

UCU POSITION PAPER

2019 Financial Sustainability Plan

On 27th February 2019, Keele's Vice-Chancellor Prof. Trevor McMillan unveiled the University's 3 year *Financial Sustainability Plan*. The plan involves some of the deepest staff cuts in Keele's living memory, with an overall aim to reduce payroll costs by £8m per year - or approximately 150 posts - by 2021.

This paper outlines UCU's formal position on University finances and the proposed sustainability plans. Our overall conclusion is that the current situation has been caused by inadequate management, that the proposed sustainability plans are misguided, and that the current University leadership is not fit to see us through the crisis.

Executive Summary

1. **Despite a sustained period of growth and unprecedented levels of income, the University is in a weak financial position;**
2. **Figures used by the Senior Management Team [SMT] to outline the University's financial position are inconsistent, highly selective and flawed;**
3. **SMT cites rising staff costs as a significant cause of the University's difficulties but staff costs have been consistently declining as a proportion of income in the last 15 years;**
4. **SMT also cites a number of external challenges but these were largely foreseeable and do not explain the current financial position;**
5. **The University's financial position has been caused by a growing debt burden arising from an unbalanced capital spending programme and inadequate response to matters arising;**
6. **The proposed sustainability plans are not evidence-based;**
7. **The plans are a threat to Keele's distinctive identity and sustainability as a broad-based, research-led University;**
8. **They also place the University in a weak position to respond to the rapid and sustained increase in the number of 18-year-olds due after 2020;**
9. **SMT takes no responsibility for its mistakes and is unwilling to change its strategy, despite its role in causing the current situation;**
10. **UCU calls for the establishment of a Joint Emergency Committee of managers, students and staff to draw up alternative sustainability plans;**
11. **UCU further calls on Council to take appropriate action on motions passed by UCU and other campus Unions, and not to implement any further cuts beyond the voluntary severance scheme until alternative plans are in place and more is known about the post-2020 environment.**