UCU Branch news

Welcome to austerity FOMO

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As you will have heard in recent communication from our Vice Chancellor Andy Schofield on 23 June, despite on one hand noting that despite delivering “a modest surplus in the current financial year”, our University’s overall “financial environment is becoming increasingly challenging.” He explained that in this environment, the University Court has now approved a budget that will seek to maintain “a small underlying financial surplus” in order to ensure “the long-term sustainability of the institution.” As he went on, achieving this goal “will require significant further savings across all areas of expenditure and each of our budgetary units”, which will in turn “inevitably” result in “implications for the size of our workforce, affecting both academic and professional services roles.” In other words, welcome to a new period of financial austerity.

We are told this austerity being undertaken not by design but out of material necessity itself resulting from “inevitable” dynamics that are far beyond our University’s control. It also has no clear timeframe or specific targets beyond at least ostensibly ensuring our institution’s viability and by extension the long-term “wellbeing of our colleague and student community”, at least those of us who are not implicated in plans for future redundancies.

This announcement is perhaps on its face, not entirely surprising. After all, we have seen countless other universities announce and begin to enact similar austerity plans across Scotland and the UK in recent years. These have been justified by references to a range of distinct but also overlapping crises, whether falling international student numbers, poor investment decisions, rising costs, etc. etc. Yet, in our case in Glasgow, however, despite our VC’s claim about the impending austerity being “inevitable” consequence of conspiring external factors facing our institution’s viability, it is rather less than clear what these ostensible factors actually are.

Below is an overview of the **actual figures** we currently have access to, which paint a rather different picture about our current financial environment:

- **Reserves:** The University holds over £1.3 billion in unrestricted reserves, with £645.7 million in liquid funds — enough to run for more than 200 days without any income at all, well above the sector benchmark of 110–150 days. In addition, the university has a credit facility with banks of £200 million.

- **Growing income:** Total income has risen continuously for a decade including through the recent dip in international student numbers, with tuition fee income alone rising by nearly £70 million in 2024–25 and research income rising by £18.8 million. The University has recorded an annual operating surplus for over a decade.
- **Low staff costs:** The University's staff costs as a proportion of income are among the lowest in the Russell Group — fourth lowest, above only Oxford, Cambridge, and Bristol.
- **Cautious borrowing:** Existing debt of around £250 million was secured at below 3% interest with repayment deferred until the 2030s at the earliest. Unlike three other major Scottish universities, Glasgow is in no danger of breaking its loan covenants (it has £44.4 million cushion in meeting even the most stringent one).

Nevertheless, there are indeed some elements about our financial environment, unrelated to staffing costs, which are cause for concern:

- **Capital Spend**: Between now and 2040, annual capital spend is planned to be over £100 million+, double the historical average. A sinking fund to meet principal repayments beyond 2040 has been created. **But there are no cuts planned in Glasgow's anticipated capital spend.**
- **Rising consultancy fees:** Between 2019-2026, the University spent over £114 million on consultancy fees (data from FOI request by UCU Goldsmith).

Based on our own rigorous analysis of these publicly-available figures, we have an **alternative diagnosis** of what our University is facing. Rather than facing an external set of pressures beyond our control that are forcing our leadership to act *responsibly,* the ailment we face is something altogether different. We call this **austerity FOMO**. For the uninitiated FOMO is the abbreviation for "fear of missing out", broadly defined as a worried feeling that one may miss out on exciting events that others are partaking in.

Based on the clear disjuncture between our VC's austerity vision and the data we have access to about our University's actually-existing financial position, it is hard to come to any other conclusion. It seems to us that rather than taking an accurate assessment our current financial situation and being encouraged by our relative, some might even say exceptional, strength within our sector within Scotland and the UK, our leadership instead seems to be worried that they might well miss out on the austerity gripping the broader higher education sector at the moment.

This threat is very real. The University of Glasgow is already laying-off people on open-ended contracts: 52 Associate Tutors at the School of Education are to be made redundant at the start of the semester, 35 of whom are on open-ended contracts.

It is imperative to challenge and contest the SMG narrative that staff cuts are inevitable because of declining PGT numbers. An alternative would be to minimize the decline in PGT revenue (and not just numbers) and focus on generating additional sources of revenue (commercial activities, industry collaboration, increased research income, new modules and teaching initiatives) by working with (and not against) faculty or adopting an ad hoc slash and burn approach to cutting costs *devoid of* any strategic thinking and consideration.

That the SMG are focusing on staff cuts is a management and political choice (i.e. Austerity FOMO). Other approaches can and should be explored in consultation with the staff and relevant unions.

Of course, exploiting political crises is nothing new. Nearly two decades ago Naomi Klein alerted us to this dynamic in her powerful book *The Shock Doctrine,* which traced the origins of what she called the rise of “disaster capitalism”. While fear is, no doubt, at work in austerity FOMO is clearly borne out of a fear on missing out the potential transformative force of disaster capitalism that Klein chronicles. Austerity FOMO is thus different from the general shock doctrine in at least one respect : it is not merely an attempt to exploit an external disaster that has already happened; rather it is an attempt to fabricate a crisis which does not yet exist, at least not in the form it is being presented.

It is for this reason that UCU Glasgow is calling on our membership to find ways to raise awareness about how austerity FOMO is being mobilized as the basis of a major assault on all of us as a choice rather than economic necessity. Only by drawing attention to the fictitious basis of this new wave of austerity that can we begin to develop a strong response to it. So we encourage you to get the word out! Speak to your colleagues and let it be known: we are being deceived into a crisis which is entirely made up and entirely avoidable! Facts matter and in this instance they are clearly on our side!