



UoB Briefing

Update on USS negotiations and consultation

29 March 2018

Dear colleagues,

Before we break for Easter, I wanted to take the opportunity to update you on the latest national position on the USS pension proposals.

Colleagues will know from recent communications and press reports that ACAS is supporting negotiations between Universities UK (UUK), representing employers, and University and College Union (UCU), representing staff. As a result of the latest round of discussions, UCU and UUK are proposing to jointly establish a panel of experts to agree key principles to underpin the future joint approach of UUK and UCU to the valuation of the USS fund. The Joint Expert Panel, which would consist of actuarial and academic experts, with a jointly agreed independent chair, would review the basis of the scheme valuation, assumptions and associated tests over the next 12 months. This proposal defers finalisation of the valuation for a further year, during which time it is proposed that scheme benefits and contributions remain as presently in place. This deferral requires the formal approval of the Pensions Regulator, who may impose conditions if they agree to the proposal. It also requires the approval of the USS Trustee, who has legal obligations to meet in respect of the valuation.

UUK has said that employers responses received to date have indicated their support for the proposal conditional on the suspension of industrial action. UCU has agreed to consult its members over the proposal next week. Support for this process will also need to be sought from the USS Trustee and the Pensions Regulator, recognising their statutory responsibilities. As part of the ACAS proposal, UCU will consult its branches and members on ending industrial action, which, if it were to continue next term, would specifically target the exam period. More information can be found on the [UUK website](#).

Birmingham's position

From the very start of the negotiations, the University of Birmingham has supported a balanced approach with a principle of a modest, affordable increase in employer and employee contributions as part of a wider package of measures to place the scheme on a sustainable financial footing. This was the position we adopted in our response to the UUK consultation with employers in the autumn term, as set out in the [document attached to our briefing of 6 November](#). Our position has remained consistent throughout.

If a consensus can be reached on the latest proposals and if industrial action were called off, this would provide a possible framework for the rebuilding of trust.

Industrial action

We want an urgent, affordable solution to the present dispute in the interests of both staff and students across the sector, and a sustainable solution for USS as a scheme. Although we are not currently subject to the industrial action which is affecting other universities, the Birmingham branch of UCU will be running a third ballot here in the next few weeks to try once more to get a

mandate for industrial action which will be targeted directly at students sitting their examinations this summer. In such circumstances, the student experience would be our first priority and we would ask that colleagues think very carefully before deciding to vote, especially given the University's consistent and balanced position on USS.

Professor Tim Jones
Provost and Vice-Principal

29 March 2018