

University and College Union

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To	Branch and local association secretaries
Topic	Proposed budget for the year ending 31 August 2019
Action	For information; for approval at Congress 2017
Summary	This report provides the proposed budget for the year ending 31 August 2019 and the proposed subscription rates from 1 September 2018
Contact	Linda Newman, Head of Resources (email lnewman@ucu.org.uk)

Dear Colleague

Budget for 2018-2019

The proposed budget agreed by the National Executive Committee forms part of this circular and can be found at

<http://www.ucu.org.uk/circ/ucu874budget18-19.pdf>

Congress will be asked to approve this budget.

If you are unable to access documents in pdf format please contact Kay Metcalfe (kmetcalfe@ucu.org.uk).

Honorary treasurer's introduction

It is envisaged from the current perspective that 2018/19 is likely to be another difficult year for all our members as they experience a turbulent period of industrial relations in both sectors, together with the Trade Union Bill and the difficult to predict ripples emanating from this, impacting the budget. The union is not immune from these factors and whilst we have honoured Congress policy we must also continue to be realistic about income and expenditure and the strength of the financial position of UCU.

The budget for 2018/19 has therefore been constructed realistically with a view to allowing for some element of the unexpected, coupled with expenditure proposals where possible. The budget is cautious, within the confines of the expected subscription income, together with the continued operation of the cost control procedures in place, it should be possible to offset the pressures of both of the above and together with the greater utilisation of UCU resources necessary to support the membership at this time, it is the intention to increase subscriptions by just enough to allow for an income which meets the challenges detailed previously. It is proposed to change subscription rates to achieve a 2.5% increase in income for 2018/19. This remains in accord with the long term policy set by SFC to maintain the financial resources of UCU in order to face the challenges ahead, with sufficient backing.

Motion 25 from Congress 2017 called for progress towards a subscription structure where subscription rates are proportional to income. This has been the subject of considerable debate and consultation within the NEC and a 'mirrored' structure of increases in the higher bands and decreases in the lower bands is proposed in 2018-19 as a first step toward the objective. The level of increase to the higher subscription bands, required to achieve a fully proportional subscription structure in one year, would be a risk to membership retention. 74% of UCU's income is achieved from the subscriptions of members in the three highest subscription bands. To maintain income, for every member lost from the higher subscription bands, several new members have to be recruited in the lowest bands. The risk to income of any new subscription model must be managed to ensure continuity of UCU services. A rationale for a proportional subscription structure will be sent to members with the [proposed] change to subscriptions for 2018-19. It is expected that members will understand and support this need for change and for the prudent way that change is being planned.

It is proposed to carry out a more thorough review of the structure and rate of subscriptions during 2018-19 in order to move as quickly as possible to the objective of Motion 25 [2017]. That review will monitor the impact of the first step change in 2018-19, will compare the subscription structures and rates of other unions and will consult widely. A late motion to Congress from NEC confirms the details of that review, the commitment to consultation, and the intention to report the outcome to Congress 2019.

The importance of membership support has continued to be a particular focus in the construction of the Budget for 2018/19 and to this end several specific areas have been allocated continued additional resources in response to this. Therefore, for the 2018/19 Budget, extra funds have been allocated to legal costs, branch and regional support and member training. More specifically these are in anticipation of additional industrial legal challenges to the union and strategic legal cases on behalf of members, extra support for branches at the grass roots level and on a wider basis to look at devolved and localised negotiations, provide technical advice and assistance to the regions and finally, additional training courses for member training and development with a particular emphasis on young members professional development and contributions from each area towards localised training and local negotiations.

The additional funds allocated within the Budget 2018/19 have been directed towards the strategic political objectives set by NEC and Congress, whilst maintaining the existing operations of UCU at its current levels.

Taking all the above into account, the budget shows a small surplus of £2,014, which is essentially break even and is as low as is prudently acceptable, to allow some room for unknown factors. If matters materially change during the period it may become necessary to vire between categories as required.

Steve Sangwine

Honorary Treasurer.