In this respect, we have become like Azerbaijan and Kazakhstan, where the state has largely withdrawn from funding teaching and left it to be funded privately. This is the sort of company we're in'

Bahram Bekhradnia, Director of the Higher Education policy Institute. THE 28-10-10.
SPECIAL BRANCH MEETING

FIGHTING THE CUTS

Special Guest Speaker
Maeve Landman

- Member of UCU National Executive
- Chair of the Regional HE Committee
- Chair of UWE UCU branch

WEDNESDAY 3RD NOVEMBER
12-13.30 ROOM SN G01

This is your chance to influence the UCU response to the CSR and demonstrate our unity in resisting the policy of reducing the size and scope of the UK Higher Education sector.

WE URGE ALL MEMBERS TO ATTEND

http://ucuatbsu.wordpress.com/

And remember the National UCU/NUS Demonstration on Wed November 10th. To book a place on the coach email Richard Bidgood at su-president@bathspa.ac.uk
UCU at BSU Newsletter

UCU at BSU Launch Campaign ON Childcare Vouchers

At the union branch meeting on 24 September, it was agreed that the UCU should ask the University to introduce a childcare voucher scheme. Such schemes operate at Bath University, Bristol University, UWE and the Universities of Gloucestershire and of Worcestershire. They also operate in most of the FE Colleges in the region, including most of our partner colleges. And, on top of that, both HEFC and the QAA operate schemes!

In all of these places they have been introduced without any union intervention as part of good staff-management relations. It was felt that at the meeting that it was time it was introduced here.

Katie Akerman has prepared a study of the costs of such a scheme as a basis for discussion with the management, which can be viewed here or in Appendix I at the end of this newsletter.

FAIRNESS FACTS NO 1

Embracing the new spirit of fairness that is abroad in the land we are launching a series of ‘Fairness Facts’. Here is the first.

23 out of the 29 members of David Cameron’s cabinet are millionaires. George Osborne is worth £4.6 million, Jeremy Hunt £4.5 million, Cameron £4 million, Chris Huhne £3.5 million, Nick Clegg £1.9 million, our own minister David Willetts £1.9 million and so on. Altogether the Cabinet’s millionaires are estimated by The Times to be worth some £50 million. Of the 29 Cabinet ministers, over half went to public school. Three including Cameron are Old Etonians and another three including Clegg are Old Westminsters.

We might be being stuffed, but at least we are being stuffed by gentlemen!
NATIONAL DEMONSTRATION TO DEFEND UK UNIVERSITIES
Wednesday 10th November
(The Wed Of reading week)

The NUS & UCU at Bath Spa University & Bath University are combining to send 4 coaches to the upcoming national demonstration in London on Wed 10th November.

UCU at BSU members who wish to book a place on the bus should email the BSU NUS President, Richard Bidgood, at su-president@bathspa.ac.uk stating how many seats you want to book and the names of those attending.

Each coach costs £500 so we are asking for contributions of £10 per head from UCU members. To guarantee a place on the bus cheques made payable to the NUS should be sent by Monday 8th Nov to:

Demonstration Bus Fund,
Students Union,
Bath Spa University,
Newton St Loe
Bath. BA2 9BN

Details of departure times etc will be emailed to you closer to the time. We are advised that staff should either book the day off as annual leave or seek approval from their line manager to attend during working hours.

Further details can be found at:

http://www.ucu.org.uk/fundourfuture#res

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In The Chair

New Branch Chair John Newsinger outlines his understanding of the proposed cuts in HE spending and how we should respond.

THE CUTS

Before George Osborne’s spending review was announced in the Commons, Conservative MPs were urged not to be too enthusiastic about the cuts in case it looked like they were enjoying the hardship being visited on millions of people. Well, as we all now know, they were predictably unable to contain themselves, making quite clear that what we are in the middle of is an attempt to roll back the welfare state and that this will involve an attempt to cripple public sector trade unionism. The Lib Dems were different (in the main), insisting that it would have been even worse but for them. Indeed, Nick Clegg has actually claimed the 40% cut in HE spending as a Lib Dem victory!

What is worth remembering is that at the General Election most people voted for parties that opposed the Tory cuts plan, a more extreme version of which is being implemented today. What happened, of course, is that one of those parties, the Lib Dems, has since embraced what it had campaigned so strongly against.

What are the consequences of this volte-face for HE? Even before the worst was known, the union was forecasting the loss of 15,000 posts. Now we know that the Business Department is planning to reduce HE funding (excluding research) from £7.1 billion to $4.2 billion. The prospectus that we are being sold has student fees filling the gap, but according to the Browne Review a cut of £1.8 billion would have required fees rising to over £7,000.

Clearly, if the Coalition goes ahead, there are going to be substantial cuts across the sector. Even Oxbridge might not escape, although that is small comfort. Jobs are going to be lost, workloads are going to increase even more and salaries are going to be held down and in some places even cut. And for students it will mean paying more for worse although, of course, universities throughout the country will either be denying this and/or scapegoating their staff for not maintaining standards. The meaning of Higher Education for many staff and students is going to be redefined.

Continued…
PAY

One consequence of the Browns Review is likely to be a renewed attack on national pay bargaining. The universities’ hostility to national bargaining, needless to say, does not derive from any desire to pay more, but from the recognition that without national bargaining in most institutions they will be able to pay less. There is already talk in some universities of pay cuts as the only way to save jobs.

THE SILENCE OF THE VCs

One of the most disappointing, if sadly predictable aspects, of the plight we find ourselves in is the failure of the Vice Chancellors to mount any sort of collective opposition to the coming decimation of the sector. Where has been the public defence of the value of Higher Education?

The 2010 OECD report, Education at a Glance, shows that whereas in 2000 British HE was placed third in its league table, by 2007 it had slipped to 14th out of the 26 most advanced countries. This is a scandal, but does not seem to have bothered anyone of importance. As long as Oxford and Cambridge are world class, it often seems as if the rest of the sector can rot.

While the OECD average for proportion of GDP spent on HE in 2007 was 1.5%, for the UK it was only 1.3%. Now the situation is going to get substantially worse with the Humanities and the Arts bearing the brunt. And yet the Vice Chancellors remain silent. This is not acceptable.

OPPOSING THE CUTS

The imposition of the cuts is not inevitable.

The HE sector is an important economic, cultural and educational fact of British life. No serious effort has yet been made to mobilise support in its defence. From our point of view, there are two dimensions to the problem: first we must play our part in national campaigns to defend HE and second, more locally, we must be ready to defend our own pay, conditions and jobs. Both these require a strong union.
Childcare Vouchers are an employee benefit aimed at helping working parents pay for their childcare bills.

Employees are entitled to receive up to £243 per month in childcare vouchers which will be exempt from tax and National Insurance. This enables employees to save up to approx £1196 per year, if both parents join the childcare vouchers scheme savings up to £2392 can be made.

If you are an employer you will also be interested in the fact that you can save up to £373 per employee taking childcare vouchers on the scheme.

The case against: HMRC advice to employers on statutory maternity leave and non-cash benefits

The University’s reason for not providing vouchers is due to this guidance from HMRC.

“There is no distinction between the application of terms and conditions for employees on ordinary maternity leave and those on additional maternity leave. An employee has no right to receive remuneration - broadly defined as normal wages or salary or any other cash amount due under the employment contract - during either ordinary or additional maternity leave. However, she is entitled to her non-cash terms and conditions throughout the full 52 weeks of maternity leave. This is regardless of any contrary contractual agreement between the employee and employer, and regardless of any salary sacrifice arrangement. The obligation on the employer to provide non-cash benefits (for example childcare vouchers) under a salary sacrifice arrangement continues, even though the employee is not receiving any wages or salary that can be sacrificed. In effect, the employer meets the costs of the continued benefit provision in full.”

University maternity leave payments

“This scheme covers all employees with more than 52 weeks service at the 11th week before the EWC.

If the employee has declared her intention to return to work following AML she will be entitled to 100% of normal weekly earnings for the first four weeks of absence followed by two weeks at 90% (reduced where an employee is not eligible for SMP by flat rate Maternity Allowance) and 12 weeks at 50% of normal weekly earnings plus SMP (subject to combined pay and SMP not exceeding full pay). The final 21 weeks will be paid at the standard rate of Statutory Maternity Pay.”

The HMRC guidance affects the University from the point where the employee’s salary is reduced to 50%, after six weeks. It is not an issue prior to that point as an employee cannot claim more than their salary in childcare vouchers. For example, a part-time member of staff earning £200 a month could not claim the full £243 in vouchers.

However, at the six week point, the employee may earn less than the childcare voucher allowance of £243 per month.
If an employee is only receiving SMP at £97 a week, for example, the University would then have to pay that individual £243 a month in childcare vouchers, as SMP cannot be replaced with childcare vouchers. The University may then be liable to make a payment of 47 weeks x £55 = £2585 to each absent employee.

**The case for: UCU’s perspective**

UCU would suggest that the University would be able to meet costs in the unlikely event of anyone attempting to make such a claim. This table demonstrates that the University would be in credit by £572.40.

For any 1 employee claiming whilst on maternity leave, their claim would be completely offset by 8 employees in the scheme and not on maternity leave. The employer NI saving offsets any costs invoked. However, it is extremely unlikely that an employee claiming SMP would wish to salary sacrifice as this would reduce their SMP substantially. UCU would be happy to undertake a survey of its membership to ascertain likely take-up. If, as is likely, the employer contribution increases to 13.8% then employers will make an even greater saving.

<table>
<thead>
<tr>
<th>No of employees</th>
<th>850</th>
<th>850</th>
<th>Maternity leavers</th>
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<tbody>
<tr>
<td>Voucher take up</td>
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<tr>
<td>Average voucher</td>
<td></td>
<td></td>
<td></td>
<td>220.00</td>
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<td>Voucher monthly</td>
<td></td>
<td></td>
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<tr>
<td>Monthly service</td>
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<td>247.50</td>
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<tr>
<td>Voucher annual</td>
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<td></td>
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<td>118,800.00</td>
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<td>Annual service</td>
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<tr>
<td>Annual gross</td>
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<td></td>
<td></td>
<td>15,206.40</td>
</tr>
<tr>
<td>Net savings</td>
<td>12,236.40</td>
<td></td>
<td>Annual net effect</td>
<td>572.40</td>
</tr>
</tbody>
</table>

**Why UCU support the introduction of such a scheme**

There are also several benefits to in introducing and marketing their childcare voucher schemes which include:

- Providing financial assistance to working parents and promoting family friendly employer status.
- Reducing the salary bill by ordinarily making substantial net employer NI savings from those in the scheme.
- Maintaining morale and the status quo in times when pay rises are minimal.
- Maintaining good employer reputation: research from *Personnel today* suggest 91% either agreed or strongly agreed that offering childcare vouchers improved company reputation and 88% agreed or strongly agreed that it boosted employee retention.
- Reducing absenteeism and increasing return to work of those with children. HMRC found that 30 per cent of employers felt that introducing a childcare voucher scheme had a positive effect on absence rates.
- Increasing motivation; HMRC found that 47 per cent of employers reported increased productivity in the workplace after the introduction of a childcare scheme.
The Department for Business, Innovation and Skills estimate that the additional cost of paying for childcare vouchers during additional maternity leave will cost UK employers £3.4 million per year compared with the £120 million per year NI saving they make by operating childcare voucher schemes.

Why UCU support the introduction of a scheme now

During 2009 there was much to-ing and fro-ing over the future of childcare vouchers, with talk of abolishing them - yet that is NOT happening.

However the June 2010 emergency budget announced major changes in the amount of vouchers allowed for higher 40% and top rate 50% tax payers. From 2013, higher-rate and top-rate tax payers will not be eligible for child benefit.

Current situation (per parent):

- **Basic (20%) Taxpayer.** Allowed £55/week voucher, max. annual gain £890.
- **Higher (40%) Taxpayer.** Allowed £55/week voucher, max annual gain £1,170.
- **Top (50%) Taxpayer.** Allowed £55/week voucher, max annual gain £1,460.

New joiners after April 2011 (per parent):

- **Basic (20%) Taxpayer.** Allowed £55/week voucher, max. annual gain £920.
- **Higher (40%) Taxpayer.** Allowed £28/week voucher, max annual gain £610.
- **Top (50%) Taxpayer.** Allowed £22/week voucher, max annual gain £590.

There is a greater benefit for staff if a scheme is implemented NOW.

Help and advice regarding employers’ obligations

Experts are being consulted across the country, including, lawyers, the British Chamber of Commerce, HMRC and the Day Care Trust, to ascertain how binding this liability on employers really is.

Some lawyers have noted uncertainty among employers over whether an employee’s entitlement to childcare vouchers should be treated as part of the employee’s remuneration or as a non-cash benefit. HMRC has published guidance that childcare vouchers are non-cash benefits rather than remuneration, even if they have been provided under a salary sacrifice agreement.

Employers are confused about where they stand legally, for many it does not seem equitable to pay for a benefit that is ordinarily funded by the employee. They are however, worried that if they do not continue to provide childcare vouchers during maternity leave they may risk claims for sex discrimination, breach of contract, unlawful deduction from pay or worse. As yet the scenario is untested in the tribunals and courts.
Although there have been few, if any scheme closures, the Daycare Trust feels that clearer guidelines, specific to childcare vouchers should be drawn up. Only time will tell if the Government will either provide financial assistance to employers left to foot the bill or amend the law to exclude childcare vouchers provided under salary sacrifice as they did with the introduction of tax efficient childcare vouchers in 2005.

**Ways of managing the HMRC guidance**

Employers are dealing with this issue in different ways and some are choosing to interpret the legislation in ways to lessen the impact. Some employers are:

- Actively promoting the availability of childcare vouchers during maternity leave. This tends to be larger organisations that may or may not provide enhanced maternity pay which may be sacrificed during maternity leave.
- Amending their enhanced maternity pay policy to reduce the monthly amount but providing pay for a longer period during which it may be sacrificed in lieu of childcare vouchers and making the scheme self-funding for longer.
- Making childcare vouchers available to those who wish to continue to receive them during maternity leave, without actively promoting them. They may also draw attention to the fact that SMP is reduced if withdrawal from the scheme is not made by the 17th week of pregnancy.
- Putting policies in place which make childcare vouchers available to employees only during paid periods of employment and not whilst an employee is on any unpaid leave such as sick pay, sabbaticals etc, making it equally applicable to men and women.