

Gillian McGrattan and Erica Conway
Directors of Human Resources and Finance
University of Birmingham

Via Email

05/11/2019

Dear Gillian & Erica,

Over the past few months, we've been watching with increasing alarm as issues with payroll linked to Core Systems have continued and, at least based on the number of staff who failed to receive payment on time last week, worsening in some cases.

We've also been polling staff and student workers on the issues they've been having. This has given us an idea of the sheer range and number of the issues the new system has caused. Given there's only one pay day remaining before the Christmas payday, and staff confidence in the payroll system is at rock bottom, urgent action needs to be taken to restore faith, to address valid concerns and to compensate staff for the stress and anxiety caused them due to the money owed to them and the difficulty getting it back.

Summary of issues

To date, the following issues have been brought to our attention:

- A random selection of staff members were not paid on time on one or more of the past five pay dates, without obvious cause – in some cases staff have waited several days to receive their regular salary for substantive, contractual work. The affected staff seem so far to be within HAS Security, Cleaning and Catering. Other staff have received arbitrarily small payments of a few dozen pounds in place of their entire salary
- Student workers have not been paid at all for several months – from prior discussions we understand this to be due to a mixture of technical issues and a lack of understanding of how the worklink system interfaces with the payroll system (e.g. assignments being closed before payment is made)
- Overtime payments have been delayed for several months – this has been a particular problem again amongst HAS staff. We note that some areas in the University are still avoiding using Core systems for overtime worked by any staff on “irregular” working patterns

- Staff across the university who worked overtime during Welcome Week have yet to be paid. We understand that in many cases the data cannot even be inputted into the system.
- Stipends due to funded students have only been made at half the correct rate, or repeatedly delayed for several weeks. In some cases, mispayment has been made repeatedly over the past three months, in other cases September was the first time for students to be paid wrongly. Most of those affected only had 50% of their stipends paid on payday. Some doctoral students have had to chase increases to their yearly stipends. Despite being told that they would receive the rest of the money by the end of the day on payday many students had to wait several days for payments to come through.
- In some cases the amount shown on payslips differs from the amount staff and students have received in their bank accounts, leaving staff concerned that the payslips in general could be misleading and wrong.
- We're aware of one example of student workers receiving different sums for doing the same number of hours in the same post
- Deductions for travel passes have been made during payment "holidays" and taken twice subsequently rather than the deduction being rectified. In some cases these charges have simply been up to £200 too high
- Other deductions have been taken at the wrong rate – for example sport centre deductions and union subscriptions. Again when a refund is due the subscription is instead taken at twice the original rate instead
- We know that strike action deductions were taken at the wrong rate and that the University has excused this by stating that this generally would have been to the benefit of staff but staff have remained concerned that the rate of deduction is too high and can often differ between staff doing the same roles at the same pay
- Pension deduction rates have not been updated when requests have been made in good time, this includes opt outs from pension schemes
- We've seen examples of pension selection not being made according to contractual necessity (i.e. staff have been left in NEST rather than transferred to GPPP when moving to substantive employment)
- Staff and student workers on hourly paid and fractional contracts have been unable to submit timesheets for dozens of hours of work within the month at the end of which they should've been paid. Some haven't been able to have their hours inputted for months.
- Car parking deductions have been made at an arbitrary rate with no explanation following the absence of deductions after implementation. Neither car parking or payroll have been able to provide staff with an explanation of the weeks the deductions relate to or whether duplicate deductions have been made
- Expenses have not been paid on time leaving staff unwilling to pay for research-related expenses up front
- PDR related payments have not been made on time and some staff are still waiting for increments they were due many months ago. Other staff have had PDR related payments (both one off payments and increments) deducted from their salary months after they were paid
- Leavers have not received all the money due to them in their final salary payments. P45 documents have often been unduly delayed and when, as has often been the case, they lack essential final payments no further summary or breakdown has been provided of those payments made after people have left (and these have tax applied at an emergency rate). We

are aware of cases where leavers' state benefits have been severely affected due to the University not informing HMRC of the end of their contract.

- Similarly, student workers cannot access their payslips once their role has ended due to their accounts being deleted too soon.
- Contracts have often not been issued in time before casual workers start work, leaving them unaware of the exact terms of the engagement.

One of the most problematic issues with the system relates to tax and national insurance deductions. If employees or casual workers have been paid money owed to them through an emergency payment it means they've faced a drastic deduction in the amount owed to them. In some cases workers have *only* been paid through emergency payments, leaving them well short of the money owed to them.

Frequently people are told that they need to speak to HMRC regarding any overpayment of tax but this is only rectified through small adjustments of a person's tax code, which can leave them waiting months to receive sums that the University owed them in the first place. In one case we've heard of someone's tax code changing every month since the system was introduced despite frequent conversations with payroll and HMRC.

The way the payslips themselves work have caused their own issues:

- The lack of any hourly rate or other information on the correct rate for work has caused a great deal of uncertainty. It's particularly difficult for those working irregular and casual hours
- The fact all lines and deductions on payslips persist onto future months has caused staff applying for mortgages (and the like) issues – e.g. deductions for unpaid leave or sick pay adjustments show in the year to date column, presumably until the end of the financial year
- We know that a number of staff have yet to successfully produce payslips. Many who have have only done so with considerable help and support, and many may not have been able to print all of them, and this might mean many issues are going unreported (a matter of deep concern)
- Other reasons staff may not have logged problems formally with payroll include a feeling that they don't want to seem too demanding and risk the offer of further work (bearing in mind that it takes real persistence to ensure an issue is fully and properly logged; not being able to understand the layout or significance of the fields on the payslip; and the fact you can't access payslips from home – a particular problem for part year staff
- Training has not been provided to all staff who requested it, both in using the system and in general computer skills for those who need it.
- In some cases, it is now impossible to know which payments (and for which months) staff and students are still owed (i.e. either for overtime, car parking reimbursement, expenses, or a particular job if they have multiple work arrangements/contracts).

Aside from payments to staff, we've learnt from across the University that payments to suppliers have been particularly badly affected, leading in some cases to suppliers refusing to provide parts or services until the issues are resolved, occasioning concerns amongst staff that the University's reputation is being affected.

The impact of the problems on individual staff is difficult to quantify and even more difficult to summarise in a single letter, but these are some of the most telling examples we've had reported to us:

- The lack of payment has meant some staff coming very close to missing mortgage payments. Many have had to borrow money from friends, colleagues and family. If any staff have missed

payments this could have affected credit scores. The uncertainty of not being paid on time and being made vulnerable by one's own employer has created severe anxiety to many staff and student workers with whom we have spoken.

- Staff and students have gone overdrawn and incurred fees. Though the University has agreed to meet these costs this is again another process stressed and anxious staff have to go through to resolve an issue that should not have happened in the first place
- The provision of information for Universal Credit claims has been affected, leading to some claims being cancelled.
- Precariously employed staff and student workers are afraid to make complaints/ to be seen to be too assertive in claiming their money back due to fears of not being offered work in future.
- In general a huge number of working hours have been lost as staff queue often for hours to raise issues with their salaries. We've heard that payroll have staff worked into the early hours of the morning to fix payroll issues that led to staff not being paid. Staff have been in tears on public transport, in staff kitchens and across campus.
- Staff in the University of Birmingham School do not have access to their payslips through New Core due to them not having a University of Birmingham account.
- Stress has been caused to student reps, colleagues of those affected by these issues, managers, and others who have done everything they could to support their colleagues. They have been collecting evidence, arranged meetings, sent letters and emails to HR/payroll etc, and this had led to them not being able to undertake their job duties.
- Staff and student workers are unsatisfied with the ways in which complaints are being handled and their wellbeing and productivity have suffered extensively, with many reporting severe anxiety because of this

Insufficiency of actions taken so far

All of the above isn't a judgement on the work of payroll staff themselves – they have been left to deal with the fallout of a system that is simply not fit for purpose, and they clearly did not receive the necessary training and preparation before launch, the manifest flaws with the system notwithstanding. The level of pressure these staff must be under really can't be underestimated.

This clearly contrasts with the University's institutional response to the crisis, which has been inadequate. As far as we can tell the following general actions have been taken so far:

- A commitment to fix all outstanding problems by the September pay date – this has clearly not been done.
- The movement of staff from other areas to support the payroll team – anything that lessens the pressure on payroll staff is to be welcomed, but in practice staff who are moved into the team at short notice are able to do little more than answer a phone and make a note of an issue to pass to the staff who are actually able to use the system. This just moves the bottleneck slightly.
- The offer of vouchers – aside from the fact that offering someone a voucher because they've not been paid is clearly and mathematically inadequate, the system of offering vouchers to those "affected" has been dysfunctional. Many staff and student workers who have been affected (and had sometimes multiple conversations with payroll) have been turned away when they attempt to claim the voucher due to them.

- The lack of any explanation for the ongoing issues – without a clear explanation of why this keeps happening and what is being done to fix it, staff will be left without faith in the pay system for the foreseeable future
- A complete lack of accountability and information regarding decision making – one of the most frequent sentiments we hear from staff about this issue is shock at how the University could get this so wrong, and what this means for the institution’s ability to deliver major projects of this type. We need to know how the decision was made and where the flaws in this lay, so that staff are reassured that it will not happen again.
- We also highlight that the University actually cut numbers of staff in finance before the implementation of New Core (something that seems even more mistaken in retrospect). UNISON and UCU asked repeatedly for the numbers of staff to be maintained and pointed out that new systems rarely deliver the increases in efficiency that is initially promised (and even then you have to work hard to achieve them). Staff in finance as a whole speak of the processes required under Core systems being *more* labour intensive rather than less
- Aside from the pay issues, the issue regarding preferred names and the impact on trans staff and student workers remains a clear concern, with some of those affected remaining deeply concerned and worried by the fact that their legal name remains visible to a large number of people at the University
- Staff and student workers have told us that they have no confidence that the issues would be resolved soon, but they need more communications from the University and more clarity on what is going on and what is being done to pre-empt and fix problems.

What needs to change

In the light of the above, we feel the following are essential steps the University needs to take to rectify the situation.

1. Provide information to recognised trade unions on the scale of the problem and the decision-making process that led to it

We’ve requested details of council minutes where the New Core project was discussed, but all discussion has been redacted from these discussions, making the minutes insufficient in satisfying the bargaining needs we’ve detailed above. We need the below specific information as per our role under TULCRA as collective representatives of the staff body on all matters relating to pay and conditions:

- a) The full minutes of discussions held in both Council and SPRC around the implementation date of New Core, including the original postponement and the final decision to go live in June 2019. In particular, any discussion of the likely impact of known faults is essential in understanding the genesis of the current situation
- b) The full minutes of discussions held both in Council and SPRC around the decision to choose New Core over other systems
- c) The full minutes of discussions held both in Council and SPRC around the payments for consultancy services being offered by Version1
- d) The full list of known technical faults present in the system at the go-live date
- e) The University’s own records on the types of problems, the number of people affected by each issue and the root cause of each issue

As detailed above this is because the implementation of the system has had a direct negative effect on the working conditions of staff – we as such need to understand why it happened and what can be done to stop this sort of thing happening again.

2. The payroll at the end of November needs to run flawlessly

The overall feeling on the part of staff is that the October payroll was, if anything, worse than the previous ones with a greater number of staff failing to be paid at all, and issues continuing with payments to casual workers and overtime.

Issues continuing into November will cause a great deal of uncertainty and worry on the part of staff, given the early pay date in December and the likely difficulty in raising concerns.

There's also the fact that many term-time staff will be away from work in December and unable to easily check their payslips as a result.

3. There needs to be a contingency plan for the December payroll, given the proximity to a closed period

Aside from the above, the University needs to be prepared for problems with the December payroll – staff are unlikely to be able to wait for even a day for payment problems to be rectified. Contingency plans such as providing staff with cash or cheque payments if they have been underpaid need to be considered.

4. The form and processing of payslips need to change – specifically:

- a. *They need to display an hourly rate*
- b. *The “year to date” column needs to stop showing deductions*
- c. *Staff should be able to request a hard-copy payslip if they don't use a computer for their normal work*

5. A special one-off payment should be made to all staff and student workers in the Christmas payroll

One member has highlighted that persistently underpaying workers and suppliers has probably made the University money, given that the money owed has been accruing interest. The University has also visibly outlaid very little money to resolve the issue – with low-cost vouchers only provided to some of the affected staff and staff moved from other areas to support payroll rather than the number of staff within that team being increased.

The University should look to make a payment in the region of £500-£1000 to all staff and workers on the payroll, as well as those on the payroll during the period the problems have occurred. This should be as a gesture of goodwill and without prejudice to the sums owed to affected staff.

6. A deadline for overpayment plans to be in place

Many staff who have been overpaid have promptly notified the University of this but are yet to receive formal confirmation of a repayment plan. Other staff may have no idea that they have been paid too much and will be deeply shocked to receive an eventual demand for repayment, potentially months after the fact. There needs to be a final deadline on the reclaiming of overpayments so staff know that they don't have an unwelcome surprise awaiting them many months away.

7. A dedicated joint JUC-JNCC meeting is necessary, also including student representatives

We need a meeting specifically focusing on this issue with the senior managers who can take the decisions necessary to fix the system. We note that we have been waiting for months for the SPRC meeting UCU have requested to discuss the demands all campus unions have made in respect of working conditions on campus. If the University reverses its continuing unwillingness to discuss matters with us in such an appropriate forum, the SPRC may present a proper venue for the discussion. Otherwise a special meeting should be convened to discuss this issue, and the data above should be provided in advance of it.

8. A full and frank apology from the Vice Chancellor, with an explanation of the root cause of the problem, should be made to all staff and students

Messages to date have failed to explain why this is happening or properly take responsibility for the faults. Staff need to hear that the University deeply and truly regrets the problems this has caused.

We need these actions to be taken urgently. Because of the severity of this issue we need a initial response to the above points within a week, including when you will provide the data requested and meet the requests we've made.

We feel this issue needs to be taken incredibly seriously and that the University needs to make a rapid and dramatic commitment to fixing the problems that have occurred. Though this letter is sent ostensibly by UNISON it summarises a wide range of conversations and concerns we share as a joint-unionside, and it also relies upon the detailed work the University of Birmingham Student Workers organisation has done in establishing the full details of the impact of the problems on student workers at the University. As such please copy all of those we've copied in to this letter into your response.

If you need any clarification regarding the points we've raised please let us know.

Yours sincerely,
Michael

Michael Moore

Joint Branch Secretary

Birmingham University UNISON

Cc Birmingham UCU

Unite

GMB

UBSW