Dear Colleagues

I am writing to you about the pending industrial action. This week, a national dispute between the University and College Union and Universities UK over the future of the Universities Superannuation pension scheme will signal the start of a period of potentially disruptive strike action at the University of St Andrews and another 60 universities across the UK.

Both the proposed changes to USS and the prospect of industrial action are causing anxiety and concern. USS is the story that no one wants to tell, and few want to hear, but I hope that you will take time to make your own mind up about the best way forward for the scheme, for individuals, and for our university.

I respect the right of our academic and professional services staff to take industrial action, and know that this is a decision not taken lightly, for many reasons. I also know that we all share a profound concern for the effect of industrial action on our students, and that this is particularly felt in this university, where the nature of the way that we work means that students and staff have a powerful sense of each other as individuals.

A number of you, students and staff, have taken the trouble to write to me and members of the Principal’s Office in recent days to register your concerns. I am grateful for the opportunity to have open exchanges, even if we cannot always agree.

As your Principal I am writing to set out some key points in relation to the scheme, the dispute and to the University of St Andrews. This letter is written by me personally, but it is signed and endorsed by the University’s entire senior team.

The scheme and the proposals

USS has suffered a series of funding crises over the past decade. What is unavoidable is that the current valuation situation, which estimates the scheme’s deficit at £6.1 billion, has by law to have a recovery plan which will satisfy the USS trustee and the pensions regulator by the regulator’s deadline of 30 June 2018. This is the red line which we all face.

As a result of changes at the last reform of the scheme, following the 2014 revaluation, USS is already a ‘hybrid’ pension scheme, offering a defined benefit arrangement to staff on salaries up to £55,500, with a defined contribution arrangement for portions of salary above that level.

UUK and UCU representatives have met more than 35 times to discuss the 2017 valuation of the pension scheme and UUK has repeatedly agreed to extension of deadlines within this process at the request of UCU. These delays have added pressure to the requirement, which cannot be avoided, to complete the current valuation process by 30 June 2018.
The UUK proposal is to move the scheme to a fully defined contributions scheme. UUK has modified its original proposal, in particular by agreeing to explore a framework for the possible reintroduction of defined benefit in due course, as well as to explore de-risking the scheme. The option remains open for further talks with UCU in these areas as well as in, for example, exploring how deficit recovery contributions can be kept as low as possible.

The UCU proposal, which was carefully considered but rejected by the independent chair of the national Joint Negotiating Committee, the body made up of representatives from UUK and UCU which is responsible for making changes to the scheme, would have added substantially to the contributions from both members and employers.

Employees’ contributions would have risen by nearly 3 per cent, and employers’ contributions by over 5 per cent. Benefits would also have been reduced by around 8 per cent.

In St Andrews, the UCU solution would have dramatically increased the salary bill with the consequence that appointments of staff would have been drastically reduced, staff-student ratios would have significantly deteriorated, and the University would have had to look urgently at other options to reduce costs. We run a very tight budget here, with a very small operating surplus. We have very little room for manoeuvre.

Governance

This is the fourth time in ten years that USS has been in very serious trouble, and the interventions taken to address this to date have clearly not worked, and raise serious questions about the governance of USS.

In our response to technical consultations with employers on the future of the pension scheme the University of St Andrews has continually raised questions about the governance of USS. At recent public meetings in the University during the current dispute we offered to write a joint letter with UCU to the USS scheme trustee raising these concerns. UCU do not at present wish to take up this offer. I have, however, raised the future governance of USS explicitly at the UUK board, and will be writing to follow this up with UUK and with USS.

The charge that St Andrews has been ‘hawkish’ is simply not accurate.

We have rather been honest about the scale of the challenge facing USS, the need for reform and the responsibility which I believe we all have to act now, and not simply to kick the can down the road for those who come after us.

Consultation

Formal consultation with members of the scheme on the UUK proposal agreed in the JNC will be undertaken by USS from mid-March for a 64-day period.

We believe that our staff should have as much opportunity as possible to understand the agreed JNC proposal in detail and we will be arranging sessions in the University at which staff can seek information on pensions from experts independent of the University (bearing in mind the important point that benefits accrued to April 2019 will be protected by law).

We will be publicising these closer to the time. We hope staff will go along to one of these sessions and look at the options that are being proposed within the revised benefit package, which will include allowing
employees to choose a lower and more affordable level of pension saving while still benefitting from the full employer contribution.

Students

As you know, we have written to all students explaining that the majority of academic, professional and managerial staff at St Andrews are not members of UCU, and indicating that the University is acutely aware of the potential effects of industrial action on teaching and assessment. Our students are highly intelligent, independent and resourceful: they will continue their studies despite cancelled classes. We know that staff will want to ensure that students’ work is graded, according to our usual practices, in a way that is robust and a fair reflection of the teaching they receive.

We will continue to keep students informed, at School level in particular, and via the Students’ Association. I very much appreciate student strength of feeling in relation to the dispute and its possible impact on studying and morale.

St Andrews

Since my appointment as your Principal, I have sought to advance and improve the staff experience.

We have clarified our promotions procedures, and established new routes through them. We have introduced a pilot mentoring scheme for mid-career and senior academic women. We have run the first professorial merit exercise in five years. We are pursuing plans to provide this University's first dedicated housing development for early and mid-career staff, and have opened a new nursery for the children of staff and students. We have established inclusivity and diversity as a University priority, and we have set up a fund to encourage research projects in these areas.

In all of the cases where this has involved resource we have budgeted prudently to be able to do this. Were the UCU proposal to have been adopted, few of these kinds of proposals would go on being practicable.

Having considered this dispute at length and in depth, and out of fairness to this and future generations of staff and students at the University of St Andrews, we must take a view on the facts, and what is best in the long-term for USS and for the sustainability of this University.

That is why this University will not be calling for a return to negotiations on a UCU proposal which has already been exhaustively tested and ruled out as unsustainable through the JNC’s democratic process.

All of us signing this letter would wish things were different, all of us are members of USS and all of us are acutely sensitive and sympathetic to what these proposals expect of individuals.

Everyone in this community knows how well we all live, work and debate together under normal circumstances: let us continue in the coming weeks to support one another as best we can, whatever our perspective on the dispute.

Professor Sally Mapstone (Principal)
Professor Garry Taylor (Deputy Principal and Master)
Professor Lorna Milne (Proctor and Senior Vice-Principal)
Professor Derek Woollins (Vice-Principal Research)
Mr Alastair Merrill (Vice-Principal Governance)
Mr Derek Watson (Quaestor and Factor)
Professor Brad Mackay (Vice-Principal International)