



Office Of The President & Vice-Chancellor

To: All Staff

President & Vice-Chancellor
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KB/DMS

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Dear colleagues,

Following the recent vote by the Joint Negotiating Committee of the Universities Superannuation Scheme and concerns raised with me by Sheffield UCU, I wanted to write to you about this important and difficult issue.

I understand that many staff are seriously concerned about the proposed changes to the USS pension and that this is reflected in a vote for industrial action nationally and here in Sheffield. I certainly recognise the very real worry about future pensions being expressed by colleagues dedicated to scholarship and teaching students.

University pensions are agreed nationally and the nature of USS funding means universities such as our own face significant additional costs. I have already expressed my concern at the particular impact USS is having on the UK's leading research-intensive institutions whose teachers and researchers are disproportionately represented in the scheme.

The nature of UK university pensions is not widely understood by politicians or the general public. However, it is a fact that unlike the former polytechnic universities where the majority of staff are members of a government-backed pension scheme which offers defined benefits, top-ranked universities which are crucial to the UK's global competitive position and future prosperity face much higher commitments on staff pensions.

In the regulated market in which we now find ourselves, this effectively represents government support of pension benefits to one part of higher education and its staff not available to others. Teachers and researchers in universities rightly viewed as crucial to the future of the country are directly disadvantaged as a result.

This is not only unfair, it is a bias which weighs heavily against those institutions and their students being asked to make investments which are then unavailable for teaching and research. Given the



All Staff
31.01.18

public support of one part of higher education for historic reasons, in my view this cannot be a question for universities alone but demands that the government also considers how it might address this imbalance and what is effectively 'state aid' for some universities and not others. This imbalance is also recognised by UCU.

As government prepares to consider university funding and fees, it should also consider how this affects universities respected around the world at a time of significant uncertainty and challenge. Having said that, the current situation is urgent. I recognise the importance of good quality pension provision to our staff and it is vital that we all work together to reach the best possible solution to secure good and sustainable pensions.

I wanted you to know that my position is that all sides of the national debate should continue to talk, to explore the problem and the potential solutions and to seek a way forward which satisfies all parties. Given disagreements about the value of the USS fund at the heart of these issues, I would support calls for the Pensions Regulator or another agreed third party to independently value USS against international benchmarks of similar schemes. I hope this may allow some crucial time and the ability for all to return to the table.

Our University's response to the various consultation processes has been thoughtful, robust and seeking information needed to fully inform the debate. I am most grateful to all who have invested their time and energies into this important and difficult work, including Union representatives. I truly hope that even, at this stage, a way can be found for talks to continue and that we might avoid industrial action.

It is incumbent on those on whose shoulders this responsibility sits to seek a truly long term, sustainable and attractive pension scheme of which universities can be proud. This is the message our university is sending to our representatives working to resolve this complex issue which is so important to current and future staff.

Yours sincerely

A handwritten signature in black ink that reads "Keith Burnett". The signature is written in a cursive, slightly slanted style.

Professor Sir Keith Burnett, FRS
President & Vice-Chancellor