

RISING TOGETHER FOR BETTER PAY

HIGHER EDUCATION PAY 2023/24



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University of Brighton
UNISON | Branch Newsletter

August 2023

Welcome to our August newsletter!

As a result of our ballot over 2023-24 pay, where we achieved a YES vote of 75% with a turnout of 56%, we now have a mandate for strike action. This was achieved alongside 13 other UNISON branches, in addition to nine others (including Sussex University), which already have a mandate as a result of balloting earlier in the year.

So, a total of 22 UNISON branches at universities have a mandate to strike and our intention is to take action on Monday 2nd and Tuesday 3rd October, as part of an all-England, sector-wide strike.

Obviously this won't happen if our pay is reviewed and UCEA, the body which represents most universities for pay, come back with a more realistic offer that closer matches the increase in prices that we're all facing.

As you will know, our pay has increased by 5%, 6% or 7%, depending on grade, with some of this paid early in February 2023 and the rest due this month. Even with a 7% pay rise, with RPI inflation over double figures for a year, this is a real-terms pay cut, meaning that we're all working for less than we were a year ago. The pay of higher education workers in particular and public sector workers in general has fallen year after year in real-terms for a decade, and we need to do something about it.

Our branch has a proud record of winning pay ballots and then taking strike action where necessary. If it wasn't for the action we've already taken, we would not have been offered the 5-7% or been offered the earlier payment from February, but hardly anybody is going to look at their payslip at the end of August and think that they're going to be fine. The price of everything has gone up, and it still going up. We all deserve more and our campaign demands that our pay does not come down.

"...but the University of Brighton can't afford it!"

It's clear to everyone that our employer is not rolling in cash. Irrespective of whether you think that UEB have frittered away money on badly advised building work and acquisitions, or not, the reality is that the government's failure to maintain university funding in real-terms during the period of high inflation is a disaster for universities such as ours. (continued on page 2)



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The reality is that universities are being starved of income as a result of public sector funding cuts. The initial £9,000 fee, paid by full time undergraduates since 2012-13, has gone up once, by £250, so that the real value of £9,250 today is nowhere near where it should be to maintain funding.

Obviously we're not in favour of tuition fees and call for grants to universities to initially make up the difference, as a step to phasing out tuition fees completely, to be replaced by funding from general taxation, but these grants would need to now be worth many millions to make up the difference.

"The government can't afford it!"

Any government can afford lots of things when it suits. Just ask the billionaires who benefited from free handouts to "save" ailing businesses during Covid or those using their old-school connections to provide inadequate PPE. There's colossal wealth in Britain. It's just that a small handful of people have got it, usually held overseas to hide it from us. This government, and many preceding ones, have toadied up to the super-rich for decades as public services have been starved of funding and in many cases, sold off to their friends to make a profit out of underpaying their staff whilst providing inadequate services. See the NHS, social services and care-homes in particular.

What's happened with universities is that there's a growing gulf between the rich, research intensive Russell Group of institutions and those at the other end of the scale - ex-polytechnics, generally providing vocational education. Top universities have tried, and in some cases, succeeded in making up the home fee income shortfall by recruiting more and more international students at silly prices.

Some universities can get away with this strategy, as long as the government don't pander too much to the right wing press's scare stories about foreign students bringing their families to use our (already falling apart services) or "illegal" immigration or Chinese students spying on us all. But many can't, and those universities who are struggling are then forced to spend funds, way out of proportion to their income, on international marketing and advertising, to attract more students, in many cases leading to over-recruitment in some subjects to make up for under-recruitment in others.

Marketisation has been a disaster for the sector, creating colossal waste on competitive marketing, when universities should be cooperating and focussed on delivering education and research in a stable environment. If hospitals had to compete with each other for "customers" in the same way as universities now do, it would be total chaos, but in a sense, this is the future if the rich and the powerful continue to dictate the way society is organised. (i.e. very badly, but all to maximise shareholder wealth.)



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So where does that leave us?

We can either accept that the University of Brighton is skint and accept working more for less, or we can do something about it.

Our strike mandate is based on a local dispute with the University leadership because the anti-trade union laws have forced us to be more imaginative tactically, but in reality, our dispute is with UCEA and by extension, the government. We know that some universities could pay more, but many will struggle to maintain their financial stability if they gave us what we wanted/needed/asked for (RPI+2% or £4,000).

If our university were a private company, we'd demand a restructure that brought down senior pay and some genuine democratic decision making, so that we'd decide properly what can be afforded, with an eye on future stability.

But we're not private, and the overwhelming amount of funding comes from the massively depressed £9,250 tuition fee. We can't concoct a political strike over the government's funding decisions, since our "democracy" would deem that illegal, but we can strike over our employer's pay decisions, even if they hide under the umbrella of UCEA and national pay bargaining. In doing so, we're saying that universities have to demand adequate funding for the service we provide to appropriately reward those who do all the work.

You could even say that if the university's UEB and/or UCEA can't afford a pay rise then that's their problem, and of course UEB could divert funds for equipment, classroom renovation, green initiatives etc, into staff pay, but we all want a university that is properly equipped, as well as a properly rewarded workforce.

Many universities, driven on by making good first impressions on open day visitors and their families, have spent funds on buildings and cosmetic improvements, some of which were overdue, some of which were a waste of resources. As a result of commercial pressure to fight for the highest volume of and the most able students (i.e. those less statistically likely to drop out), the universities spending on buildings are arguably those least able to afford it. It's a monopoly approach to public services where you have to speculate to become "successful" (i.e. remain solvent) and doing nothing is a dangerous decision, in a world where all universities pretend they're the best at everything.

So, please make a note of the dates:

Monday 2nd and Tuesday 3rd October

More details to follow next month....





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Redundancies and Marking Boycotts

UCU at Brighton are still sticking to their indefinite strike over the compulsory redundancy of what is now 22 academics. (In reality, if UCU were not on strike over this, their members would be facing 100% pay deductions for refusing to mark students' work, and so for them, and the University, the effect is the same.)



UCU members at Brighton are conducting a heroic struggle to save the jobs of their members and whilst UCU's strike mandate over pay runs out at the end of September, UCU members here have the ability to strike well into the start of the Autumn term if they decide to.

Support staff have faced a smaller attack on jobs, which while not of a similar scale as the 25, or 22 academic jobs, is equivalent in number over a period of time which began with the closure of the last two remaining university nurseries. Since then, some school staff, all existing security staff, theatre and gallery workers and various others have been threatened with redundancy and either gone, or are working their notice. Next year, Eastbourne campus will close and the University will continue to shrink as part of the managed decline to cope with funding cuts and falling student numbers.

Every union branch has to weigh up whether and how to fight redundancies. UCU members have taken a very courageous stance, in many cases losing thousands of pounds in income to defend the jobs of their workmates. We salute them for this and send solidarity. The University can't be seen to be getting away with mass redundancies rather than standing up to the government and demanding proper funding.

As I write this, UCU are meeting nationally to asses their next steps over pay. After some farcical meetings with UCEA, they look set to re-ballot, which should be done quickly so as not to have a gap at the beginning of October.

UCU re-balloting will mean it's worth more UNISON branches balloting, to put pressure on UCEA and the government (as can be seen by the Education Secretary's intervention), which would allow more action, or the threat of it, later in the Autumn.

Either way, we're likely to be striking at the same time as UCU for two days in the first week of October, since our mandates will overlap and 2/3 October is a national strike of all UNISON branches with a mandate.





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Where's all the money gone?

This isn't a thorough guide to university finances, but it's worth looking at financial claims and counter claims as applied to our employer.

Universities have a variety of funding streams, but the largest at Brighton is fees from and grants driven by UK/EU students, making up 66% of the income. International students account for 12%, whilst income from student accommodation and research grants makes up most of the rest, but this is to cover associated costs, which it probably doesn't manage to do. The reality is that international fee income and fees of full time undergraduates studying (cheap to deliver) classroom based courses, are subsidising most of the other activity - research, expensive courses, courses with a small number of students.

65% of expenditure (2021-22 accounts) is staff costs, but this figure moves around from year to year as a result of changes to pension liabilities. This also has a massive effect on the final surplus or deficit of an institution each year, which makes analysis quite difficult, when a massive surplus one year turns into a massive deficit the year after.

People who care about these things tend to look at a longer timeframe to judge the underlying nature of the financial health of a university. Fundamental to this is the cashflow and the ability of a university to pay its debts on time, as well as paying the staff wages for a while, especially if something went wrong.

The University's balance sheet is a note of what the institution owns at the end of the financial year. At the end of July 2022, the University owned £254 million worth of assets, mainly £363 million of buildings, offset by a total of £155 million of debt to others, mainly banks, which have provided long-term loans, effectively mortgages. Only a third of this debt is repayable within a year and the bank account at 31 July 2022 was about £45 million.

The University shows its assets as "reserves" but this doesn't mean the university has got £254 million to spend (it only would if it sold all the assets at book price and paid off all debts today). Given that annual expenditure on pay is about £140 million, it wouldn't last long.

Claims that universities are all rich because they have massive reserves is a misreading of the accounts. They might own valuable buildings, but these are not generally for sale, especially not to fund pay costs.

Some have talked about "the sector's huge wealth" and it's no doubt true that some universities do have investments all over the place. Some also generate income from masses of international students, donations from rich benefactors and lucrative research contracts, but the value of total assets is not a good indication of the funds available to pay staff wages every year. This has to be covered by income.





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The refusal of UCEA to raise university pay this year any more than the imposed deal comes down to the conservative outlook of Vice-Chancellors and Principals, combined with a desire to extract more work out of us all, for less pay. The class struggle (i.e. the relative balance of what trade unionists will be willing to fight for and to what extent we will campaign) also has an effect. Without the unions, they'd say it's all so terrible that a major pay cut is necessary!

"Income in the sector is higher than ever and keeps increasing", as per a UCU leaflet, may be true, but in real-terms, looking at the £9,250 fee, it's the opposite! Yes, VC's have spent money on new buildings, but "hoarding reserves" is a questionable claim. University leaders are clearly not innocent bystanders in this, and most are benefiting personally by holding down jobs which require them to manage other, generally poorer people losing theirs, but slagging off VC's as if it's exclusively their fault is totally missing the point.

Most Vice-Chancellors are guilty of accepting the pessimism of their Finance Directors, converting this into the language of "responsible governance" and failing to deal with the real problem, which is funding being slashed. They hide behind their apparent need to not be "political", as if quiet lobbying of government ministers is going to save us all.

A university doesn't need to pay dividends and keep shareholders happy by maintaining the value of their share holdings, but it does need to at least break even over a period of time, or at the very least be able to satisfy the banks that their debt will be repaid (with interest). What animates financial directors is maintaining banking covenants, which means keeping within limits set by the banks over cash generation and surpluses.

If the University fails to make sufficient cash surpluses or hold sufficient cash balances then the banks could put up the interest rates or demand instant re-payment (of around £45 million at Brighton).

It's normal for universities to borrow to invest, especially in buildings which hold their value and can be repossessed and repurposed, if necessary, but banks are keen to make sure they make a healthy profit on their loans. Current fee income is, in part, being used to pay off past loans for buildings which are now decades old.

Obviously we want the University to remain a going concern and not go bust! Most, if not all, Vice-Chancellors and Finance Directors are smart enough to recognise that if you can't raise the necessary income to break even, or generate modest surpluses for investment and to keep the banks happy, then you need to cut costs. This is what's now happening with contraction, redundancies and demands on schools and departments to slash budgets. "Securing our Future" might sound dramatic, but for some, there's a need to do this, because the alternative is potential bankruptcy, or at the very least OfS demanding drastic cost-cutting and widespread course closures.



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The question is, what is the appropriate level of conservatism and cautiousness? Finance Directors are notoriously pessimistic. If tuition fees remain at £9,250 and inflation at around 10% for the next few years, things look catastrophic for most of the sector. For many years, universities have given OfS optimistic forecasts about growth in student numbers (which are not made public under the “commercial confidentiality” excuse) whilst forecasting terrible consequences if staff costs are not brought under control (that’s staff costs of cleaners, caretakers, librarians, course administrators, technicians etc, not senior leaders of course.)

The current round of compulsory redundancies, of both academic and support staff, are not, in our opinion, necessary to save the University. Most of the savings have already been realised through volunteers. What’s unknown, and again hidden by commercial sensitivity, is the amount of cash that will be raised by selling off assets, including the entire campus at Eastbourne. It’s important to recognise that you can’t pay staff forever by converting fixed assets into cash, because this will create annual deficits, but this will take some of the pressure off and as long as the banks know you can pay their debts for the foreseeable future, they’ll be happy. It’s explainable.

There’s so much volatility to university finances that everything is almost impossible to predict, and we’re only told what we need to know every time bad news provokes “difficult decisions.” Yes, the government is starving universities of funding, but a failure to recruit students to courses who stay, remain happy and graduate is what university leaders are supposed to be well paid for.

What matters in the long term is that income generally covers expenditure over a period of time. We can’t accept a race to the bottom if it doesn’t, because in that case we’d soon be working for nothing, but we have to jointly demand that we’re paid what we’re worth and that universities have the funding to cover it without posing it as a question of pay or pensions or jobs. We want all three and if necessary, we have to fight for all three.

It’s necessary to recognise the factors affecting higher education finances and therefore the forces acting on employers and working people. As we’ve seen, there’s been a colossal fightback of organised workers demanding that pay keeps up with the cost of living.

We’re part of that generalised campaign, demanding that the University pays us properly and that it has the funds available to do so. Other public sector unions, like the teachers’ union NEU, campaign for “fully-funded pay deals” on the basis that schools should not fund pay rises by cutting jobs. (Their 6.5% is almost certain to do this to some extent.)

We should campaign for the same - proper pay for university workers, proper funding for free higher education! It’s all entirely possible, but we have to fight for it.

