

## **MOTIONS on USS**

### **Carried -**

#### **HE5 USS, Higher education committee was carried as amended by HE5A.1**

*HE sector conference notes the report and approves the recommendations of the superannuation working group contained in UCUBANHE/33:-*

#### **Section 1 Recommendations**

- 1. Negotiators must make their priority the defence of a defined benefit pension scheme that provides inter-generational fairness and equality for members.*
- 2. UCU welcomes the establishment of the Joint Expert Panel (JEP) and will submit evidence, via the SWG, on the 2017 Valuation in support the work of the JEP in line with the agreed terms of reference and UCU policy. Branches and members will also be encouraged to submit evidence.*
- 3. As the work of the JEP is reported, UCU will provide analysis and commentary to branches.*
- 4. On the publication of the first JEP report on the 2017 Valuation expected in September, UCU will provide analysis and commentary to branches.*
- 5. UCU will call a special meeting of pre 92 USS branches to consider the JEP final report on the 2017 Valuation, its recommendations and next steps.*
- 6. Following the special meeting of pre 92 USS branches SWG negotiators will develop a strategy for the USS Joint Negotiating Committee (JNC) which will be put to HEC for consideration and approval.*
- 7. The outcome of the JNC will be put to members for acceptance or rejection.*
- 8. UCU to remain vigilant. The strike ballot has remained live and members will be re-balloted if action is needed later in the year.*

*In light of the decision to set up a Joint Expert Panel, conference directs HEC to call a Special Higher Education Sector Conference for USS branches in September or October 2018 to review the work of the Panel and progress to reducing the deficit estimate in the current USS valuation round.*

#### **Section 2 Recommendations**

- 1. UCU to continue to lobby USS to develop an ethical investment policy, including low carbon investments and 'climate solutions', in line with UCU policy.*
- 2. UCU to lobby USS when there are opportunities to show leadership on responsible investment, such as at the recent Shell AGM.*
- 3. UCU to lobby USS to complete a survey for the Asset Owners Disclosure Project which rates and ranks the world's largest institutional investors and assesses their response to climate-related risks and opportunities.*
- 4. UCU to resume and further develop its relationship with Share Action with a view to joint campaigning on the above recommendations in line with UCU policy.*

**HE6 Demand to UCU negotiators: Restore USS status quo and re-evaluation Cardiff University was taken in parts and carried:**

*Conference notes the overwhelming rejection of pension change proposals by members in Wales and across UK, 13/3/18.*

*Conference commends the solidarity and resolve of UCU members to continue with strike and other industrial action until an acceptable resolution.*

*Conference believes this dispute can be resolved with a UCU and UUK agreement on the status quo for contributions and benefits, maintained until a re-evaluation, based on transparent, academically robust methodology, in which we have confidence. Any proposal falling short of this is unacceptable.*

*Conference resolves to call on HEC and negotiators to publicly and officially adopt a negotiating position demanding the status quo be maintained with respect to USS contributions and benefits. When a transparent, academically robust re-evaluation in which we have confidence is concluded, negotiations must begin to secure a long-term future for our defined benefits scheme.*

**HE7 No deficit, no capitulation and democratic reform inside UCU, University of Kent was subsequently carried unamended:**

*Conference congratulates members in the strike action in the USS pensions dispute. Conference authorises negotiators to adhere to the following principles:*

- 1. no deterioration to the pension that members will receive*
- 2. not to accept that the USS is in deficit*
- 3. demand an extension to the June 2018 deadline*
- 4. no rescheduling of work for which pay has been deducted.*

*UCU is a member driven organisation and this dispute has shown how powerful the membership of UCU are. In light of this conference demands that:*

- a. any resolution to the current dispute must have the full consultation and endorsement of the UCU membership*
- b. members must have the ability to debate executive proposals in a timely manner with due diligence.*

*Conference calls for a review of democratic UCU governance to expand democratic processes within UCU and strengthen members' participation in national policy decision-making.*

**HE8 Ending further attacks on USS, University of Glasgow was carried unamended:**

*HESC reaffirms previously stated policy on the artificial creation of the USS deficit. It recognises the relationship of the attacks on pensions to the wider attacks on free education and academic freedom and the threats of marketisation, privatisation and austerity.*

*HESC recognises that the current valuation approach based on 'self-sufficiency' and the use of test 1 are likely to create a deficit at subsequent valuations and will therefore be used as a pretext for further attacks on our pensions. Their replacement is necessary to remove the threat to future pensions.*

*HESC calls on the USS negotiators to either negotiate with UUK or obtain the support of the chair of the joint negotiating committee to:*

- 1. get rid of test 1 and the gilts based self-sufficiency approach to valuation;*
- 2. replace them by best estimate/internal rate of return, as proposed by First Actuarial who advise UCU and cash flow.*

#### **HE9 Demand government protection for USS, University College London, was carried:**

*HESC notes:*

- 1. both valuations of the USS pension in 2017 estimated by modelling the long-term impact of 'de-risking' investments*
- 2. the behaviour of Cambridge and Oxford universities in calling for the fragmentation of the scheme*
- 3. the fact that the 'deficit' disappears when USS is valued as an ongoing scheme.*

*HESC believes:*

- a. fragmentation would be a disaster for members*
- b. the behaviour of the 'hawk' employers was driven in part by both increasing competition between universities and increased speculative borrowing for capital projects.*

*HESC calls for a high-profile campaign, including lobbying ministers and MPs, to demand the government underwriting of the pension scheme in order to protect USS for the future.*

#### **HE10 Removing the Chair of the USS JNC, University of Sussex, was subsequently carried (53f / 51a) following a vote count:**

*The JNC of USS has taken two votes with major consequences for the USS pension scheme.*

*In 2010 the ongoing pension scheme was changed from a final salary scheme to a scheme based career average earnings.*

*On this occasion the JNC vote was split evenly for and against, the vote was carried in favour of closing the final salary scheme, by the 'independent' chairman siding with the employers.*

*In 2018 the JNC took a vote on the current proposals to change the ongoing USS from a defined benefit to defined contribution scheme. Again the JNC vote was split evenly for and against, and again the vote was carried in favour of moving from defined benefit to defined contribution by the 'independent' chairman siding with*

*the employers.*

*Conference therefore demands the resignation of Sir Andrew Cubie from the post of chair of the joint negotiating committee of the Universities Superannuation Scheme.*

### **HE12 Ensuring our union has access to relevant pension expertise, University of Sheffield was carried**

*HESC notes that the valuation of the USS is complex and that its understanding requires the assimilation of significant amounts of background material.*

*HESC also notes that our membership contains significant expertise in areas related to pension valuations which could prove invaluable to the superannuation working group.*

*HESC resolves that the superannuation working group should be authorised to co-opt onto their committee such expertise as is necessary to ensure that our union best uses the full potential of its membership.*

### **HE13 Composite: USS dispute: national dispute committee, University College London, Goldsmiths University of London was subsequently carried:**

*HESC notes:*

- 1. The reaction of USS branches to the March 12 'agreement' demonstrated that members want a resolution which protects Defined Benefit pensions now and in the future*
- 2. concerns from many branches and members about the processes concerning the consultative ballot on the USS offer of 23rd March*
- 3. the lack of transparency about the role of UCU negotiators in the USS negotiations and the lack of opportunities to hold union representatives to account*
- 4. members feel disempowered nationally, compared to the high level of ownership they feel in relation to the dispute locally*
- 5. while some aspects of negotiations are confidential, to maintain a sense of ownership of the dispute among the membership and to maintain members' resolve to take industrial action, members must know how negotiations are progressing.*

*HESC resolves to establish a national USS dispute committee composed of HESC delegates (or substitutes) from USS branches, to which national negotiators and UCU Independent Expert Panel members will report. This committee will meet at regular intervals until the dispute is officially terminated and will give a representative steer to the dispute for the current valuation round, including during any suspension or re-ballot.*

## **B24 USS Dispute, University of St Andrews was carried:**

*HE sector conference notes:*

*The acceptance by members of proposals relating to the USS industrial dispute in the ballot that closed on 13.4.18. Those proposals contain commitments to retain the existing benefits until at least April 2019 and thereafter to maintain 'a guaranteed pension comparable with current provision arrangements'*

*The rejection by HEC on 13.3.18 of proposals in which the DB cap would have been reduced to £42000, the accrual rate reduced to 1/85 and an inflation cap of 2.5% imposed*

*That therefore any benefit structure must be considerably better than the proposals of 13.3.18 in order to be considered comparable with current provision*

*HE sector conference therefore resolves to call for a return to industrial action if any future proposals resulting from the ongoing process of negotiation are not substantially better than the proposal rejected on 13.3.18.*

Following this, conference **approved** the USS report sections 3.1 – 3.16.

## **Remitted -**

### **HE11 Electoral reform and removal of the USS board of trustees, University of Sussex, conference **voted in favour of remittance of HE11:****

*The USS board of trustees has been responsible for expediting a highly inaccurate actuarial evaluation of the USS pension fund and they have provided a spurious prediction to the pension's regulator who now requires increased contributions to the pension fund. This has resulted in UUK deciding to discontinue the defined benefits pension scheme and replace it with an inferior defined contribution scheme. This has caused the largest industrial dispute that the university sector has known. Due to this multi-layered failure by the USS Board of Trustees we therefore express no confidence in the board of trustees. Conference calls for a thorough review of the electoral and/or appointment processes of the chair of the JNC and the board of directors of USS, following which a process of election is implemented that ensures transparency and accountability in voting and appointments in the interests of the members of USS as a whole.*