

UNIVERSITY OF EXETER

JOINT COMMITTEE FOR CONSULTATION AND NEGOTIATION, 28 May 2024

Joint Committee for Consultation and Negotiation: Minutes of meeting held on 19 February 2024

PRESENT

Sir Richard Atkins (Chair)

University Representatives

President and Vice-Chancellor, Professor Lisa Roberts

Senior Vice-President and Provost, Professor Dan Charman

Senior Vice-President and Registrar & Secretary, Mike Shore-Nye

Executive Divisional Director of HR, Imelda Rogers

Assistant Director of Finance, Joe Wall

Trade Union Representatives

UCU, Professor Brian Rappert

UCU, Michael Flexer

Unison, Jo Hamilton

Also in Attendance

UCU Regional Representative, Alison Chapman

Assistant Director of Human Resources, Andrew Johnson

Human Resources Business Manager, Gail Reeves

Apologies

Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services, Dave Stacey

1. Minutes

The minutes of the meeting held on 16 October 2023 were agreed.

2. Vice-Chancellor's Update

The Vice-Chancellor asked the Committee to note the sad passing at the end of last year of Chris Forrest, Unite branch secretary, and the contribution Mr Forrest had made to maintaining positive employee relations at the University during his many years as a trade union representative for Unite.

The Vice-Chancellor advised the Committee of several challenges facing the higher education sector including the following:

- Upcoming general election in 2024. HE funding is not seen as a priority for the political parties or the electorate.
- Ongoing financial challenges related to the reducing value of the home UG fee.
- Current government policy on immigration and its impact on international student recruitment.

The Vice-Chancellor outlined the impact on the University's Strategy 2030 ambitions and the agreed priorities for 2023/24 as follows:

Immigration and International student recruitment

- The shape of international student recruitment may be changing – last September the HE sector experienced a downturn in PGT international students coming to the UK, particularly from China, which has led to significant gaps in finances across the sector.

- Immigration controls – this year has seen immigration controls changing and tightening including the end of dependants student visas (except PGRs). As a consequence the sector has seen a downturn in the number of international student applications. The Government has also commissioned a review of post-study work visas by the Migration Advisory Committee. Immigration is an issue for competitor nations too (Australia and Canada are understood to be considering restrictions for international students). We need to work hard to compensate for this income loss given that the UK is currently seen as unwelcoming to international students.

Financial challenges

- A recent PWC/UUK report on financial issues in the sector showed that 17% of universities are in deficit. Meanwhile the cost base for universities has grown and immigration policies have also damaged the UK HE brand and attractiveness. Scenario modelling by PWC/UUK has shown that if international student growth falls short by 20%, 80% of universities will be in deficit. If the cost base rises by 2% this puts 63% of universities in deficit. This will be a huge financial challenge if both of these happen together.
- To counter these financial challenges at Exeter we are reviewing our long term plans and will need to make savings. In this climate, research cost recovery becomes even more important. It is also critical that we consider how we can teach and give a good student experience for £5K for year in a cost efficient way. In this respect we are exploring new markets – including growing online, developing executive education; alongside re-profiling student number projections for the next five years.
- There are also challenges for students. Fewer are applying from disadvantaged backgrounds – caused by the rising cost of living and current maintenance grants not keep pace with this. This has potential knock-on effects for home student recruitment and retention.
- We have therefore been reviewing our major costs. Staff costs represent over half of our annual spend, we are 8th in the Russell Group for staff costs (at 52% of our total costs).
- In terms of income growth and capital expenditure – we have been growing our income effectively but our costs have also grown over that time. There continues to be significant risk around income from international students. In terms of spend on capital we are the lowest in the Russell Group as a percentage of income for 2022/23. We need to keep investing to ensure we do not fall behind, this will include some investment in capital – including in space for students and decarbonisation projects.

The Provost updated the Committee on the activities of the ‘Enabling Strategy 2030’ workstream. These activities are aimed at improving the financial sustainability of the University. These activities fall into the following areas

- Faculties – including review of margin improvement plans, pay and non-pay savings and workforce and resource planning alongside teaching and research efficiencies.
- PS Enabling projects – including divisional service redesign to release pay and non-pay savings and strategic transformation e.g. SIS optimisation, Data 2.0, PS Connect and the governance review.
- Teaching efficiencies – including the portfolio review (efficiencies through sunseting and redesigning programmes), Curriculum for Change (major redesign, implementation of future skills), and targeting 30% improvement in cost recovery via cost per student by 2030.
- Research efficiencies – including supporting improved decision making for DoRIs/HoDs through access to performance data, embedding operational best practice in costing across PS and academic communities to facilitate improved cost recovery, developing and embedding pricing structures for research, generating greater cost recovery benefit from institutional “own funded” research, and improved cost recovery from research facilities.
- Non-pay – institutional, Faculty and PS sponsored initiatives underway to reduce non-pay. The University’s non-pay budget for 2023/24 is £146m. Discussions are currently underway

to identify what we can do differently to address this spend, what impact this could potentially have, and what consequences may result.

The regional representative from UCU asked if the teaching efficiencies target could be achieved whilst maintaining staff student ratios and teaching quality. The Provost outlined that the University's research demonstrates that a significant amount of time is spent teaching very small classes (25% of teaching is for classes of under 15 students). This represents a lot of staff time. The Curriculum for Change programme is focused on moving to a model where some teaching provision can be made available to students across the University e.g. for modules in data science, social justice, environmental sustainability – this will be more efficient to deliver. The aim of the programme is to take out the most inefficient modules and to build up a cross-institutional portfolio.

The regional representative from UCU asked if the portfolio review and sunsetting involved the "teach-out" of courses and whether UCU representatives would be given information on those modules/programmes and the effect on the staff teaching on them. The Provost outlined that inefficiencies are mostly at module level, but in some cases there will be programmes which are no longer attractive/in-demand to significant numbers of students. The Provost also outlined that Departments take decisions to close modules and programmes as normal operational business.

UCU representatives asked what the timeframes were for teaching and other efficiency projects. The Provost outlined that the portfolio review has started but is ongoing. Full implementation of the curriculum for change project is planned for 2026/27 but some areas are being brought on-stream in advance of that.

The Provost outlined that it is important that staff are part of the conversation in terms of how efficiencies in teaching and research can be achieved. There are currently detailed conversations taking place in education committees in terms of how to achieve these. All issues will be discussed in department meetings. The process requires the whole university to be engaged to be successful.

UCU Representatives asked how the University planned to spend the dividend from the reduction in USS contributions going forward. This is in context of UCU's concerns about decline in pay, progression and pay gaps and how these can be addressed and whether there is an opportunity for this dividend to be invested, at least partially, in staff pay and conditions. The University has previously advised trade unions that the UCU's proposal to revise the pay scale was not affordable.

The Assistant Director of Finance advised the Committee that the reduction in employer contributions to USS has enabled the University to ameliorate some of the reduction in international student fee income, cover the cost of the 2023/24 national increase and the cost of the most recent uplift to the voluntary Living Wage.

The Vice-Chancellor reminded the Committee that, as set out in the Joint Statement, the University was looking at pay gaps and specific roles/grades where Exeter may be at a market disadvantage compared to the rest of the sector. The Director of HR advised the Committee that UCEA was considering a review of the pay spine at national level. It had been agreed that locally we would concentrate on those roles/grades where there are recruitment and retention challenges, where Exeter may be at a disadvantage in the market compared to our competitors. Implementation of any recommendations arising from this local review will still be subject to affordability.

The Unison representative asked if the University was looking to build alternative income streams, commenting that the University looked low in comparison to other Russell Group Universities in relation to 'other income'. The Assistant Director of Finance advised the Committee that it is challenging to compare 'other income' with other universities, largely because student accommodation arrangements function very differently across the sector. Our peers may also have a printing press and consulting arms, for example. The University is always looking at ways to generate other income but also needs to make sure that these income streams do not incur significant costs.

The Registrar confirmed that the University is exploring avenues for additional income e.g. CPD offerings through the Business School and degree apprenticeships. In addition, the Exeter Innovation fund provisions were being reviewed, looking in particular at how these can be scaled. There is an increased focus on securing large scale research grants. The University had grown its provision of student accommodation without the need to spend capital.

Representatives from UCU noted that Exeter was not one of the Institutions currently 'at risk' financially and asked what would be affordable in terms of revision to pay and how this would be weighed up against other choices. The Vice-Chancellor confirmed that the University's finances are currently comparatively sound but that Exeter is not immune to the current financial challenges facing the sector - including rising staff pay costs, inflation and reductions in international student fee income. The Vice-Chancellor explained that Exeter must be prepared to respond to these challenges and agree how to invest our finite resources. Current investments include areas where we know we can generate more income to achieve future financial sustainability e.g. in the Law School and Computer Science. The University also needs to differentiate between spending our money once and recurrent spending, such as pay. While we have agreed to review roles/grades where Exeter maybe at a market disadvantage relative to our competitors in the sector, we have to be very careful about what we can achieve in the current climate.

3. Joint Statement: Update

The Director of HR reminded the Committee that updates on the progress of the Joint Statement were given to each meeting of the Committee. She explained that a schedule of meetings had been set up with the next meeting will take place on 21 March 2024 and a further meeting in October 2024.

On the Fair Employment for All (FEFA) project, she advised the Committee that an action plan had been agreed for 2024-2025. Recommendations have been considered by the Wellbeing, Inclusion and Culture Committee and a final proposal to UEB. UEB approved the following:

- New fixed term contracts would be limited to a maximum of two years (with some exceptions).
- Review meetings will be implemented for those currently on fixed term contracts longer than two years.
- a matching scheme and bridge funding proposal should be proposed and costed and brought back to UEB for consideration.

Alongside this a FEFA communications and implementation plan is being developed and will be discussed with trade unions in upcoming meetings.

On academic workload planning, the interim academic workload models for the 2024/25 academic year have now been communicated to colleagues in each Faculty.

Changes to USS had been communicated to colleagues through the Weekly Bulletin, including a reminder to staff who have previously opted out that they can opt in to the scheme.

On pay equality a new group has been set up, which will be chaired by Professor Janice Kay. Dates will be shared with the nominated trade union representative in due course.

4. Trade Union Engagement Report

The Committee noted the report on engagement with trade unions since the last meeting of the Committee. The Assistant Director of HR highlighted that the collective dispute on the Digital Learning Resources Policy has now been resolved. This policy will now move on to Senate and the University will engage with UCU on a review of the Policy after its first year.

5. Trade Union Items

Recognition Agreement

Representatives from UCU noted that over the last year UCU have been involved in a range of working groups and that these groups tend to vary in the way they are established and how UCU contributes. UCU was concerned that not all engagement with trade unions was meaningful. UCU representatives commented that what counts as "negotiation" and "consultation" was not completely clear in the 2012 Recognition Agreement. UCU did not consider that JCCN meetings were operating as set out in the JCCN Terms of Reference. UCU requested clearer definitions which could be applied operationally so that all parties understood when and how trade unions were involved. UCU representatives proposed that this could be considered under the "governance" section of the Joint Statement, with a view to revising the current Recognition and JCCN agreements.

The Director of HR acknowledged that the Recognition Agreement had not been reviewed since 2012 but noted that it did clearly set out definitions of consultation and negotiation. She acknowledged that when trade unions were invited to participate in groups and in meetings, it may not always be clear to whether the purpose is to share information, consult or negotiate.

UCU representatives offered to draft text for consideration by the University for consideration at the next meeting on the joint statement on 21 March 2024.