



To all members of staff

4 February 2010

Dear colleague,

Over the past few weeks we have been engaged in intensive discussions through the Arbitration, Conciliation and Advisory Service with the UCU in an effort to resolve the union's dispute. We respected the confidentiality of these talks to give them the best chance of success and because we believed that a war of words with the UCU would not help. I am sorry this has meant that we have not been able to inform our staff about our position and our attempts to avoid industrial conflict.

In parallel, the union has conducted a ballot for industrial action. The result clearly reflects fears about jobs in biological sciences and elsewhere, concerns about review processes and the effect of public expenditure cuts on the University and staff morale. We understand these concerns, and our response has to be to fully engage staff over the very serious issues we face, and their resolution. The economies exercise planning remains a challenge but we will ensure we do this in the most collegial and consultative way possible. We will listen, share information and be open; and we will do this even where issues are difficult and, indeed, when jobs may be at risk.

What follows is my summary of where we are and what happens next; there will be more information about these issues (including our detailed proposals to UCU to resolve their dispute) on Campusweb shortly.

ACAS talks

There appears to be no further scope for discussions through ACAS following the UCU's demand for a guarantee that there would be no compulsory redundancies, ever, in the faculty of biological sciences. Whilst we have been prepared to repeat our undertaking to do everything we can to avoid compulsory redundancies in FBS and across the University (see below), no responsible employer could give an undertaking of this kind, in particular at a time of massive public expenditure cuts and in a recession. We remain open to talking to UCU, with or without ACAS, about everything else.

Jobs

I appreciate this is the fundamental issue for staff. We have to plan ahead – that is what the economies exercise is for – but I repeat my assurance that we will explore every avenue, including savings on non-staff activities, to avoid job losses. Where we do need

to reduce staffing, I remain confident we will be able to make the vast majority, if not all, of any necessary staff reductions voluntarily, and in fact a university-wide voluntary leavers' scheme opens next week.

I repeat my promise that compulsory redundancies are a very last resort, and they are certainly not an imminent threat. To be absolutely clear – we will make compulsory redundancies only if we are forced to do so by **confirmed** government cuts and where there are no other options; we will not make compulsory redundancies on the basis of current assumptions about future income and costs. My position on this has been very consistent over the last six years and it is not about to change now.

There are some areas of the university, like biological sciences, where the adoption of new strategies to make them academically and financially sustainable necessitates reductions in staffing. The policy on jobs is consistent; in such circumstances, all avenues will be explored to avoid the need for compulsory redundancies.

Funding letter

Universities this week received the government's outline funding proposals for the next academic year, starting August 2010; the headline news is a further cut of £134m, bringing the total to £1,049m (up from £915m). There remains widespread concern about a further round of cuts after the General Election; indications are that these could amount to another six percent in each of the years 2011/12, 2012/13 and 2013/14. This confirms our assumptions about the savings we will need to find to balance our books, in the order of £35m, and we will continue to plan on that basis unless and until we know otherwise.

We will of course continue to lobby and campaign about the damaging effect of such cuts.

Senate and the economies exercise

Senate yesterday once again endorsed the general approach taken in the economies exercise; more specific proposals for savings will now be drawn up through the University's annual planning round (the IPE). I will take particular care to ensure that deans, heads of schools and services are fully engaging staff with the development of these options. Following the IPE meetings, a detailed report will be made to a special meeting of Senate in May. Senate will also debate and vote on any plan with major academic implications: no change can or will be made to the academic shape or academic mission of the University without the agreement of Senate.

Clearly, we cannot accede to demands to halt the economies exercise because this is tantamount to halting the business of the University. While we acknowledge that we haven't always done it as well as we might, I am very happy to provide an undertaking on behalf of the University's leadership to involve and consult staff fully and appropriately.

UCU dispute

I am bitterly disappointed that concerted and intensive efforts to negotiate with the UCU through ACAS have been unsuccessful. We have responded constructively to the

union's concerns and have tried to secure the union's agreement to work with us in resolving difficulties.

There is much common ground; we share concerns about higher education funding cuts and their effect on Leeds; we share the huge pride felt by staff (and students) in this great university; and we share their desire to protect it from harm. We agree that collaboration and cooperation is the only way forward, and we acknowledge the union's responsibility to support and protect its members and to campaign.

We do not, however, believe that the interests of our university are best served by making Leeds the battleground for the future of higher education in the UK. The UCU's repeated and unrealistic demands for absolute guarantees about compulsory redundancies spread fear, lower morale and undermine collegiality. The threat of industrial action to pursue this impossible demand is totally misguided.

The UCU's decision to facilitate a petition to the Visitor in the middle of talks with ACAS to try and reach agreement on our differences was bad timing. We do not accept the grounds for this appeal and will mount a robust defence, both of the challenge to constitutional arrangements and to the demand that we suspend the work on the economies exercise.

FBS

The faculty has an academic plan (endorsed by Senate) to turn round losses of some £200,000 a month and to ensure it has a sustainable future. We cannot accept the principle that other parts of the University should effectively 'subsidise' biological sciences but we have offered a range of detailed proposals about the way forward and to meet staff to make sure they are fully aware of the position, and have the opportunity to express their view. We have also proposed adding a further stage to the review process once job matching is completed and the new structure is in place to look at any other ways of preventing jobs losses and redeploying staff.

The scale and complexity of the review of the faculty of biological sciences has presented a number of challenges. I will be meeting all FBS staff early next week with the Deputy Vice-Chancellor and the faculty management for a full discussion about the next steps. The UCU, I believe, should work with us, to achieve a resolution of FBS's problems.

Review of reviews

FBS is not a 'blueprint' for the future. We agree we need to look again at the review processes by which we help schools and services through academic and financial difficulty. We need to ensure meaningful consultation takes place and that staff are involved early on, in a way that is consistent with the governance of a collegial institution and with employment law (although of course these are sometimes in tension). We have offered our three campus unions an explicit and wide-ranging role in new processes for organisational change so they can help us ensure they provide fair, equal and just treatment for all.

As I said when I wrote to you last month, I have confidence in the staff of this great institution, and nothing but respect for your creativity and adaptability. We have achieved so much in recent years and we have much to be proud about; public

expenditure cuts and challenging industrial relations should not cloud our continuing and distinctive successes in research and in providing our students with an excellent education. We will overcome our difficulties by keeping cool heads, thinking clearly and by working together.

Yours sincerely

A handwritten signature in black ink, appearing to be 'M. Arthur', written in a cursive style.

Professor Michael Arthur
Vice-Chancellor