

Vicky Blake
Vice-President, UCU

Delivered by hand and by email

20 November 2019

Dear Vicky and UCU colleagues on the Joint Negotiating Committee (JNC),

Engagement on USS issues

Over recent weeks we have engaged on the issue of the forthcoming dispute, and UCU's position of no detriment in relation to USS and in particular the 2018 actuarial valuation outcome. Whilst these exchanges have at times been difficult, we would want to put on record our wish to continue to meet to explore these current challenges, but also importantly to look ahead to the 2020 valuation and its many related issues.

We believe there is common ground that exists between us, and there is much on which constructive dialogue can take place, which includes:

- Reaffirming our previously stated commitment to receive positively the recommendations from the Joint Expert Panel's (JEP's) second report, and – after seeking views from members and employers - agree jointly a set of reform proposals
- Using our collective influence to make the case to the trustee and if necessary TPR that they be accepted;
- Using our collective abilities to persuade the trustee and TPR, where necessary providing new evidence and strengthened justification, of the merits of a longer-term view on risk for USS and its sponsoring employers, something which has the potential to ease pressure on contributions (and on which we have jointly made good initial progress via our joint (UCU/UUK/USS) working group);
- As employers have stated to us, a commitment to work with both UCU and USS to replace test one (and gap to self-sufficiency) as a dominant reference point within the trustee's funding approach for the 2020 valuation;
- Consistent with the existing exchanges which have already progressed on this issue, being fully committed to enhanced transparency so that wherever possible information on the scheme is shared with the widest stakeholder audience or, better still, where feasible made public;
- Reaffirming UUK's view that it is necessary and appropriate for the JEP to consider governance reforms and for the recommendations which it brings forward to be openly consulted upon, and supported wherever feasible;
- To work together to consider candidates for the JNC chair, jointly appointing a successor to Sir Andrew Cubie, and to encourage closer working between the JNC and the USS trustee board;
- To use the resources of employers to provide evidence and backing to support the enduring status of the USS covenant which stands behind the defined benefit promises; and
- Taking all reasonable steps to avoid future contribution increases for USS members or employers.

I recognise that the above are headline statements, and there will be many details which UCU will wish to probe and question (and this is as true for many individual employers). These specifics will need to be worked through to secure outcomes which can be acceptable. But I think it is important to emphasise that there are reasons to look ahead, constructively, to the coming valuation process and to recognise that whilst the work programme looks complex and ambitious, both UUK and UCU are in a position where we can, to a significant extent, shape and influence outcomes.

I don't pretend that either UUK or UCU will find itself content with all outcomes, but I can say that the UUK team on the JNC, and employer colleagues, are committed to USS and to putting a wide range of resources into working with the UCU team to finding a sensible path through the coming discussions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Phil Harding', with a long, sweeping flourish extending to the right.

Phil Harding,
on behalf of UUK's JNC representatives

cc *Sir Andrew Cubie*