be obliged to consider suitable redeployees for any vacancies that they have, prior to advertising externally.

Regulation 3(6) of the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002 states that the employee has the right to be informed by his employer of available vacancies in the establishment.

It is also important that the policy recognises that employees may need training to be able to undertake a new role and gives a commitment to providing that training. Training may be required for a specific role, or to equip the employee with new skills so that they are more likely to be successfully redeployed.

The policy should allow for a reasonable period for redeployment even if this takes the employee beyond their notified date of redundancy. This period should begin when the individual is first identified at being at risk of dismissal for reason of redundancy and should, in any case, last no less than three months.

Where a redeployee is considered unsuitable and is therefore not offered a post it is important that the employing department provides full written details for their decision.

When full written reasons are required it is less likely that redeployees will be rejected purely because of their redeployment status.

A redeployee wishing to maintain their current working patterns (e.g. part-time working, flexible working arrangements) should not be refused redeployment on the grounds of their working pattern and any attempt to do so could be a breach of the Part-time Workers regulations.

There should also be the right of appeal against the decision not to offer a post as a redeployment opportunity.

As well as the employer taking responsibility for seeking alternative employment, the redeployment policy should ensure that employees have access to information about vacancies and training opportunities.

Temporary redeployment or the offer of temporary suitable employment may be appropriate in cases where a post is currently in a redundancy situation but may be reinstated at a later date, for example during a period of student shortfall.

The willingness of staff to engage in the redeployment process, however, should not disadvantage them in relation to access to a voluntary redundancy scheme if they are unsuccessful in securing alternative employment through the redeployment process.

UCU believes that redeployment is key to avoiding compulsory redundancies in a variety of situations. Branches/LAs should seek agreement that redeployment be available for as long a period of possible to maximise the opportunities of a successful redeployment.

Natural wastage

Where the required cost savings are likely to be met through 'natural wastage', e.g. through retirements or expected turnover of staff, UCU should be campaigning for all threats of compulsory redundancies to be withdrawn and for no action to be taken to effect cuts until all savings through such 'natural wastage' have been taken into account.

Alternative funding

Where cuts to posts arise due to lack of funding, e.g. the ending of a research grant, the first step by the employer should be to look for sources of alternative funding. This could be further external funds from a different body or the deployment of central funds.

All sources of alternative funding should be examined and UCU should not simply take it at face value that funds are not available. Where work is still viable, albeit that a particular funding stream has expired, UCU should be arguing for central funds to be deployed to ensure the continuation of the work or for full exploration of alternative funding arrangements. Arguments about affordability of a post should be seen within the context of the university's overall financial position and financial information should be provided to UCU to support any claims of un-affordability. Where external funding is likely to be secured in the short to medium term the employer should make central funds available to maintain the post(s) between periods of funding. Bridging funds of this nature operate in a number of institutions, e.g. where central funds can be used for a period of up to three months when a fixed-term contract comes to an end but another contract will definitely start within the near future, or where a fixed-term contract comes to an end and the department believes a new contract can be obtained but funding has not yet been secured. Branches/LAs can obtain further information about such arrangements from the Regional Office.

Early Retirement/Voluntary Redundancies

UCU should be involved with negotiating the terms of any voluntary severance packages and such schemes should be in place in institutions to be used as an alternative to compulsory redundancies in all cases. Branches/LAs may wish to consider the value of negotiating the terms for a voluntary severance package as part of a collective agreement between the employer and UCU prior to any decisions on cuts to posts being made. Voluntary schemes must, however, apply equally to all members and be truly voluntary; the employer should be clear that UCU will not tolerate pressure being placed on members to go 'voluntarily'.

The offer of voluntary severance should be cast as widely as possible. All staff occupying posts in an area in which cuts are proposed should be included in the pool. As far as reasonably practicable the offer should also be available to staff who are outside of the group directly affected, if the resulting vacancies could be used to redeploy potentially redundant workers ('bumping').

Other options for negotiations may include

- temporary short-time working
- considering applications for part-time working or job sharing
- considering applications for unpaid leave, sabbaticals or secondments
- furlough, if the scheme is still operating.

Staff members may also have alternative proposals. As a general rule it is important for representatives to discuss all options with affected UCU members and to put formally to management any that are agreed.

Appendix: Using financial data

Step 1: Analysing any modelling provided by the employer

Branches should critically analyse any financial forecasts resulting from the Covid 19 crisis, provided by the employer, seeking help from their Regional Office where necessary.

The employer is likely to focus on expected falls in income corresponding to an expected fall in student enrolment in 2020/21. But a number of other factors also need to be considered:

- the likely reduction in income from a fall in students enrolling in 2020/21
- any forecast risk to income from accommodation, conferences, events etc
- identifying how an economic recession may increase (UK) student demand
- how to utilise +5% on student numbers (The ability to recruit only 5% of students above the number of domestic undergraduate places an institution has forecast to the Office for Students)
- how upfront tuition fee and research payments will impact on finances
- a full exploration of other ways to increase income, either on an on-going basis or as a one-off to deal with this unique situation

Step 2: Getting hold of the right financial data

Branches need to request access to full financial accounts from their employer,[2] including:

- reserves
- value of assets (and what they are)
- payments to consultants
- pay to senior staff (incl. VC)
- debt repayments (and full consideration of whether interest payments can be deferred)
- proposed capital expenditure; and existing in-year expenditure
- current liabilities (and whether any of those can be deferred)
- any savings from closing campus / furloughing staff/restricted operations (e.g. international travel)
- saving as a result of strike action (where taken)

[2] Sections 181 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA 1992) places a general statutory duty on employers to disclose information for collective bargaining purposes.

Some financial data is available online/via UCU

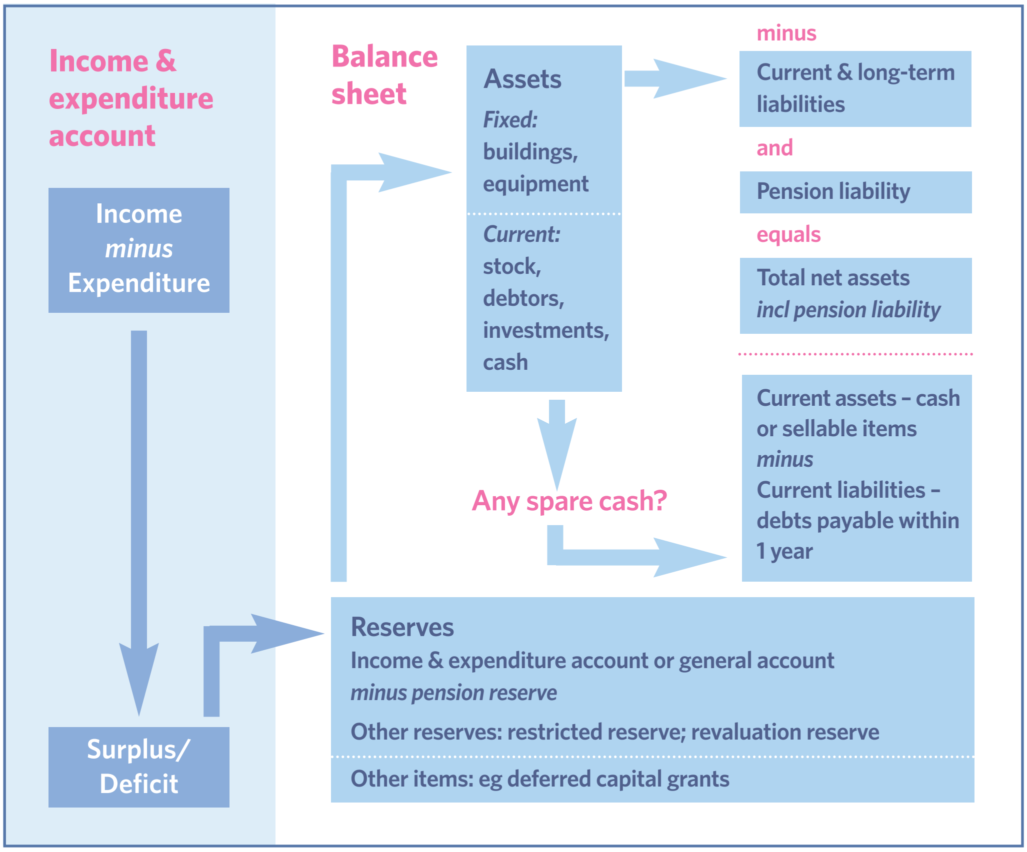
- Annual accounts or financial statements up to July 2019 should be available on each institution's website. These will cover key headline measures
- There should also be more recent management accounts & budgets available
- To make comparisons with other institutions or across your region/nation, you can request access to reports that also include historical data from your Regional Official
- USS Briefs have published an analysis tool that you can use to look at how your institution compares to others across key financial measures. Start with looking at individual measures on the sector analysis tab, and how they compare to average. The risk score (which combines several measures) may be harder to bring into negotiations as there isn't a single accepted way of combining individual measures into a score.
- If your branch would like to look at the raw data, finance data for all HE institutions is available online via HESA

Note for USS institutions 2018-19 financial data will include pension valuation accounting adjustment which isn't a true operating expense

Step 3: Interpreting the data

Use financial accounts to identify funds that can be released and alternative ways of reducing expenditure:

Figure 1: Visual guide to financial accounts (description overleaf)



Income & expenditure account shows different sources of income, and where that money is spent (expenditure). Consider what different income sources are to identify level of risk (see section below). Look critically at non-staff expenditure, and senior staff costs.

Surplus/(Deficit) how much income is left after the year's expenditure. Any surplus will go into reserves, any deficit will need to be covered (from reserves).

Balance sheet shows what resources the institution has (reserves; fixed assets such as buildings; current sellable assets such as investments), minus its debts/obligations.

Unrestricted reserves (created by surpluses in the income & expenditure account) can be spent at institution's discretion. Consider what reserves the institution has at its disposal.

Consider net current assets what cash/sellable items are available after debts due in the next year are paid for? As mentioned above, some tuition fee income shortfall is likely to be temporary.

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