

Pension Action on November 30th

UCU and NIPSA members at Queen's took part in the day of action on public sector pensions on November 30th. Both unions picketed various University entrances from 7.30 onwards. Paul Hudson maintained his tradition of being at the back gate to greet the Director of Human Resources on his arrival. Although Sean McGuickin came to work, a lot of staff did not. Many students stayed away.

A rally held in the Mandella Hall at 11.00 was addressed by representatives of all the unions at Queen's, by the Student Union President and the NI President of NUS/USI. After that we marched to the City Hospital where we joined one of the larger marches to City Hall. As we got nearer the City Hall, various feeder marches converged. The event was noisy, colourful and good humoured and, for once, whoever controls the weather appeared to be on our side. While the staff-student contingent from Queen's had banners and placards, other unions were better supplied with colourful flags, balloons and banners which added greatly to the colour of the event.

Colourful it may have been, but the day of action had the very serious point to make that public sector workers should not be robbed of their deferred earnings in order to pay for the damage done to our economy by the neoliberal establishment. Several speakers at the City Hall rally made this point.

The Universities Superannuation Scheme is not a public sector pension scheme, but it too is affected by the desire of the Government to cut social expenditure. Factors such as increased longevity are recognised by all parties and, in the USS case, have been dealt with through negotiation. If there is a continuing crisis in USS, it is because our employers have been told by the Government to drive down the cost of the scheme with a view to reducing employer contributions to about 10%. The Government euphemism for this is rebalancing employer and member contributions.

A one-day strike by UCU does not affect the university system all that much. What it does is to provide us with the opportunity to show our employers that we are not going to give them *carte blanche* to tear up our contracts and deprive us of our deferred earnings at a time when our real pay is falling quite dramatically. It also provides us with the opportunity to explain our case to the wider public and to our students.

If the negotiations currently underway fail to overturn some of the worst features of the changes imposed by the employers on USS, more robust action will be required. This is likely to centre on the examination process. This is not a form of action any of us want to take and the employers have threatened that partial performance of duties will result in 100% deductions in pay. Of course, all of this can be avoided if a negotiated settlement is reached.

"USS 98% Funded"

Last year the employers told you that USS was in financial difficulties and needed the drastic changes that they were proposing in order to remain viable. UCU said that that there was no financial crisis and that most of the changes were not needed. Judge for yourself who was nearer the truth. Those of you who are contributing to USS will eventually receive the Members Annual Report via QUB. Here are some quotations from it:

"We are therefore reporting funding levels as at 31 March 2011, based on the assumptions used in 2008 (on life expectancy, for example), but updated by the scheme actuary for investment returns and changes in market conditions. The changes include an adjustment in the inflation calculation reflecting the change by the government to 'official pensions' which is used by USS in determining the increases to pensions in payment, which from April 2011 links increases to the Consumer Prices Index rather than the Retail Prices Index. The actuarial assumptions are key in determining the scheme's funding position. Some of the assumptions are likely to be changed when the USS trustee board considers them later this year as part of the valuation process." **"98% funding level."**

That interim report was issued because the full actuarial valuation as at 31 March 2011 has been delayed. There has been a major dispute about the assumptions to be used in the valuation. **The**

employers want to use some ultra conservative assumptions, that produce a sizeable deficit and partially justify their wild assertions made last year. UCU consulted two actuaries and put forward some more reasonable assumptions which would show USS to be 99% funded. The employers have forced through their version and the USS Board has adopted assumptions which will show that USS is 92% funded.

You could only wish that some of these assumptions were true. USS models in incremental progression and promotions, but a major assumption is the size of the general annual pay rise. The assumption for general pay growth is RPI + 0.25% for the next 3 years and then RPI + 1% thereafter. **If the employers really expect these pay rises will they please tell their salary negotiators.**

Further talks with the employers on USS take place on 16 December.

QUB Corporate Plan 2011-2016

You have not seen it? Well the V-C says that there were wide consultations on it. It has been redrafted and it is now too late to consider the views of ordinary members of staff, but you should try to get hold of a copy. Queen's UCU made a rushed brief submission.

The final document is not really a plan. You would expect a plan to describe the resources, the finances and the practical changes required for each objective and give the timetable for implementation. Instead it is an upbeat picture-laden colour publication describing some past achievements of Queen's and setting out some aspirations that most would support if only we had the resources. **As a publication selling Queen's to potential students and the general public, it is excellent. But do not expect it to tell you where you will get the where-with-all to achieve the aspirations.**

It has a redefined mission statement: **"Our Mission... is to become: Recognised as a world-class university that links Northern Ireland to the global community through the life-changing experience we offer to our students, the distinctive contribution made to society by our graduates and the high quality and impact of our research."** Mention of moving "Towards a Global Top 100 University" occurs only in the V-C's foreword.

The document stresses research, overseas collaboration and international students. For instance:

"Increased quality of research outputs in all disciplines leading to a measurable improvement in quality and reflected in a doubling of the 'research citation' impact as reflected in world ranking measures."

"Develop and implement an integrated marketing and recruitment plan to meet realistic and agreed international recruitment targets, supported by a comprehensive scholarship framework."

"Growing an international student population to 10% of the total student population by 2016."

The bread-and-butter of teaching home-grown undergraduates gets less attention, but we are given a target: "A move to the first quartile in the UK University league tables for our performance in the student experience." Although mention is made of 'One University' the document also proposes to "Minimise cross-subsidy in order to maximise investment in agreed strategic priorities."

As regards staff it says, "Our ongoing success depends on the outstanding performance of all our staff and, as with our students, it is important that the staff feel proud to work in Queen's and are engaged in its goals and plans." But it also plans to **"Embed a culture of positive performance across the University through consistent implementation of Performance Management for all staff, both to reward good performance and to address underperformance."**

QUB Shows a Small Surplus for 2010-11

QUB's Consolidated Financial Statements for the year ending 31 July 2011 were presented to Senate in November. [Consolidated means that they incorporate figures taken from the accounts of joint ventures such as INTO Queen's and subsidiaries such as QUBIS and the Bookshop, but these make only a minor contribution.] You should be able to get a copy of the accounts from the Finance Office. They run to 41 pages including the verbal description in the Honorary Treasurer's Report and the Notes to the Accounts, which provide useful detail. **On an income of about £282M we had a surplus of £1.074M (0.4% of income). This is a large drop from previous years and is partly explained by the setting aside of £6.5M for the voluntary severance scheme.** The surplus is short

of a target figure of about 4%, but it is creditable in the financial circumstances. Compared to last year, total expenditure was static, but income fell.

Not all flows of money appear in the Income and Expenditure Account. It shows only money flows that related to that year and are on-going. Capital movements and advance payments for research contracts appear in separate accounts. These account balances feed into the Balance Sheet that depicts the wealth of Queen's at the end of the accounting period (31 July). Thus the surplus from the Income and Expenditure account is only a small part in the annual change in the Balance Sheet. **So while the surplus was £1.074M, the Balance Sheet increased by £32.872M to £409.650M.** You must look at both figures when judging the financial health of the University. However, because Assets are entered at historic cost and are then depreciated, their true value is usually considerably more. Our buildings and equipment have a book value of £313.680M but an insurance value over £800M. The Reserves are the more liquid part of our assets. These dropped slightly from £101.235M to £97.545M. They would have increased but for the growth of £7.571M in the hole in the Retirement Benefits Plan pension fund for non-USS staff.

Total income decreased to £282.452M, a drop of 3.8%. Government grants fell by £13.372M to £89.531M and £2.2M of this fall was due to the first phase of the progressive cutback in public funding. But this fall is also mainly explained by the deferral of recurrent teaching and research grants (*i.e.* setting them aside to be spent in another year). Income from tuition fees *etc.* increased by £3.247M to £69.245M. The number of full-time equivalent students was 17,333, an increase of just 8. **Income tied to teaching totalled £112.690M, while the government grant for research was £33.618M and income from research grants and contacts *etc.* was £63.069M.** The latter was a drop of £5.388M. The contribution to indirect costs increased from £9.6M to £9.9M, and the contribution rate increased to 21%.

Total expenditure increased by just £876K to £279.913M, which is remarkable given the level of inflation and the fact that the provision of £6.5M for voluntary severance is included here. **The staff costs were cut by £2.450M mainly due to the moratorium on recruitment and a 10% vacancy rate. Staff costs dropped to 59% of expenditure (excluding depreciation) and is expected to be just 57% in the current year, so you can see where the heaviest cutbacks fall.** In recent years the Honorary Treasurer in his commentary on the accounts has thanked the commitment and hard work of all staff. Such praise is missing this year. This is despite the fact that virtually all staff have seen an increase in workload and a cut in real pay.

There was £47.7M capital expenditure on buildings and £4.2M on equipment. **Capital commitments at 31 July 2011 were £150.9M but these included £128.5M authorised but not contracted. Capital investment was 7.8% of the insured replacement value, and, as in previous years, this is considerably higher than the 4.5% recommended by HEFCE.** 7.8% is equivalent to replacing everything in 13 years. Some capital expenditure is funded from specific grants and donations, but other capital money comes from government grants for teaching and research. **Were alternative uses of this money considered when it was decided have to this level of capital expenditure despite money being so badly needed elsewhere in the University?**

Performance Management and REF Selection.

In our August *Newsletter* we reported upon the "Inappropriate use of the performance management procedure". We felt that "The actions forced on Heads of School by the senior management of the University have left staff feeling stressed and vulnerable and are having a damaging impact on staff confidence, morale and research output."

Despite our bringing these concerns to the attention of management, there has been a serious escalation in the pressure exerted upon your colleagues and friends through deploying the Capability Procedure as a blunt instrument. UCU has been defending a sizeable number of personal cases across the University. Individuals who are usually highly regarded by colleagues and students have been called to "informal" meetings where discussion has been about REF and little account is taken of personal circumstances, teaching or administration. They require support, not threats thinly disguised as "constructive advice".

In double speak, "This is formally an informal meeting": Despite the requirement that "Personnel will be involved in each of the **formal** stages", UCU has noted a high level of interference from personnel at the **informal** stages. Although UCU has been told that this is consistent across the

University, we observe that personnel are not invited to all “informal” meetings. The Capability Procedure progresses from informal stages to four formal stages that could eventually lead to dismissal. The timing is such that the next meeting should “take place 6 – 8 weeks thereafter (or an appropriate timescale relating to the actual activities, particularly in relation to research)”. UCU consistently declare that a reasonable expectation is that the process of research publication can take many months and targets ought to reflect this salient fact. However, Personnel are ignoring this provision and steadfastly recommending 6 to 8 week target times.

The provisions for REF selection: It is notable that Queen’s is obliged to adhere to strict guidelines regarding REF selection. In July 2011 HEFCE published its “Assessment framework and guidance on submissions”: http://www.hefce.ac.uk/research/ref/pubs/2011/02_11/. Part 4: “Codes of practice on the selection of staff” sets out a comprehensive requirement for institutions to ensure that there is a valid code of practice on the selection of staff for REF submissions. This should demonstrate fairness to staff by addressing the principles of transparency, consistency, accountability, inclusivity whilst taking into account equality impact and personal circumstances of staff involved. The burden of responsibility put upon the University is considerable, but it cannot be shirked. UCU will expect to be consulted on the QUB code of practice soon and we will be taking a keen interest in ensuring that it is fully implemented in the light of recent events.

What about morale and reputational damage? After taking into account the effects on morale and the stress to staff, the less obvious outcome is the mounting reputational damage to the University. UCU is doing all it can to urge more care and caution by management who are solely responsible for both instigating the procedures and their reputational consequences. Getting into such a position is as quick and easy as using the crude “Capability Procedure”, but putting it right may take Queen’s many years of repair work. UCU has proposed less confrontational and more inclusive Professional Development as an alternative to Performance Management and these offer sensible suggestions to all staff. Please see these at: <http://www.ucu.org.uk/circ/UCUHE97.pdf>

The capability regulations can viewed at the Human Resources www page: <http://www.qub.ac.uk/directorates/HumanResources/PersonnelDepartment/PerformanceConductAndEmployeeRelations/Capability/>

Any UCU member invited to an informal or otherwise meeting about capability should contact Queen’s UCU and also identify clearly at what stage the process has reached.

Mike Larkin.

Queen’s UCU Committee Elections

Although the local Officers and General Members are elected at our AGM in June, the constituency representatives are elected at this time of year by single transferable vote. The constituencies are:

- Academic, teaching and permanent research staff in the Faculty of Arts, Humanities and Social Sciences;
- Academic, teaching and permanent research staff in the Faculty of Engineering and Physical Sciences;
- Academic, teaching and permanent research staff in the Faculty of Medicine, Health and Life Sciences;
- Administrative Staff;
- Library Staff;
- Computer Staff;
- Fixed-term Research Staff.

Each nomination shall be made by two members of that constituency and must be accompanied by the written consent of the nominee. It should be sent to **Queen’s UCU Office, Lanyon South by 5 p.m. on Wednesday 11th January 2012**. If you have any doubts as to which constituency you are in you should consult the Queen’s UCU office on ext 3090. If necessary, an election will then be held. However, there are several vacancies on the Committee for co-opted members and so we could probably fit in anyone interested in joining the Committee. This is an opportunity for those critical of the local negotiators to show us in detail how to do better.

George Dunn, Honorary Secretary