Vote Yes: Yes in both pay and pensions ballots

On Friday, HEC met to consider the UUK offer. They considered it very carefully, but could not see how it was sufficient to justify calling off the ballot. There was a lengthy discussion. The outcome was not a close vote. It was over 2:1 against.

Below is the text of the offer. It is likely that employers will use it in propaganda against our ballot.

If we want to improve this offer we need to organise to Get the Vote Out. Activity on our campuses and systematically reminding members to vote is the best way to get the message across to our employers that our pensions are not for sale.

The offer

On the plus side, it is an offer of a reduced increase in contributions to 1.1% (an increase of 13.75%) instead of 1.6% (+20%).

Now the negatives...

Some comments on the bullet points.

1. UUK made their offer conditional on us stopping the ballot to consult our members. Note the timing. The employers could have made this offer at any time over the summer. They chose to make it just before we were about to launch our all-member formal trade dispute ballot.

2. The UCU must concede a principle of cost-sharing under the rule for future valuations. These 'default' arrangements are supposed to be about deadlock, not normal operation. Now they are to be normalised. As worded it removes the union's right to challenge this.

Now, in practice this requirement could be overturned in future rounds (one can dispute anything at the time) but it is an incredibly important political point that the union would be conceding. (If you look at the arguments around contingent contributions aka Option 1, the demand from UUK was that employees should pay towards them on the basis of cost-sharing!)

If we were to agree contingent contributions on this basis it would allow USS to dip into employees' salaries whenever they wished.

3. It does not commit UUK to actually delivering it! That's not to say that if UCU could get support for stopping the dispute for a percentage then UUK would deliberately renege on this offer, but it is to say that it is not exactly guaranteed either.

4. It commits to a yet further valuation in 2020. Instead of moving USS to a more stable funding arrangement it puts us onto a new path to further industrial action over pensions. We want a stable pension scheme, not one that creates a crisis within the sector on a yearly basis.

What is not in the offer?

Aside from the headline figure, UUK could take a number of other steps that UCU has been seeking. In negotiations these are usually called "confidence building measures".

UUK have finally begun to start talking about replacing Test 1. But the risk is that they are leaving the door open to another version of Test 1 (v 1.1 as it were) which is at least mathematically competent but arrives at the same result.

UUK could commit to working with UCU to stop valuing USS on a de-risking (wind-up) basis. Thanks to our pressure (and fiscal good sense over neoliberal propaganda) actual de-risking has not begun but the scheme is being valued (counterfactually) as if it was de-risked!

By the way, the assets are currently valued at £74bn (up from £64bn in 2017). USS is booming!!

UUK could agree to approach the government for a government guarantee or other derogation from private sector pension rules to formalise the above. The Pension Regulator's involvement was criticised in the JEP 1 report and is particularly unhelpful.

TPR appears to have moved from behind-the-scenes commentary on the valuation to effectively performing their own 'shadow' valuation. UCU voted to relaunch the call for a Government Guarantee.

What next?

Without actual movement on the underpinnings of USS we have to build the greatest turnout in the ballot. UCU calls on members to vote YES and YES in the ballot.

Motions were passed on GTVO and parameters for negotiations.

In terms of the legal framing of the ballot, were UUK to offer us 8% we would have to stop the ballot – its terms would be met. The terms of the dispute are formally in terms of percentage increases. And the closer the employer's counter-offer was to 8% (despite strings), the more pressure would exist on HEC to put it out to members.

But we cannot see the offer as near enough to where we need to be to secure our pension scheme. HEC think the offer is serious despite the limitations above. But, it is simply not enough to stop the ballot.

We cannot get away from the fact that, were members to accept this offer, it would not break the cycle since 2011 where valuations have been used either to reduce benefits or increase costs.

We have no indication that the 2020 valuation will not do the same. Indeed, the advice employers have from the legal firm Pinsent Masons is exactly this: to chip away piece by piece at the scheme, or as they put it, to 'eat an elephant one bite at a time'.

Naturally, if the employers made a significantly better offer, HEC would need to consider it. And precisely because we think that an offer that secures USS for the future without de-risking is in the interests of members and employers, UCU will keep talking about joint approaches to USS, TPR and the government. Negotiations will continue.

But we can't stop the ballot every time we get an offer, and the employers know this.