

Our Ref: VC-MC-2022 02 10 UCU

10<sup>th</sup> February 2022

Southampton University and College Union,  
University of Southampton  
47 University Road  
Southampton  
SO17 1BJ

Dear Southampton UCU members,

**Re: Response to the USS 2020 valuation**

Thank you for your letter dated 6<sup>th</sup> February 2022 regarding the above. The University is pleased that a continuing dialogue exists with the local UCU branch on USS despite the considerable challenge and sensitivity in dealing with these issues. The University is grateful for your inputs on this matter, in particular at the Pensions Committee (which has engaged very closely with the USS valuation and all of its related aspects).

At this stage the University obviously cannot respond to the new set of proposals from UCU as it comes without any costs. The next step is for the USS trustee to cost the proposals and reflect on the request for a 2022 valuation. The costed proposals will then need to be presented to the USS JNC. We would of course respond to any UUK consultation on this.

However, to reiterate, Pensions Committee have been clear on the principles. A proposal should not result in costs at such a level they lead to more people opting out. The cost sharing agreement is a cornerstone and shows we are in this together, especially as the employer carries the largest proportion of the costs. In addition, the University notes its disappointment that UCU has not been able to advance a formal, costed solution during the extensive valuation process to date, that it comes at the eleventh hour and is still not yet a formally tabled proposal at the JNC.

UUK has recently responded to a letter from the UCU General Secretary covering a number of issues relating to the valuation and to UCU's latest proposal<sup>1</sup>, and we remain supportive of UUK's approach to the valuation and to the proposed changes which have recently been consulted upon.

The University is pleased that in response to the recent USS consultation, UUK is currently consulting universities on an important improvement to the benefit change package, to introduce a transition to the introduction of the proposed 2.5% inflation cap. There is a cost to the University of implementing such a transitional measure, however this would be a positive step, which would recognise the genuine concerns raised about this issue by affected staff during the consultation, and which would be especially valuable at the current time when there are undeniable inflationary pressures. The proposed modification has been considered by the University's Pensions Committee and Executive Board and they have signalled support for the move, which has been formally communicated to UUK.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Smith'. The signature is fluid and cursive, with the first name 'Mark' being the most prominent.

**Mark E. Smith**  
**Vice-Chancellor**

cc Pensions Committee

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<sup>1</sup> UUK's response can be found at <https://www.usemployers.org.uk/news/reply-dr-jo-grady-ucu-proposal-concluding-2020-valuation>