Industrial Action Q&As

15th November 2019

This document is produced by the IDS Strategic Leadership Group. It provides information about the planned industrial action and addresses associated queries. It will be updated regularly with new information or in response to further queries (this version dated 15th November 2019)

If you have a query about the industrial action which is not addressed here, please email:

To skip to practical information primarily for staff go to p. 5

To skip to practical information primarily for students go to p. 7

Background

IDS is a member institution of the University Superannuation Scheme (USS). This is a national scheme focused on providing pension provision to the Higher Education sector. The majority of IDS staff are in this scheme, although we also participate in other pension schemes for different staff groups.

In 2017 the USS scheme was valued with a significant (£7.9 bn) deficit and measures were proposed to address this, including increased contribution rates for employers and employees in the scheme. The parties involved in the Joint National Committee discussions about how to address the deficit were not able to agree and this resulted in industrial action by the University and College Union (UCU) in early 2018.

This action ended with the agreement to create a joint expert panel (JEP) of the employers (represented by Universities UK, UUK and the unions, UCU) to look again at the 2017 valuation and recommend how future valuations should be conducted. As part of these arrangements there would be no increases to contributions until April 2019 to allow time for the dispute to be resolved.

Because of the legal requirements of the Pensions Regulator to conclude the 2017 valuation and to fund the scheme adequately, USS put in place the contingent process to increase contributions with effect from April 2019 (under section 76.4). This saw contributions for employees rise to 8.8% and to 19.5% for employers.

USS also carried out a 2018 valuation, which led to a range of options being put forward. USS put forward three options and consulted employers on them. These were: relatively low contributions with rapidly accelerating contingent contributions; high contributions, and the compromise ‘option 3’. Given the appetite for risk that sector employers were willing to bear, Option 3 was agreed, with contributions at 30.7% (0.7% over the JEP recommendations) until October 2021. The contribution rates rose in October 2019 to 21.1% for employers and 9.6% for employees.

The JEP made a number of recommendations, some of which have been implemented in full and others partially. There is a discrepancy between the UCU view of the JEP recommendations and how many have been implemented, and the USS view.

UCU seek a ‘no detriment’ position on the basis that no increases should have been implemented until agreement had been reached. They argue that if JEP 1 was implemented in full there would be no need for the increases from the 31 March 2019 position. UCU believe that the employers and UUK have not put enough pressure on the USS trustees to implement the JEP 1 recommendations in full. UCU also contest the size of the deficit and the assumptions reached in calculating this.
One of the JEP recommendations was for a ‘JEP 2’ to address the longer-term sustainability of USS and the governance and valuation methodologies used by USS. JEP 2 apparently did meet but its report (originally due to be published in September) has been delayed indefinitely.

A new valuation is due in 2020.

Contributions for Employers and Employees are currently set at the following levels-

<table>
<thead>
<tr>
<th></th>
<th>% OF PENSIONABLE SALARIES</th>
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<tbody>
<tr>
<td></td>
<td>to 31 Mar 2019</td>
</tr>
<tr>
<td>Employer</td>
<td>18.0</td>
</tr>
<tr>
<td>Employee</td>
<td>8.0</td>
</tr>
<tr>
<td>Total</td>
<td>26.0</td>
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IDS position

IDS is committed to ensuring that all our employees have high quality pensions. We know how valued the benefits of USS are and we fully support the search for sustainable solutions that bring decent benefits at a reasonable cost.

We have worked hard, in conjunction with UCU colleagues, to share information with staff and to keep everyone updated about a complex national picture. We have an intranet page where relevant information from both IDS management and our local UCU has been shared, here:

We have responded to all consultations from UUK and shared our responses with staff and the UCU. In our consultation responses we have:

- Supported JEP
- Sought for all the recommendations to be implemented
- Asked for JEP 2 to be considered seriously
- Asked for full transparency.

We have explained in a public letter in Pensions Age how we are particularly affected by the current pension situation, as a smaller organisation https://www.pensionsage.com/pa/Guest-Comment-Smaller-organisations-have-had-little-voice-in-USS-negotiations.php

The USS scheme is a large multi-employer scheme and what’s known as a ‘last man standing’ scheme. This means that, if a smaller employer fails to cover its own pension costs, the remaining employers in the scheme are liable to cover those costs. This has the potential to skew the relative influence of larger and smaller employers in the scheme – as the larger employers are those who will become liable for the failure of others. In light of this our Board of Trustees has pointed out that, were it not for those larger employers, IDS would not be able to participate in such a scheme as we do not offer the secure employer covenant the scheme would demand.

As a smaller employer in the scheme, and one who is not a university, the current issues present great concerns. IDS is distinctly different to the universities involved in this national dispute – we are much smaller, without unrestricted government or core funding, we do not hold any assets in the form of buildings, the proportion of spend on our staff is significantly higher than the average in universities.
Our business model is different from that of a university. We have no unrestricted Research England QR funding and relatively fewer students, as we do not have undergraduates. Around 85% of our income comes from grants and contracts for which we must compete with organisations with different lower cost pension schemes.

We have a greater proportion of our staff in USS than Universities, meaning changes in contributions and deficit affect us to a greater extent. Currently around 90% of our staff are in the USS scheme.

Spending on staff across the university sector is said to have dropped as a proportion of overall expenditure, from 58.1% in 2006-7 to 54% in 2017-18, and been replaced by costs relating to capital. This does not apply to IDS, where staff costs have risen as a proportion of our expenditure (ignoring pass through) and are currently 84%, while our capital expenditures are minimal.

While there is an argument being made that universities have ‘ample reserves’, IDS does not. The USS deficit is expressed in our accounts and is currently 79% of IDS reserves – bringing our real reserves to £0.5m (compared with 6% for University of Sussex). If the deficit exceeds our reserves it could make IDS seem as if it is not a going concern. Funders may find funding us unappealing in these circumstances.

We have already worked hard to reduce our costs and maximise efficiencies in a difficult financial environment. It is genuinely difficult to envisage further savings or changes of business model that are feasible and avoid damaging trade-offs.

Currently our employer contribution to USS is £1.6 million per year. We have managed to include the additional contribution from October 2019 in our 2019-2020 budget by making savings elsewhere.

The proposed 8% ‘no detriment’ position of the UCU would cost an additional £400k per year. This is unaffordable to IDS given our small size and very tight financial margins. Although we generated a surplus in 2018-19 (which has been reinvested into our reserves), this was the first after several years, and cannot be guaranteed into the future.

We don’t want contribution rates to rise for us as an employer, nor for our employees, yet we are committed to USS, and we are committed to advocating for it to be maintained as a scheme that provides good benefits. We want to work closely with UUK to keep employer and employee rates to the minimum whilst ensuring that the scheme has a long-term sustainable future.

The additional cost to IDS of the planned increases are as follows:

<table>
<thead>
<tr>
<th>Year to 31 Mar</th>
<th>Year to 31 Mar</th>
<th>Year to 31 Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>Salary roll £</td>
<td>8,783,000</td>
<td>8,958,660</td>
</tr>
<tr>
<td>Additional cost since 31 Mar 2019 £</td>
<td>202,009</td>
<td>394,181</td>
</tr>
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The additional cost to IDS of the UCU no detriment position are as follows:

<table>
<thead>
<tr>
<th>Year to 31 Mar</th>
<th>Year to 31 Mar</th>
<th>Year to 31 Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>Total additional</td>
<td>307,405</td>
<td>600,230</td>
</tr>
<tr>
<td>Additional cost compared to planned increases</td>
<td>105,396</td>
<td>206,049</td>
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The current dispute
The information above goes some way to show that the situation is complex, with very different perspectives. While IDS management does not support the UCU position, we understand and recognise the importance of pensions for our employees and that union members or other employees may hold legitimate positions different from our own.

IDS management also recognise and support the right to take industrial action – it is a demonstration of citizen voice and collective action in a context of major national and global financial and regulatory issues, that forms part of our research interests.

While we have our differences in this dispute, there are important areas of common ground between IDS and the UCU:

First, we all urge UUK and USS to take urgent action to resolve this dispute. The impact on students, staff and employer-employee relations in the 2018 dispute was significant and damaging. Further disruption to teaching and research will have a further and highly damaging impact on student and staff morale, affect our ability to meet our charitable purposes and deliver for our beneficiaries, and affect our reputation internationally, as well as the reputation of the international development and higher education sectors in the UK, at a vulnerable time.

Second, we reiterate our support for using the Joint Expert Panel (JEP) process to resolve this dispute. We were pleased to see the formation of the JEP as a result of the 2018 period of industrial action and were strongly in favour of adopting its recommendations in full as a means of moving beyond the threat of further industrial action. We are disappointed that USS and UUK were unable either to satisfy employers, USS members and the UCU that the JEP 1 recommendations had been fully considered and acted upon, or to provide clear explanations when recommendations were not implemented. We are also disappointed that the report of JEP 2 has been delayed, since we understood this as the crucial process to consider longer-term issues of scheme sustainability and governance. Whatever the message that JEP 2 conveys, delaying it further fuels mistrust.

Third, we note the urgent need for transparency – both in terms of the valuation calculations and in terms of governance – from USS itself. Our employees tell us they feel that it is the process of the valuation and the governance of the scheme that has brought it into disrepute and that many are striking in large part because they no longer have confidence in the scheme, its governance, its valuation and its future prospects. As an employer, we also feel that issues with USS around governance, transparency and accountability must be addressed if a solution to the current dispute is to be found, and for the scheme to move to a sustainable footing.

The UCU notified us of a trade dispute with us, which made clear their demands to avoid further industrial action. Subsequently UCU members have been balloted for strike action.

IDS ballot results were as follows:

IDS has a staff of around 250 people.
Of these, there are 78 UCU members entitled to vote in this dispute and, 54 votes were cast (69.2%) and 35 (64.8%) of which voted Yes to strike action, while 19 (35.2%) voted No.

The ballot is valid for 6 months, and we have been notified by the UCU of strike action on the following days: 25, 26, 27, 28, 29 November and 2, 3, 4 December. Any further strike action within the 6-month period would need to be notified in advance to IDS.
The IDS UCU members have also voted for action short of a strike. UCU have advised us that this will consist of: working to contract; not covering for absent colleagues; not rescheduling lectures or classes cancelled due to strike action; not undertaking any voluntary activities.

While we recognise the importance of these issues for union members, IDS senior management does not accept that this action against IDS is an effective means of progressing the UCU’s concerns. We have already taken actions to address the issues where we share a common view, and we do not believe that IDS has an influential voice at the national level in these discussions.

The UCU have told us that their dispute is with the USS, though they are not able to strike or take other action against them. Strike action can only lawfully be taken against the employer, which at IDS is embodied in the Board of Trustees, and on the basis of an existing trade dispute. The Board has made clear that they would not and do not agree to the UCU’s demand of reverting to the previous contribution rates, with the additional costs covered by IDS.

We are very concerned about the impact of strike action on our students, our colleagues, our partners and donors, and our beneficiaries. The following sections outline what actions we will take to try and navigate the industrial action while mitigating any negative impacts on our work.

**Industrial Action 2019**

**Information primarily for staff**

While we recognize the legitimacy and importance of this strike to union members, we will also seek to minimise the disruption to staff, students, our partners and visitors.

IDS will continue to open as normal during the action at IDS

We will write to all members of staff in advance of the planned strike asking for information regarding their intentions, for planning purposes.

We have created a new email address for raising queries or concerns relating to the strike which will be monitored by SLG. There will also be a phone number to call on strike days and a member of SLG will be available for any immediate queries or concerns.

**Staff not planning to take strike action**

Staff members who are not taking part in industrial action on any particular day are expected to attend work as usual. The building will be open as usual, including the restaurant and other services.

In most cases you should assume that events and meetings scheduled during the period of industrial action will go ahead as planned in the IDS building.

There are likely to be picket lines at the entrance to the University and outside IDS. You have full rights to cross without intimidation. If you are concerned about crossing picket lines, please speak to HR, your manager or a member of SLG.

We will consider requests for alternative arrangements for strike days for those who do not intend to take action but who are uncomfortable with crossing a picket line – such as agreeing annual leave or working from home – where this does not interfere with existing plans or scheduled events and commitments. Any such alternative arrangement must be agreed in advance with your manager.
If you are off sick during the strike period, you should notify your manager and HR in the usual way and will need to provide the usual self-certificate and/or fit note.

**Staff planning to take strike action**

We recognise the right of staff to take part in lawful industrial action.

Industrial action does not break continuity of service, though strike days are not included in calculating the length of continuous employment. However, strike action constitutes a breach of contract and SLG has agreed that pay will be withheld at a rate of $\frac{1}{365}$ of annual salary for each missed working day or part day. This is in keeping with national law and practice.

For those with an individual or collective income target, these will only be reduced to account for days taken as strike days if you have completed and returned the information about your plans to take industrial action.

Decisions to cancel or rearrange events and meetings scheduled during the period of industrial action should only be taken by the meeting or event lead/leads.

If you do plan to strike, please be courteous in your communications about this to others, including funders. If necessary, please include an appropriate out office message such as: ‘Some members of IDS are taking part in national action about proposed changes to our pension scheme. In my absence, if you have an urgent query, please contact the Director of Teaching, or the Director of Research, or the Director of Communications and Impact’

**Action short of a strike (ASOS)**

The UCU have advised us that action short of strike will consist of: working to contract; not covering for absent colleagues; not rescheduling lectures or classes cancelled due to strike action; not undertaking any voluntary activities.

The Institute will not withhold pay for action short of a strike.

**Picket lines**

Small groups of staff (not exceeding 6) who are taking part in strike action may picket their employer for the purposes of peacefully persuading workers to break, or interfere with the performance of, their contracts of employment by not going into work. Picketing is governed by a code of practice, which can be found here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594788/Code_of_Practice_on_Picketing.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594788/Code_of_Practice_on_Picketing.pdf)

There should be no intimidatory behaviour towards people who wish to attend work and they should be allowed to do so. Students and other visitors to IDS are not workers and we trust that they will be allowed to pass in a cordial manner.

**Information primarily for students**
During the strike, IDS will be open to all staff and students who may wish to use this space. Students will, as always, be welcome to come to IDS and use the building.

**How will we know if our classes are happening or not?** IDS has now received confirmation that we can ask IDS staff whether they are intending to participate in the strike or not. We will be doing this in the next couple of days. However, as you are probably aware, UCU members are under no obligation to inform IDS whether they will strike and hold their classes or seminars or not and you may know the answer to this before IDS does. Where IDS does have information, we will communicate this as follows:
- cancel seminars on Sussex Direct.
- post a list of the classes which are going ahead (to the best of our knowledge) in the IDS reception each day.
- inform you through email.

IDS encourages students to work together to develop their learning and skills. There will be opportunities for students to form small learning groups and engage in a facilitated session if their classes are cancelled. There will be one organised facilitated session each morning and afternoon during the industrial action. If your class is cancelled but another is running, with the agreement of the lecturer, you may be able to attend this if there is space in the class.

Your student reps raised the question of compensation for sessions not held due to industrial action. As our students are all University of Sussex students, IDS will follow the University of Sussex arrangements in relation to this. The University has not yet stated how it plans to proceed with this.

Several students have asked whether Panopto recordings of previous lectures can be shared if lectures are cancelled. IDS will not share Panopto recordings without lecturers’ permission to do so, but we will ask lecturers if they are willing, and facilitate sharing where possible.

**Will the strike extend beyond 8 days?** The strike will not be extended beyond the 8 days currently identified. However, the UCU ballot of IDS is valid for six months and this means that the Union could call another strike within this period, subject to notifying IDS in advance.

**Student attendance:** IDS wishes to make it completely clear that no student will be penalised for missing classes that are cancelled due to industrial action. If your class does take place, and you do not wish to cross the picket line, please ensure that you email the teaching office at: email so that you can be noted as 'authorised absent'.

During lunch times on the strike days, there will be additional support for students who are finding this particularly stressful and concerning. IDS Mental Health First Aiders will be available for anyone who wants to discuss the ways in which the industrial action is personally affecting their routines.

We have created a new email address for raising queries or concerns relating to the strike ( ) which will be monitored by SLG. There will also be a phone number to call on strike days and a member of SLG will be available for any immediate queries or concerns.