

University and College Union

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To Branch and local association secretaries

Topic **Subscription rates 2020-21 and ongoing review**

Action For endorsement by Congress 2020

Summary Subscription rates for 2020-21 as agreed by the NEC, plus a report on the ongoing review of subscription rates and bands

Contact Martin Smith, acting head of resources

Dear Colleague

Subscription rates 2020-21 and ongoing review

At its meeting in March 2020, the NEC considered subscription rates and bands and agreed, for 2020-21, the subscription rates set out in section 6 of this paper for recommendation to Congress.

Following the postponement of Congress, the officers, endorsed by SFC and reported to NEC, agreed that there was no realistic alternative to operating the subs increase and budget agreed by the NEC from 1 September 2020. It is intended that this be subject to retrospective endorsement by a re-scheduled Congress, which should receive an updated report and any recommended adjustments for approval.

For the full democratic continuity paper see:

https://www.ucu.org.uk/media/10855/SFC-paper-April-2020/pdf/NEC1328__Democratic_Continuity_paper.pdf

Yours sincerely

Dr Jo Grady

General Secretary

Subscription rates 2020-21 and ongoing review

1 Background

- 1.1 Motion 5 from Congress 2018 asked the Treasurer and NEC to look at subscriptions with a view to moving towards a more proportional system. The motion suggested a timescale of 5 years with regular reviews and to maintain awareness of membership loss arising from changes to subscription rates and the consequent loss of income to the union. The motion asked the Treasurer to consult with specialist employment committees and with members which was mostly done in 2018-19, apart from the ARPS committee which was inoperative in that year.

2 Subscriptions consultation

- 2.1 The Academic Related Professional Staff committee did not operate in 2018-19, but it was revived this year after a quorate AGM, and I met with the committee on 12 September 2019. I provided them with UCU/933 as a briefing paper (this was the paper from Congress 2019 which set out the review to that date and the subs rates and bands for the current year, which Congress had approved in May 2019).
- 2.2 One specific issue pertinent to ARPS members is whether apprentices (e.g. in IT) qualify for the free membership scheme. I reported to the committee that the free membership scheme would likely be reviewed and this could be considered.
- 2.3 There were no major issues of concern to the committee regarding subscriptions.

3 Report on last year's change to bands F4/F5

- 3.1 The proposals agreed by Congress in 2019 included a change to the band boundary between bands F5 and F4 to set the boundary at roughly the level of the minimum wage (£15k) rather than the previous level of £10k. This had the effect of reducing subscriptions for the lowest-paid members in band F4, but it was not known how many members this would affect. All F4 members were contacted in September 2019 and asked to review their subscription band.
- 3.2 We estimate that the loss in subscription income due to the change is approx. £100k p.a. Note that that we do not have specific salary data for members, only the band in which they self-declare, so we can only estimate at how many members sit within a particular slice of a subscription band.
- 3.3 The step made last year was of large and significant benefit to those lower paid members moving from F4 to F5 in that it reduced their subscription by 56%.

4. Proposals for 2020-21

- 4.1 The proposals for subscriptions for 2020-21 have been prepared with the

following **principles** at the core of their construction:

- i) Congress 2018 Motion 5 – movement towards a more proportional system.
- ii) Representation from various parties/committees.
- iii) Action towards alleviating subscriptions for those on the lowest salary levels within band F3 and to commence smoothing the step up from band F4.

The budget proposed to Congress requires an overall increase in subscription income of circa 1.0% overall. We have tried very hard to keep subscription increases to a minimum, whilst increasing funding to the Fighting Fund, overhauling subscriptions and maintaining core UCU facilities and operations. These are difficult competing criteria to accommodate, very much at odds with each other, but we are firmly of the belief this has been achieved in the Budget 2020-21 before you.

- 4.2 This year we will follow through with the statement I made at Congress in 2019, and make a significant change to band F3 to reduce subscriptions for some of our members at the lower end of this band, which currently runs from £20,000-£29,999.
- 4.3 For information, there are about 13,000 members in band F3. Because the current subscription is much higher than in band F4, the income resulting from band F3 is more than double that from F4 amounting to about £2.8M p.a. For that reason and for the fact that we do not know the exact salary earnings of members in any one band an incremental step must be taken this year, especially as we have focused in the budget on increasing the funding to the Fighting Fund, which comes directly from subscription income.
- 4.4 Therefore we propose to alter the band boundary between F4 and F3 to £21,999, so that approximately the lowest-paid 20% of members in F3 move down to band F4. This will happen if they update their subs band – all members in band F3 will be contacted to invite them to change to band F4 if their income is below £22,000, exactly as we did last year with members in F4.
- 4.5 We estimate that this will directly affect over 3,200 members and will cost in the region of £275K in lost subscriptions to UCU.

This is directly aimed at achievement of Principle i), ii) and iii) above.

- 4.6 We propose to take two further significant steps in overhauling the subscription structure:

Firstly, freeze the subscription rates for bands F4 and F3 in order to further help members in these bands including those in the upper three-quarters of F3 who do not move down into F4.

Secondly, apply increases of 2.2%, 2.5% and 3.1% respectively to bands F2, F1 and F0, so that the subscription rates in these upper bands are stretched out. **These three bands account for about 75% of our income**, which is clearly the reason for proceeding carefully and incrementally here.

These two further steps are directly focussed on achieving Principles i), ii) and iii), being another significant step towards proportionality, having taken on board various representations and having substantially amended the rates at bands F3 and F4 over the last two years.

5. Remaining current issues from the Review

- 5.1 The changes made to the lower bands should have the (intended) effect of reducing the number of times members have to change band, by setting the band boundary between F5 and F4 at the level of the minimum wage, and thus reducing the likelihood of a change in band due to fluctuating earnings.
- 5.2 Congress 2020 will be two years on from the Congress in 2018 which initiated the subscription review, with a timescale of 5 years. Therefore, assuming that our finances continue to be sound (and this depends to a great extent on the demands placed on the Fighting Fund this year), it should be possible to continue the process, and make a further change next year to achieve a smaller step between bands F4 and F3, and also to move the band boundary once more. To this end it is my intention in the future to look at reducing band F3 further with a combination of boundary changes and reductions amounting to £1.00 per month, to further smooth the movement from band F4. All of the above is predicated on UCU finances being of such a sound disposition as to allow the further changes which are the aspiration.

Steve Sangwine

Honorary Treasurer

March 2020

5.3 Table : Comparative movement in subscription rates 2016/17 to 2020/21

Band	Annual earnings band	Mid-point	2020/21 - Monthly sub excl. political	2020/21 - Sub relative to F2	2016/17 - Monthly sub excl. political	2016/17 - 7-Sub relative to F2	% Increase/ (Decrease) in subs from 01.09.16	Band
F0	£60,000 & above	70000	27.07	1.29	23.49	1.21	15%	F0
F1	£40,000-£59,999	50000	23.93	1.14	21.41	1.10	12%	F1
F2	£30,000-£39,999	35000	21.06	1.00	19.46	1.00	8%	F2
F3	£22,000-£29,999	26000	17.96	0.85	18.37	0.94	-2%	F3
F4	£15,000-£21,999	18500	10.71	0.51	11.19	0.58	-4%	F4
F5	£5,000-£14,999	10000	4.71	0.22	5.07	0.26	-7%	F5
F6	Below £5,000	2500	1.00	0.05	1.00	0.05	0%	F6

Note that a considerable number of members in Band F4 are going to receive a **56% reduction** in subscription costs from £10.71p.m. to £4.67p in 2019/20.

Note further that in addition a considerable number of members in Band F3 will receive a **40%** reduction in subscription costs from £18.13p.m. to £10.81p.m. in 2020/21.

The swing in subscriptions over the period of 22% has been an effective increase in F0 against a decrease in F5.

6. Subscription rates for 2020-21

<u>Subscription rates from 1 September 2019</u>			
	Annual earnings band	Monthly national subscription including political fund	Monthly national subscription excluding political fund
Full members F0	£60,000 & above	£26.55	£26.29
F1	£40,000-£59,999	£23.58	£23.35
F2	£30,000-39,999	£20.81	£20.61
F3	£20,000-29,999	£18.13	£17.96
F4	£15,000-19,999	£10.81	£10.71
F5	£5,000-14,999	£4.71	£4.67
F6	Below £5,000	£1.00	£0.99
Retired/attached members		£2.85	£2.83
<u>Subscription rates from 1 September 2020</u>			
Extend F4 to £21,999, reduce F3 accordingly, graduated incr. F0 – F2.			
Full members F0	£60,000 & above	£27.38	£27.11 (3.1 %)
F1	£40,000-£59,999	£24.17	£23.94 (2.5 %)
F2	£30,000-39,999	£21.26	£21.06 (2.2 %)
F3	£22,000-29,999	£18.13	£17.96 (0%)
F4	£15,000-21,999	£10.81	£10.71 (0%)
F5	£5,000-14,999	£4.71	£4.67 (0%)
F6	Below £5,000	£1.00	£0.99 (0%)
Retired/attached		£2.91	£2.89 (2.2%)

members			
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