

## **Joint Union Statement**

### **Changes to UCL's Redundancy Payment Scheme**

On 1 October 2006, UCL changed its redundancy payments scheme. The recognised trade unions were not:

- \* invited to negotiate the changes;
- \* consulted regarding the new system
- \* even notified until after the event

UCL argue that the changes were necessary to comply with the new age discrimination laws. Our legal advisors tell us that this is not necessarily the case and that it is possible that such service-based 'bands' could be objectively justified.

UCL claim that enhanced redundancy pay is not a contractual term. We believe that it has become an acquired term of contract as they had operated the scheme consistently and automatically over several years and it was well known to the trade unions, managers and staff.

UCL claims that the changes made are "cost neutral". However, they have subsequently had to admit to us that the changes actually involved a cut of nearly 20% in the costs of compulsory redundancy.

For staff who have been here for more than 10 years, and for staff on grade 6 or above with more than 5 years of service the cuts can be dramatic - our calculations show that some employees could receive more than £30,000 less than previously if made redundant.

The total amounts of money involved are tiny in relation to UCL's budget. In the year that we have seen data for, £688,000 was paid out for total redundancy payments, including statutory payments. In the same year, over £1.6 million was paid out in voluntary severance payments. To put this into some kind of context, last year UCL made a profit of £6 million (despite the underlying deficit), and had an annual turnover of £650 million.

Bizarrely, given that UCL argue that they had to level DOWN compulsory redundancy pay, they have levelled UP the payments for voluntary severance, and have increased the budget for this by more than double the amount that they cut from the budget for compulsory redundancy.

Our experience is that the voluntary severance scheme is applied differently to different staff groups within the institution. For example, research staff on hitherto fixed term contracts are highly unlikely to be offered voluntary severance, whereas lecturers are being approached to leave voluntarily.

These two types of payment are quite different. Management can refuse voluntary severance payments to staff, even if they wish to leave for personal reasons, and even if they are later made redundant.

Finally the projected scale of voluntary severance payments is tied to a particular, time limited process, namely the current 'Regeneration Scheme'.

UCL has, after much pressure from the three unions, shown us the data on which they based their calculations. Management has, however, refused to contemplate the backdating of any new scheme that can be agreed to October 1st 2006 when the changes were first implemented. Some staff who have been issued with redundancy letters since November stand to receive tens of thousands of pounds less than expected through no fault of their own.

So far your union negotiators have been offered two alternatives.

1. Base payments on actual weekly earnings, not limited to a statutory £310 cap or less.
2. Double the 'capped' statutory formula, i.e. pay ~£620 per year worked.

Both of these schemes would be close to cost neutral compared to the old scheme. Different groups of staff stand to benefit and lose. Anyone with 10 years service or more on the old scheme would receive less as will higher paid staff from the existence of the 'cap'. Staff who have a period of service less than 5 years benefit from any of these formulae.

In line with motions passed at previous general meetings by all three unions, we will put these proposals to you, our members.

The joint union negotiators have discussed these proposals and do not believe that they compensate longer-serving members of staff for the shortfall that they could face. We are therefore recommending that:

1. Members reject these proposals
2. We demand that UCL reinstates the previous arrangement until an agreement can be reached to change the arrangement after consultation and negotiation with the recognised trade unions.
3. All staff should be called on to sign the petition against the cuts and ask others to sign