

Email from Alistair Jarvis to VCs, 17 February 2020 on USS dispute

Sent: 17 February 2020 17:07
Subject: Employers' position in the USS dispute
Importance: High
Sensitivity: Confidential
To Vice-Chancellors, Principals and Chief Executive contacts

Dear colleague,

Employers' position in the USS dispute

Over the past week we have formally consulted with the 341 employers in USS to test your current position in the USS dispute.

We asked for a simple yes/no answer as to whether you continue to support Universities UK holding the employers' current position of employer contributions at 21.1% and member contributions at 9.6% for the current valuation period. For those in favour of making a new offer to UCU we asked you to indicate the additional contribution amount you would be willing to offer.

This poll closed earlier today (Monday 17 February 2020) with the following results.

In total 111 employers stated their position. These employers employ 81% of the active members in the scheme.

Of those employers that stated their position:

- 93 employers (84% of those responding to the poll) confirmed that they did not wish to make a new offer to UCU, supporting holding the current position of 21.1% employer contributions and 9.6% member contributions for this valuation period. These employers employ 55% of the active members in the scheme.
- 4 supported re-stating the offer of an additional 0.5% employer contributions, meaning employer contributions of 21.6% and member contributions of 9.1% for this valuation period. These employers employ 7% of the active members in the scheme.
- 14 employers (13% of those responding to the poll) supported a new offer. These employers employ 20% of the active members in the scheme
- Of these supporting making a new offer, 12 employers supported making a new offer of between 0.6%-1%. These employers employ 18% of the active members in the scheme. Most of this group supported an offer of 0.8%.
- 2 employers supported an offer of over 1%. These employers employ less than 2% of the active members in the scheme.

Many of those that supported making a new offer attached a number of conditions. Most commonly stated by employers was that any offer to UCU must be conditional upon ending all both disputes at their institution (pensions, pay and conditions).

In collating replies to this question, we have calculated both the absolute number of employers that answer 'yes' and 'no' and also the weighted numbers (by number of active USS members).

Given that there is not a majority, nor a weighted majority, in favour of a new offer we will stand with our current mandate of 21.1% and ask that all employers respect this as the collective employers' position.

Nevertheless, in some of the responses and in our many conversations with employers over the past weeks and months in relation to USS, it is clear that employers wish us to continue to engage with UCU to seek a resolution to the dispute.

Therefore, we will also repeat to UCU a commitment to put any reasonable suggestion that they make to resolve the dispute to all employers for a view. As yet, no such offer has been forthcoming.

The majority of employers feel that having already increased contributions to the scheme by 3.1% of pay, to retain current benefits, together with expressing a genuine and full commitment to exploration of the Joint Expert Panel's recommendations through the tripartite talks, including (but not limited to) promoting a new approach to the 2020 valuation methodology, progressing governance reforms, greater transparency and jointly agreeing new valuation principles and scheme purpose, will ensure the long-term sustainability of the scheme for the benefit of members.

Many employers are conscious of the affordability issues for members and would wish to explore possible options to address this through the tripartite talks and the 2020 valuation.

As a reminder, to date, progress has been made through the tripartite talks in the following areas:

- A new scheme purpose statement has been drafted;
- Shared valuation principles have been developed;
- A 2020 valuation methodology discussion forum has been established, with representation from the USS Trustee and nominees from UCU and UUK;
- There has been enhanced engagement and visibility of USS Trustee Board members, through regular attendance at JNC meetings, good engagement with the tripartite talks and with the commitment to direct early engagement with stakeholders on the valuation methodology;
- There is a commitment from USS to fully explore a Dual Discount Rate as part of the development of the 2020 valuation methodology;
- A shared desire to review the effectiveness of the Joint Negotiating Committee (JNC), with joint work on options analysis to commence during February;
- Agreement to establish a strategic discussion forum, with senior representation, to meet at least twice yearly, to consider longer term issues.

There has also been an agreement that the tripartite talks will continue through until at least April 2020, and UUK will continue to fully commit to these.

All the best,

Alistair

Alistair Jarvis