

## Statement from UCU USS negotiators

UCU negotiators would like to thank members for their incredible industrial action, support and solidarity.

The foundations of the problems with USS are complex, but the terms set out in the dispute letter [<https://www.ucu.org.uk/article/10143/Autumn-strike-warning-for-universities-in-USS-pensions-dispute>] were simple and line with UCU policy agreed by members at HE sector conference: to keep member contributions to their pre-dispute levels while maintaining benefits.

UCU has consistently argued that USS's claim that contributions need to increase is founded on a discredited valuation methodology and un-evidenced assumptions: this is a familiar argument because this problem also underpinned the 2018 USS dispute, through which UCU members successfully defended the Defined Benefit scheme. Noting that the employers had neglected to work with UCU quickly enough to address these matters for the 2018 valuation, UCU made proposals that employers should pay the excess in order that member contributions remained at the same pre-dispute rate of 8% (no detriment). Those counter-proposals are here: [https://www.ucu.org.uk/media/10394/UCU-USS-counter-proposal-Jul-19/pdf/ucu\\_uss-counter-proposals\\_24jul19.pdf](https://www.ucu.org.uk/media/10394/UCU-USS-counter-proposal-Jul-19/pdf/ucu_uss-counter-proposals_24jul19.pdf)

Negotiators have consistently put it to Universities UK and USS that the total level of contributions required should be reduced which would be achievable were USS to take a different, more appropriate approach to the valuation methodology. We have pressed for a sensible valuation approach that would protect the scheme and its members from the effects of increased contributions or damage to benefits. In addressing the methodological problems throughout, we have sought to impress upon employers this is the best way to prevent future disputes. We have also consistently noted that increasing member contributions poses a risk to the scheme as it increases the number of members who need to 'opt out' of USS on affordability grounds.

Alongside negotiations over the rate, significant progress has been made in finding common ground on valuation and scheme governance with the employers. In short, backed by members' determined industrial action, we have moved them. UCU will need to maintain pressure on UUK to ensure they stand behind the commitments they have made to ensuring that the scheme is well-governed and valued correctly in the long term. This includes ditching the presumption that 'de-risking' should take place without clear evidence, and the need to abandon the flawed 'Test 1', which artificially increases costs. These commitments are set out in a document agreed by UCU and UUK:

[https://www.ucu.org.uk/media/10904/HEC1226-appendix-6-Apr-20/pdf/HEC1226-appx6\\_apr20.pdf](https://www.ucu.org.uk/media/10904/HEC1226-appendix-6-Apr-20/pdf/HEC1226-appx6_apr20.pdf)

Changes to the valuation methodology and use of evidence-based assumptions are the best way to make the scheme sustainable and affordable in the long term. Thus far, our action in this dispute has moved the employers to join UCU in challenging the 'received wisdom' of USS' approach to the valuation, and to agree that transparency should be the default, with any instances of confidentiality fully justified.

There are a number of settings in which we now engage with UUK as employers' representatives, alongside USS, on matters that underpin the long-term prospects for the scheme. We meet regularly at JEP-facilitated 'tripartite' talks, in addition to the ongoing business of the USS Joint Negotiating Committee through which the scheme is managed. The JNC also yields a number of subgroups, most notably the Valuation Methodology Discussion Forum, which has been a particularly effective forum to argue for changes in methodological approaches to the valuation. UUK's position on many aspects of the scheme is now unrecognisable compared to that which precipitated the 2018 industrial action.

However, there has been significant resistance from employers to move on the contribution rate split. Since the Coronavirus crisis hit, UUK have essentially closed down what were still potentially fruitful discussions of where a resolution regarding contribution rates may lie. The negotiators have continued to impress upon our employers' representatives that the best way to defend the sector in this crisis would be to resolve this industrial dispute, and in so doing improve industrial relations and trust such that UUK and UCU could better work together in defence of the Higher Education sector as a whole.

The recent agreement secured by UCU's negotiators with UUK on the document setting out positions on a wide-range of issues that impact the scheme over the long-term is encouraging [[https://www.ucu.org.uk/media/10904/HEC1226-appendix-6-Apr-20/pdf/HEC1226-appx6\\_apr20.pdf](https://www.ucu.org.uk/media/10904/HEC1226-appendix-6-Apr-20/pdf/HEC1226-appx6_apr20.pdf)]. The 2020 valuation is in its early stages, but signs are that a united front between UCU and UUK would make it hard for USS to return to their old ways. This is testament to the resolve shown by members in the disputes, and the huge efforts from many members that have gone into analysing the failings of USS's previous approaches to valuation. The future of the defined benefit scheme is not yet secure, but we are in the best position since the dispute began to defend it.

There should be no doubt among members that strong industrial action has made our employers step back, think again and join UCU in challenging USS's approach. Members now need to decide where to go next in the dispute. The negotiators will continue to put every effort into protecting the future of the defined benefit scheme and protecting it by aiming to keep member contributions affordable.

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