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WHY WHICH WAY TO VOTE ON THE LATEST UUK PROPOSAL SHOULD BE AN EASY DECISION

Sam Marsh, University of Sheffield

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This is a guest post by Sam Marsh, University of Sheffield, originally posted on the [Sheffield UCU site](#).

With UCU members about to be balloted on a proposal from Universities UK aimed at ending the USS dispute, Sam Marsh argues that the current wording offers no guarantees, and explains the thought processes that has led him to come to an easy decision.

When [details of the proposal](#) from UUK (Universities UK) dropped in the late afternoon of Friday 23 March, they caused considerable excitement. References to the status quo and expert panels to reexamine the valuation looked, on first glance, like the battle was over: we'd been listened to, and UUK had backed down.

Very quickly it became clear that things were far from what they seemed. The reference to the status quo? That expires in April 2019, the earliest any changes would come in anyway. The expert panel? That will only have the power to make recommendations to the JNC (Joint Negotiating Committee). A pension broadly comparable with current arrangements? What does this mean, precisely?

By Monday, a branch meeting of over 250 fellow Sheffield UCU members [sent a clear message](#) to the national leadership, instructing our negotiators to take the proposal back for further talks. Many other branches did similar.

Unfortunately, such calls for revisions were not heard, as the HEC voted 10–8 to send the proposal out to all members for a vote, unamended. Significant controversy has flowed from the unsupported claim by the General Secretary that the majority of branches [supported](#) this course of action.

Nevertheless, that decision has been made, and it is now for members to decide which way to vote. Allow me to pose and answer some questions which, for me, make the decision easy.

Do we know what pension we'll end up with?

This is the fundamental question we should be asking of any proposal put to us. And, on this, the UUK proposal tells us nothing. The closest we get is:

If in the light of [the expert panel's assessment of the valuation] contributions or benefits need to be adjusted in either direction, both parties are committed to agree to recommend to the JNC and the trustee, measures aimed at stabilising the fund to provide a guaranteed pension broadly comparable with current arrangements.

This is a commitment to a *recommendation*, not a commitment to a guaranteed, broadly comparable pension. My experience of negotiating is that one should never leave to trust things that aren't explicit. The commitments in the UUK proposal are far too vague to provide the basis of a resolution, particularly when trust between UCU and UUK is running so low.

Embarrassingly, it seems that even Stephen Toope, vice-chancellor of Cambridge, is aware of this, [suggesting amendments](#) of the kind that UCU should have already demanded, such as a guaranteed minimum outcome. It is essential that our negotiators get the chance to push for such guarantees.

Are we likely to end up with something we've already rejected?

The dispute started because of a plan to force a DC (Defined Contribution) scheme onto us. Later, members forcefully threw back an ACAS-facilitated deal for a significantly watered-down DB (Defined Benefit) scheme. Have these gone away for good?

The JNC ruling which sealed in the DC scheme still stands. Procedurally, until that decision is revoked, it is still the default course for the USS trustee to follow, starting with the statutory consultation of all USS members. A [letter](#) from UUK chief executive Alistair Jarvis to Sally Hunt gave assurances that UUK 'does not intend to return to the January JNC proposal to consult on moving to a DC scheme': another weak statement that, at a time of low trust, must be tightened up.

Notice also that the reference in Jarvis's letter to 'meaningful' defined benefits coincides precisely with the language used to describe the [DB deal we rejected](#). If, like me, you consider that proposal to be short of what we should be settling for, this similarity should be of significant concern.

Should we put faith in the expert panel to solve our problems?

This is a big unknown. Notice that the 'terms of reference, the order of work and timescales' for the expert group are still to be determined (point 3 of the [proposal](#)). This is very important, as the scope of the panel will make a big difference.

The main problem the valuation has is that it conforms to deep-set actuarial orthodoxy and, to some extent, regulation that does not appear well suited to the status of USS as an open, ongoing, multi-employer scheme. Making an impact on that aspect will require heavy thinking and analysis, and will not be a quick fix.

My view is that the panel is to be welcomed, but that it should be seen as a group which can think for the longer-term. While the panel may have a positive influence over the current valuation, this is far from guaranteed, and as such the existence of the panel should not be seen as enough to settle the current dispute.

Can we settle for now, and strike again if we don't like what happens down the line?

While this is tempting, especially as we all want the dispute to be over, it has the potential to mean we have to do this all again in a year's time, with students again getting hit hard. When we are close to an agreement that means something, it seems to me essential that we do all we can to tighten it up enough to make strike action next year unlikely, perhaps even out of the question. We currently have significant leverage to force concessions: UUK called our bluff in the first wave of action, and they can't afford to do it again. Students must not have their courses further disrupted for the sake of reasonable demands on tighter wording on an agreement. It is for UUK, not us, to ensure that that the action doesn't happen.

Can this proposal be improved?

Of course it can! Here are some thoughts on things that should, at the minimum, go into the proposal:

- 1. A guaranteed minimum outcome.** This could take the form of a minimum contribution rate from employers. For example, the [UCU proposal](#) tabled immediately prior to the ACAS talks required a 2.7% employer increase, which costed against the September valuation may be seen as an acceptable outcome. If UUK pledged this amount, and we had a clear statement of what such increases would achieve against the November valuation, we would have a basis for an absolute minimum, improvable subject to the panel's findings.
- 2. More detail on the timescales for the expert panel.** I would like to see it made explicit that this group will work to a two-stage process, with dates included in the proposal. Firstly, the panel should report on the current valuation as best it can by a specified date sufficiently early to influence the outcome of this valuation. It should then move onto the bigger job of discussing the underlying methodology with an aim to forming high-level recommendations on how it sees the future of valuing USS, with a view to reporting in time to influence the 2020 valuation at the latest.
- 3. A commitment to a review of scheme governance.** The structure of the JNC and USS board appears to have been a significant factor in arriving at the current deadlock, with UUK finding it too easy to push heavy-handed changes through the formal processes. Our branch passed a motion early in the dispute calling for the voting rights of the independent JNC chair to be removed, which would mean that agreement would have to be reached between UCU and UUK before changes could be implemented, using ACAS if necessary. The structure of the USS board, currently 3 UCU/4 UUK/5 independent trustees, should also be subject to discussion: as UUK have the chair, should UCU gain a trustee at UUK's expense? It may be that changes are necessary to ensure that fairer settlements are reached in the future, to the benefit of all parties.

Are the USS board and the Pensions Regulator going to stop any improvements to the scheme?

The ideas above would not need approval by either USS or the Pensions Regulator. True, both parties are likely to be resistant to amending valuations or allow through a fundamentally different approach, but an expert panel should provide the intellectual muscle to make progress, especially with UUK and UCU backing the output from such a group. Importantly, the chair of the USS board is a UUK-appointed trustee.

Final thoughts

I have found it important to remember throughout this dispute that it is not our fault that students are having their degrees disrupted, but the fault of Universities UK. We did all we could to try to make sure that employers were listening, and that this valuation never became a dispute (I devoted three years of my spare time to it!).

I am so grateful for the incredible support students have shown to us during this campaign, and do not take it for granted. That said, if rejecting this proposal leads to further strike action, it will be because UUK have continued to resist reasonable solutions to the dispute. In such a situation, I trust students to continue to see the injustice and correctly apportion the blame to those responsible.

We must recognise that this is a huge step forward from the 23rd Jan decision, and that this change in the employers' position is a direct result of the power of our strike action. In the end, it is only our organisation, industrial strength and willingness to mobilise which will protect our pensions, now and in the future.

This paper represents the views of the author only. The author believes all information to be reliable and accurate; if any errors are found please contact us so that we can correct them. We welcome discussion of the the points raised and suggest that discussants use Twitter with the hashtag [#USSbriefs6](#); the author will try to respond as appropriate. This work is licensed under a [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](#).