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Professor Sir Keith Burnett  
Vice Chancellor  
The University of Sheffield  
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11 January 2018

Dear Keith,

Thank you for your letter of 11 December, and for the acknowledgement of what a difficult and important issue USS is for this university. We were pleased to see you offer a substantial comment in your all-staff email before Christmas, which appeared to echo the themes brought up by Stuart Croft of Warwick around government backing.

Universities UK are now consulting their members on a proposal to retain a defined benefit scheme, which has its roots in discussions at the national Joint Negotiating Committee. We understand that this proposal is presented as requiring a large increase in contributions for both employers and employees, and that this may well be dismissed as unaffordable by this institution. Yet, as our working group has discussed in depth and understands well, the affordability of such a scheme is determined by the level of 'de-risking' that is planned. Indeed, the de-risking present in the valuation we were consulted on in September would make the proposal under discussion affordable with little more than a 2% increase for employers and 1% for employees.

Early discussions of our working group focussed on whether the de-risking of the assets was desirable at all, and information from USS<sup>1</sup> that has just come to light shows that the protection from downside risk it provides is minimal; this key information was inexplicably not given to us as part of the September consultation.

We understand that the University is keen to avoid any increase in its contribution level. It is a shame, then, that it didn't push harder for a valuation that better reflected the scheme's strong position, and avoided the costly and counter-productive de-risking as much as possible. Had it, and other institutions, done so we may not be heading for the impasse that appears to be looming. We hope that it is not too late for such views to be presented within Universities UK in response to the consultation, so as to give every chance for the final meeting of the Joint Negotiating Committee to reach a satisfactory agreement on 23 January.

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<sup>1</sup> See <https://twitter.com/sheffielducu/status/950322301295382528>

Finally, we were sorry to hear of your plans to retire around your 65<sup>th</sup> birthday, and wish you well in your retirement. Of course, keeping the likelihood of a secure and predictable retirement open for all of our members is a key concern for us in our efforts over USS.

With kind regards,

A handwritten signature in black ink, appearing to be 'S Marsh', with a long horizontal flourish extending to the right.

Dr Sam Marsh, Communications Officer  
Dr Matthew Malek, Pensions Officer  
on behalf of Sheffield UCU

cc Paul Blomfield MP