

From: President
Sent: 06 March 2018 14:51
To: Imperial College Staff
Subject: Pensions Update

Dear Colleagues,

As the national dispute over university pensions continues, we wanted to be as clear as possible about how we see the current situation, what we have done so far, and what we are planning in the coming days and weeks.

You may have seen that the University and College Union (UCU), and Universities UK (UUK), are now meeting at ACAS (the Advisory, Conciliation and Arbitration Service) to try and reach agreement. Let us all hope this development is positive.

UCU and UUK are only two of the organisations involved in the dispute affecting 400,000 university staff pensions. There is also the Universities Superannuation Scheme (USS) and The Pensions Regulator (TPR). USS is the independent body which runs the pension scheme. Its Trustees are legally responsible for ensuring the pension fund is financially sustainable. TPR is the public body, sponsored by the Department for Work and Pensions (DWP), which sets the rules for all workplace pension schemes, including the USS, that the Trustees have to follow. TPR is required by law to reduce the risk of shortfalls in pension schemes having to be funded by the taxpayer. You can read more about the purpose and role of USS Trustees [here](#) and TPR [here](#).

The different roles and relationships of these key organisations – not to mention the positions of the 350 institutions in the scheme itself – make this dispute particularly complex. Even if UCU and UUK were to reach an agreement at ACAS, neither the USS Trustees nor TPR are obliged to accept their proposal, for instance if they feel it is too risky. There has been much discussion in the last few months between USS and TPR on this, with TPR giving a clear steer on what is acceptable. This is the main reason you may have seen so much recent correspondence asking USS and TPR to re-think their views on risk.

This is also one of the reasons why we are [calling for](#) a new approach that provides full transparency on the assumptions, data and modelling approach that have been used by the USS. Last week we met with Richard Craster (Department of Mathematics), who led an Imperial group that has been providing us with [advice](#) on the USS valuations. We discussed how best to take forward our call for UUK and the USS to convene an expert group, including university academics, to look closely at the valuation work, and be fully open and transparent about what they find.

We have also said that if this work went beyond the current regulatory deadline for a new scheme to be agreed, we would carry our share of the risk in keeping part of the scheme on the current terms, until the work is completed. We have [written to TPR](#) to explain our position and request such an extension.

USS members have been asking for more detailed information about how the proposed changes to the USS would impact them personally. The USS will shortly be releasing an online modeller as part of their official consultation process – we will notify staff when this is available and provide advice on how to use it.

In the past week we have had some encouraging responses and suggestions from our community about the expert group and our review of pay and benefits, and it is now our responsibility to act on these.

Every university faces the challenge of balancing investment in staff, in the form of pay, pensions and other benefits, with investment in teaching and research infrastructure in the form of campuses, buildings and facilities. We need to get the decisions about these balances right, and we want to consult widely on the principles that should inform our decisions.

As a first step, this week we will be providing a detailed, publicly available information pack on staff demographics, pay and benefits across the College, and will be posing a number of questions around the key issues. Although colleagues can of course respond individually, we believe that these conversations are best structured around existing groups such as Departments and Divisions, Consuls and Trade Unions. We will follow this in a few weeks' time with information about our investment in our estates infrastructure, both historic and currently planned. We will then use all feedback received to inform our planning round discussions with the Deans and other section heads.

Finally, we recognise and regret the impact that the current UCU strike is having on teaching. The situation is very variable across the College, so Simone Buitendijk (Vice-Provost for Education), the Faculty Vice-Deans (Education) and David Ashton (Academic Registrar) have been working with Department representatives to advise on the development of local plans to minimise the impact on our students' education. This work will of course continue.

Best wishes,

Alice and James

Professor Alice P. Gast
President
Imperial College London

Professor James Stirling
Provost
Imperial College London