



University of Leicester

staffing plans 2005-07

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If you have any questions or comments arising from this Bulletin, please contact Brian Cox on Ext 2420, email bjrc2@le.ac.uk

1. Background – 2004-05 Staffing Plans

1.1. In July 2004, Senate and Council approved an Operational Plan and Financial Forecasts, which provided for a programme of voluntary severance and early retirement.

1.2. Specific targets within the 2004-05 staffing plans were: -

- In Chemistry, Geology and Sociology, total savings of £1.3M.
- Further savings of £2.6M, throughout the remainder of the University.
- Achieve savings by 31 July 2005 – by means of early retirements, voluntary severance, the deletion of vacant posts and redeployment.
- Regular meetings with Trade Unions to review progress and discuss issues.

1.3. Progress made has been: -

- £3.0M of the total £3.9M target savings has been achieved.
- There has been successful progress within the named departments of Chemistry, Geology and Sociology where some 90% of the planned savings have been reached.
- The main shortfall has been across the rest of the University which has delivered savings of £1.8M against the target of £2.6M. Progress has varied across Departments and Offices – ranging from significant to nil savings
- Regular meetings with Trade Unions have taken place, in the form of quarterly meetings with the VCAC and the Deans together with more frequent discussions within the Personnel / TU Group.

2. Plans for the Future

2.1 **Financial Plans** – Since March 2005 the University has been formulating its financial plans for the next 5 years. The key financial requirements are to respond to a number of adverse changes in the financial outlook and to provide funds for essential investments. We aim to generate a minimum annual surplus of 2% by 2008/09, recognising that this level of surplus is modest as compared with many of our competitors.

2.2 **Challenges** – The University faces a number of challenges in terms of both income and expenditure – these include: -

- Lower than expected numbers of, and income from, international students.
- A substantial increase in University contributions to the Pension and Assurance Scheme (PAS) in order to protect and preserve benefits for the future.
- Additional payroll costs associated with implementing the Framework Agreement.

2.3 **Targets** – The following targets have been set and agreed by Senate and Council: -

- Total further improvements of £4.4M to be achieved over the next 2 years – £2.9M for 2006/07 and a further £1.5M for 2007/08.
- Savings to be achieved across all parts of the University by all Departments and Offices delivering departmental improvements of 1.75%, largely through reductions in staffing costs. This will deliver one third of the total £4.4M improvement required. The 1.75% target may be subject to moderation for Departments and Offices that made significant contributions to the savings achieved within the 2004-05 Staffing Plans.
- In order to achieve the remaining two thirds, specific targets (in addition to the 'base' 1.75%) will be established by BRC in discussion with Heads of Departments. A similar exercise will also be conducted within Offices. These further targets will be determined by the end of October 2005 following a review of departmental benchmarking data, based on academic, financial and other operational considerations.

- Financial improvements may also be achieved by growing income and by securing savings in non-pay costs. Where these improvements are actual and in addition to what is currently reflected in the Financial Forecasts, then they may be 'counted' towards the department's savings target, thus reducing the departmental staff savings requirement.

3. 2005-07 Staffing Plans

The on-going staffing plans will largely follow the procedures and processes applied during 2004-05 in that: -

- 3.1 **Staff Reductions** will be achieved through agreed severances following discussions initiated by either staff members or the University. In addition, some vacant posts will be deleted and staffing within and between departments may be balanced by internal transfers and redeployment.

We shall seek to achieve the savings by voluntary means. If, as a last resort, it is necessary to review this approach, this will be subject to appropriate consultation with our recognised Trade Unions.

- 3.2 **The Severance Terms** will be similar to those available in 2004-05. During an initial period through to 31 October 2005 the available terms will be exactly the same, providing for severance payments of up to 18 months' gross salary (based on length of service) or enhanced pensions where applicable (for USS Pension Scheme members). When the precise Departmental targets are known, there may be some re-shaping of the terms but based on the same overall cost to the University. Any such changes would be subject to consultation with our Trade Unions.

- 3.3 **Communication and Consultation** with Trade Unions will continue through quarterly meetings with VCAC and the Deans and meetings of the Personnel / TU Group.

Individuals will also be directly informed through the "Staffing Plans" entries within the Personnel Services Section of the University intranet web-site. Further direct mailings will also be sent as required.

3.4 **As a first step**, Heads of Department and Offices will be asked to review the severance applications made, but not approved, during 2004-05.

There is, therefore, no need for previous confirmed applicants to re-apply for re-consideration at this stage.

In order to manage expectations, it should be pointed out that: -

- The same considerations for approval will apply – that is, that the post has to be deleted or re-organised to yield the savings required to contribute to the Staffing Plans and justify the cost of severance.
- It may be that individual decisions will not be made until after departmental targets are finalised in October 2005.

3.5 **Prioritising Applications**

In considering previous and new applications for early retirement and voluntary severance, priority will be based upon when the severance, if approved, would occur –

i.e.: -

- (i) Applications where the date of leaving would be up to 31 October 2005 – this may be regarded as an extension of the 2004-05 Staffing Plans process and, as previously stated, will include a review of previously confirmed but declined applications.
- (ii) Applications where the date of leaving would be between November 2005 and July 2006.
- (iii) Applications where the date of leaving would be between August 2006 and July 2007.

3.6 **Individual Enquiries**

Individual enquiries should be directed on a confidential basis to Brian Cox whose contact details are shown in the header to this Bulletin