9 March 2018

OPEN LETTER TO ALL STAFF

The last three weeks have been difficult for our University community. There are many differences of opinion regarding the pension dispute and the current disruption has provoked strong feelings on all sides. The vast majority of colleagues have been at work and, based on evidence to date, 83% of modules have been unaffected. However, strike action by UCU members has caused some disruption, although this has varied significantly across the institution.

I want to begin by thanking all of our staff who have been here throughout the period of strike action and have done so much to ensure, as far as possible, business as usual for our students and their colleagues. It has not been easy, particularly in those areas where there is a high concentration of striking staff. Many students remain concerned about the impact on their studies. However, the effort that has gone in to ensuring that our operations continue to run as smoothly as possible coupled with the work under way to mitigate the impact of the industrial action is truly appreciated. Everyone concerned has my deepest gratitude.

At the same time, I have always respected those colleagues in the University and College Union (UCU) who have exercised their right to strike. While I may disagree with their action, I have sought to engage in a positive, constructive and friendly manner. I am pleased to say that this has largely been reciprocated. All of us across the University will continue to work together, so it is important that we treat each other with respect, even when opinions are strongly held.

Of course, this dispute concerns changes to the Universities Superannuation Scheme (USS), of which 2,469 colleagues at Reading are members. The Scheme’s Trustee – effectively the body that oversees it and is made up of representatives from Universities UK (UUK) and UCU plus independent members – concluded last year that there was a deficit of £6.1bn that needed to be addressed.
Through the mechanism of the Joint Negotiating Committee (JNC), many meetings were held last year to seek to come to an agreement about how to manage the deficit. Unfortunately, that proved impossible. The independent chair of the JNC cast their vote in favour of the employers’ proposal.

Talks have now resumed between UUK and UCU, brokered by ACAS, the conciliation service. We cannot get away from the fact that there is a deficit that must be addressed. I believe that any solution has to be one that is sustainable and affordable, and does not substantially increase both employer and employee contributions. While talks are underway, I have asked striking colleagues at the University to encourage the UCU head office to suspend the current action. It is my strong view that this would be in the best interests of our students and our staff.

A number of colleagues have suggested that the University can afford to take on higher employer contributions and have asked why we are not prepared to make such a commitment. Many of you will have heard the presentations at our termly all-staff talks given recently by Samantha Foley, our Chief Financial Officer. This explained very clearly our current financial position. There are many reasons to be positive about our situation, not least the fact that our income is growing, largely as a result of higher student numbers.

Our surpluses remain low though, given increasing costs, and even after the efficiency and effectiveness programme which has reduced our cost base by £16m per annum. Without this, we would now be facing a large, unsustainable deficit, and a requirement to make major reductions across all of our core academic activities. If we want to continue to invest both for now and the future, then we have to grow the surpluses which fund these projects. With inflation for us running at around £10m a year, our costs are constantly increasing even before we seek to grow our work.

Colleagues across the University have asked me about the choices we have made to invest in major projects such as the redevelopment of the University Library, the Health and Life Sciences building, University of Reading Malaysia, the Thames Valley Science Park and the opening of new academic disciplines such as Architecture. We did them with the full backing and support of the University Council – our governing body – because standing still was not an option. Not everything has gone exactly the way we planned which I readily acknowledge. But a university that is not prepared to pursue ideas to develop its activities is almost certainly one that will be going backwards and be unable to keep up with the competition from others.
I am hopeful that the dispute will be resolved soon. In the meantime, I have every confidence that we will continue to engage with each other with mutual respect and understanding.

Kind regards.

SIR DAVID BELL KCB