

## University Response to the Pay and USS Dispute

University and College Union (UCU) representatives have voted to take strike action, and action short of a strike, in 62 Universities across the country. This is in response national pay inflation levels and the Universities Superannuation Scheme (USS) pension scheme. The action could take place between November 2022 and April 2023. Action short of strike will include not rescheduling lectures or classes cancelled due to strike action and undertaking a marking and assessment boycott.

### Why do UCU want to strike, and what is the University's response?



#### Pay

"UCU demand a pay uplift of 12% or Retail Price Index (RPI) plus 2% on all pay points".<sup>1</sup> Like many universities, this uplift would be unaffordable for Leicester with a cost of £23m a year. In August, all staff received pay uplifts between 3% and 8.5%.



#### Pensions

UCU want to strike because pension benefits had to be reduced in the last valuation of the scheme. The reduction was minimised by University's providing additional support, increasing contribution rates (21.6%, one of the highest in the country) and offering benefits many schemes no longer provide. Since then, economic conditions which impact the scheme have improved. The University supports reviewing if benefits can be improved and contributions reduced in a sustainable way as part of the next scheme valuation starting in March 2023.



#### Equality, Workload and Casualisation

The University is committed to ensuring fair treatment for all staff and accepts that there is further work to do. In a recent staff survey, 73% stated that we demonstrate a commitment to Equality, Diversity and Inclusion. We're improving our work policies to support and benefit staff, and are already working with the Unions on workload management and casualisation.

#### Reference

1. <https://www.ucu.org.uk/article/12469/FAQs>

# Our response in detail

## (1) Pay Dispute

The University has signed up to the national pay bargaining process co-ordinated by the Universities and Colleges Employers Association (UCEA). This national bargaining supports a method of ensuring equitable pay increases across the sector.

For most staff, the pay uplift from 1 August 2022 was 3%. However, we recognise that the effect of high inflation falls disproportionately on the lower paid and higher pay increases have been awarded to staff who are at the lower end of the pay scale. This increase is worth 3.18% of the total university pay bill and costs the University £5.3 million.

“UCU is demanding a pay uplift of 12% or Retail Price Index (RPI) plus 2% on all pay points, to keep up with the cost of living and to catch up with pay lost over previous years” (1). Like many universities, this uplift would be unaffordable for Leicester with a cost of £23m a year.

We support the targeting of higher increases to our colleagues on lower pay and the University already pays the voluntary [Real Living Wage](#) to our employed staff. As employers, we feel the award of 3% uplift for most staff was an equitable balance of affordability to the employers and a meaningful uplift for staff.

## (2) USS Pension Dispute

The University operates two pension schemes; a Stakeholder scheme for lower paid staff and the University Superannuation Scheme (USS) for higher paid staff. Employer contributions to USS pensions, which rose to 21.6% of salary in April 2022, are among the highest in the country. Before agreeing to rise to this level, employers (including the University) provided additional support for the scheme in order to reduce benefit reforms and avoid huge cost increases for both employers and staff after the last scheme valuation which happens every three years. This support from employers alongside the effects of rising interest rates in the economy explains why the scheme now appears to be in better financial shape than the last valuation.

The next full valuation is scheduled for March 2023, at which point formal consideration will be given to any improvements to the scheme which could be made in a sustainable way. This may improve benefits or reduce contributions, or both. However, at this time and in the current volatile economic climate, the USS Trustee insists that there is no solid evidence or basis to establish a long-term view of any substantive improvement in the scheme's funding position.

Should UCU decide to take industrial action, unfortunately this is likely to impede joint working on the next valuation, and delay much-needed changes such as governance reform of the scheme and the introduction of lower cost options for members.

## (3) Equality, Workload and Casualisation

UCU also focus on three areas relating to staff treatment across the sector. As with any large organisation, there are some areas where we need to do better and that need focus and building on, the areas that we are progressing which include:

**Equality** - The University is committed to understanding and closing its pay gaps and is taking targeted action to do this. This action is informed by detailed analysis and consultation with Trade Union and Students' Union colleagues and members of the University's EDI Committee.

**Workload** - Our staff survey results told us that we need to do more to support staff in balancing their work and personal life in reviewing workload. The University have spoken to the Unions about involvement in a Workload Allocation Group for Academics and establishing a set of principles for all staff in relation to workload planning and management. In addition, the University has a comprehensive range of health and wellbeing support available for staff which receives positive feedback.

**Casualisation** - We are working well with Leicester UCU on this issue. The University takes the sector-wide issue of casualisation and precarious employment practices very seriously. We understand the issues and challenges that this presents to our students, staff and the wider University community. A working group is in place with officers from UCU and senior HR colleagues. [A joint mission statement](#) was agreed in July 2022 between the Executive Board of the University of Leicester and Leicester UCU, underlining our shared commitment to enhancing employment practices at Leicester.