

UCU, UNISON & UNITE RESPONSE TO PROPOSED CHANGES IN  
REDEPLOYMENT AND COMPULSORY REDUNDANCY POLICY

**Claimed justification for changes**

It has been claimed that the 37 people who have been on the Redeployment Register for over three months and who have been sent Section 188 at-risk letters will cost the University £2m this year and that the proposed changes are necessitated by the £20m shortfall in the university's "bottom line" brought about by the failure of its REF strategy and increases in the costs of staff pay, pensions and National Insurance.

We dispute both these claims.

We believe the £2m claim is a gross exaggeration. It is quite untrue to suggest that those on the redeployment register are not working and that the whole of their salaries therefore represent a net loss to the University. All those we know who have received at-risk letters are working and contributing to the University, though not in permanent positions, and this work would have to be done by someone else – often at greater cost – if they were not doing it. When it works as it should, the redeployment register represents a pool of talent and skills the University draws upon to carry out short term projects and assignments; without it, the University would have to advertise and appoint temporary staff or engage consultants (as it has done recently at great cost in IT Services), who would charge more but do the work less well because they are unfamiliar with the University. When it does not work as it should, evidence we have gathered shows that in nearly all cases the failing is due to inefficiencies in the way redeployment has been managed, not the failings of the redeployed staff.

We also note that the University's Financial Statements show that the number of staff earning over £100,000 per annum went up a staggering 33% in 2013-14, from 81 to 108 people, where 108 represents almost exactly 1% of the workforce. Rough estimation suggests that these additional 27 highly-paid members of staff are costing the University around £3.5 million per annum, i.e. considerably more than the claimed cost of the 37 staff on the Redeployment Register.

The campus trade unions have no objection to the University investing in the high calibre staff needed to take it forwards in the 21<sup>st</sup> century. Nor do we dispute that the University faces financial challenges. However, neither the scale of the financial challenges nor the costs of 37 staff on the Redeployment Register should be exaggerated in order to force through fundamental changes in the policies and procedures by which the University is governed. As shown by its annual Financial Statements and a recent cover story in THE, the University of Manchester's finances are in much better state than those of many other UK universities: its operating surpluses were £38 million and £45 million in 2012-13 and 2013-14 respectively, roughly 5% of total income, despite having to service the £300 million bond it issued in 2013; this puts the University in a stronger position than, for example, King's College London, Cambridge, Exeter and Reading, all of who ran deficits in 2013/14.

## **Effect of compulsory redundancies on staff goodwill and the reputation of the University**

The University has managed to successfully negotiate earlier financial challenges – some of them (for example, cuts to HE spending during the years of Margaret Thatcher’s government and the merger of UMIST and VUM) much more severe than the present circumstances – without resorting to compulsory redundancies. The current actions of the University represent a huge departure from the collegial practices and public service values the University has abided by for many, often troublesome, decades. We recall in particular that Alan Gilbert specifically pledged to achieve the £30 million savings (over £40 million in today’s money) required following the merger of UMIST and VUM without compulsory redundancies, telling us in his 2004 Foundation Day Lecture and subsequent open meetings with staff that he was opposed to compulsory redundancies because collegiality is central to our desire to be a world class university and adoption of such a policy would deter high calibre people from coming to work here.

In addition, the proposed changes, which mean anyone placed on Redeployment Register for more than three months will be at risk of redundancy, will irrevocably harm the functioning of the Register. It will be seen as a stop-gap to redundancy, a way station to unemployment, something to be avoided at all costs – the “kiss of death” as one member of staff has put it. As at other universities, people will do anything to avoid going on to it, and all the benefits of the Redeployment Register, to individual employees and the University overall, will be lost. This will damage staff morale and goodwill irrevocably.

It is our view that, if cost-cutting measures are necessary, all other options – such as reducing bureaucratic management costs and expensive consultancy fees, rescheduling some of the campus master plan’s building projects, ERVS schemes, and reducing the staggering growth in expenditure on the 1% of staff on salaries over £100,000 – should be pursued in preference to compulsory redundancies. The President told Senate on April 29 that the Board of Governors is opposed to ERVS schemes, because they are not “strategic”, and that senior management had great difficulty persuading the Board to agree to the last ERVS scheme and did not think it would be possible to persuade it to accept another. However, this is no excuse for not trying to persuade the Board and going down the compulsory redundancy route without first exploring other, less extreme and divisive options.

If the Senior Management Team insists on going down the route of compulsory redundancies, it will be unfair and unnecessary. We and our members, and no doubt other staff in the University who are not trade union members, would like to know why the current Senior Management Team is choosing to depart so radically from the principles and values of its predecessors, many of whom faced much greater challenges.

## **Honouring agreed negotiation procedures**

Redeployment and redundancy policy are accepted subjects for negotiation under the Terms of Reference for a Joint University/Trade Union Negotiation Group and UCU’s Procedural Agreement with the University.

For some time the campus trade unions and senior management have been involved in an on-going review of the Statutes and Ordinances, which includes the University’s policies governing the

redeployment register and redundancy. The last communication we had regarding the University/Trade Unions' Joint Negotiation Group was over the Christmas/New Year break, with no communications at all from the University about these matters since then. In particular, we would like to know why we have had no reply to the email Roger Walden sent to Karen Heaton and Andrew Mullen on January 23rd in reply to Karen's letter of December 19th, which specifically addressed Redeployment Policy. We are concerned that the Senior Management Team is now attempting to subvert established collective bargaining arrangements for negotiating changes to redeployment and redundancy policy and seeking instead to impose changes.

The University claims to be following the existing Statutes and Ordinances in making redundancies. In that case, and in addition to our objections above, we note that we should be consulted over the terms of reference and *modus operandi* of the Staffing Committee, since the existing committee has never dealt with cases of this type before. The Staffing Committee will also need to review the circumstances that led to each individual being on the Redeployment Register, including reviewing past restructures that have led to staff being on the Redeployment Register.

### **Staff sent at-risk letters**

The 37 staff who have been sent at-risk letters went onto the Redeployment Register voluntarily on the understanding that doing so incurred no risk of being made compulsorily redundant and would not have chosen to do so if they had known otherwise. Not all have gone on to the Register because their role disappeared as a result of restructurings or other circumstances; some are there because, for no fault of their own or anybody else's, personal relationships broke down (or became more intimate) as they inevitably do in a large organisation from time to time. In addition, some have not been on the Redeployment Register for three months, at least one was told she was being seconded with no mention of redeployment, and many have been provided with inadequate support in finding or retraining for internal posts that have become vacant. It is grossly unfair, and possibly illegal, for the University to attempt to change their circumstances retrospectively and without prior collective negotiation with the campus Trade Unions.

If the University insists on pursuing its current intentions of making these staff – who were told they could be on the Redeployment Register indefinitely – compulsorily redundant, we will be forced to declare a dispute and seek authority from our national leadership to ballot our members on industrial action to protect them.

### **Campus Trade Unions' joint proposals**

However, we would genuinely prefer to talk and are currently engaged in constructive discussions with University management. We also recognise that the University faces financial challenges, will on occasion benefit from orderly restructuring of its constituent parts, and that the kind of open-to-all ERVS packages used in the past have disadvantages, in particular leading to reductions of staff headcount in a random rather than strategic fashion.

Therefore, the campus Trade Unions have tabled, and are discussing with HR, the following alternative set of proposals, which we believe should replace the current compulsory redundancy proposals:

1. A Targeted Voluntary Severance package limited to staff going on to the Redeployment Register.
2. Improvements to the management of staff on the Redeployment Register so that talented staff are not lost. To assist this process, we are providing the University with anonymized evidence gathered from our members – some very senior – of their experiences of redeployment, both as managers of people who have gone on to the Redeployment Register as well as people who have been on it themselves. Likewise, HR has provided the Trade Unions with some data on the past operation of the Redeployment Register, including the length of time people have spent on the Register; however, more information is needed (for example, on the reasons why staff go on the Register, the steps taken to place staff in new roles, retraining offered and undertaken, etc.) before agreement can be reached.
3. Strengthening of the University's Restructuring Policy, to ensure proper oversight of restructures and avoid their misuse for bullying, intimidation and discrimination. This should begin by reviewing past restructures that have led to staff being on the Redeployment Register. The subsequent staffing and financial performance of the affected areas should be examined and recommendations for the oversight of future restructures developed.
4. A new Avoidance of Redundancy Agreement to be introduced into the Statutes and Ordinances, or elsewhere as deemed appropriate, similar to policies negotiated with a number of other universities, to protect all staff at the University, including those currently dealt with under the 'Contracts of Employment Policy', against the threat of compulsory redundancy.

We believe these proposals represent a genuinely collegial answer to the challenges facing the University and will enhance its reputation as a not only a world-class university but also as a first rate employer that attracts and keeps the very best staff, unlike the current compulsory redundancy proposals. As one of our members (a very senior academic who has been at the University many years) has put it:

“Successive vice-chancellors have confirmed a general understanding that this is a University that will do all it can to avoid compulsory redundancies. I believe that a significant move away from this understanding will materially damage the University in terms of the goodwill and the loyalty of its staff. Moreover, if it gets out that UoM has become a nasty employer, this will make the University less attractive to current and future employees.”