This letter has been sent to all colleagues at the College from Professor Paul Layzell, Principal

All of us have a strong relationship with Royal Holloway, identifying with its sense of purpose and community, our shared ambition for our students to excel and for each of us as colleagues to be able to make a meaningful and recognised contribution to our disciplines and professions. I hope that this context of a shared purpose can support us to work positively together to resolve the current industrial action.

The action has resulted from pay and pension disputes between UCU and the national bodies that represent universities, UCEA and Universities UK respectively. At its heart are differences of view around the total remuneration (pay and pensions) paid to staff. The dispute has focused also on important issues about workload, casualisation and pay equity across the sector.

Resolving these disputes is complex because of the nature of the negotiating machinery and the different parties and responsibility involved. Both UCU and the employers’ bodies have committed to national negotiations. I fully support these national negotiations and urge them to work together. While the national agenda places limits on what individual institutions can achieve, there are things we have done, are doing and can do locally which I would like to address.

Pensions

Colleagues have made it very clear to me how much they value membership of our two pension schemes, USS for staff grade 6 and above, and SAUL for staff below grade 6. These schemes give a significant element of certainty about the expected level of income in retirement, which helps colleagues to plan for the future. As an employer, Royal Holloway also places value on these schemes and has been prepared to fund substantial increases in cost in order maintain them.

Whilst SAUL has been in good shape in recent valuations, USS has experienced shortfalls in the expected income from its investments and the amounts that it will need to pay out in pensions in future years. Maintaining the security of future payments is essential. To achieve that, and avoid the fate of some pension schemes which have collapsed as payments in and out become fatally imbalanced, USS and the Pensions Regulator are cautious.

The Joint Expert Panel, made up of experts nominated in equal proportion by UCU and Universities UK, have considered these issues and developed positive recommendations. Sharing the common objective of a good quality and affordable pension scheme for all, the Panel’s recommendations, supported by UCU, and by UUK on behalf of employers, were largely accepted by USS and the Pension Regulator and a new valuation was conducted in 2018.

The 2018 valuation resulted in proposals that retained the defined benefit element of the USS pension scheme. Because the deficit was not entirely eliminated, higher contributions are required. These higher contributions means that there will be sufficient future cash to ensure that pensions already earned by members can be paid.

The 2018 valuation also calculated that any pension benefit to be earned by members in the future would cost more than in the past, partly because of lower rates of return on the scheme’s investments and partly because members are expected to live longer and more pension will need to be paid out. This also requires a higher rate of contribution.

In 2008, UCU and Universities UK agreed that any future increases in contributions would be shared in the ratio 65:35 between employers and employees, respectively. It is this previously agreed joint
cost sharing agreement that UCU now disputes, arguing that the totality of the increase should be met by employers.

I fully understand that colleagues are already making a significant contribution to the cost of their pension; the College too has to find additional resources to help preserve benefits. We all agree there is a limit to how much cost colleagues and universities can continue to absorb and so the Joint Expert Panel has continued its work, looking at longer-term ways in which USS can deliver the desired benefits at an affordable cost to all.

The proposals from the Panel are eagerly awaited and are expected before the holidays. They will require detailed work to turn them into practical proposals that meet the aspiration of members and employers. Once the report is released I will write to UUK to encourage them to work with UCU to achieve this. The current interim solution, based on the 2018 valuation, the principle of protecting defined benefits and the 2008 cost-sharing agreement lasts until the next valuation, due to be taken in March 2020. I am sure that the Panel recognises the urgency of the matter and the pressing need to arrive at a satisfactory end point that the Pension Regulator can approve.

**Workload**

I am conscious that across the organisation and at every level, we are asking more and more of colleagues as we seek to deliver on our purpose as a university in today’s heavily regulated higher education environment. We face increased bureaucracy that impacts staff and organisational efficiency and which overshadows good work in protecting student interests and furthering our research. Some of our own, internal administrative systems too, are wanting, with unnecessary complexity and processes that create extra work.

Over the last year we have been going through a significant period of change, moving from a faculty to a school model. The motivation for the move to schools was to improve the dialogue between the leadership of our academic disciplines and members of the executive, to create an administration service that supports schools and departments to enable a robust and uniformly high level of service for all staff and students, and to simplify the way the College operates through a straightforward structure of delegation and responsibility.

Change is disruptive and, as the new structure beds down, a number of issues including workload are being raised. Colleagues are working hard to respond and, following a meeting between senior colleagues and representatives of the local UCU branch, there is agreement to start to review together the issues of workload. We will also be able to tackle workload through our wider discussion about our 2020 to 2030 strategy and how we deliver shared outcomes.

**Casualisation**

Prior to the current dispute, our Joint Negotiation and Consultation Committee (JNCC) met on 17 October and discussed concerns in relation to academic colleagues who are on variable, visiting or sessional contracts, and so would be defined as being casual staff. Visiting teachers and lecturers, workshop tutors and colleagues who support marking during exam periods are some examples of colleagues on these types of contracts.

In some instances variable, visiting or sessional contracts suit both the academic and the needs of departments; they enable the department to bring in highly specialised individuals who can teach or support very specific parts of the curriculum, and they give those academics the flexibility that they seek. However, the move to schools has surfaced arrangements and approaches that may not have
been so visible in the faculty structure and which may not be so desirable. The JNCC agreed to work together to identify where there is sustained and regular use of colleagues who are on variable, visiting or sessional contracts and whether these colleagues could be given greater security in their employment.

I believe if we can continue to work together, in the spirit of cooperation and goodwill, with genuine negotiation, we should be able to arrive at positive outcomes for staff and the university as a whole.

Pay

For 2018/19 our staff expenditure was £102m against income of £188m. This means that staff costs were 54.1% of our income, when movement on pension provisions is excluded.

When we develop our financial plans, we have choices to make and we know that increases in one area means decreases elsewhere. Our choices also sit within the context of a relatively finite income, which is becoming ever more challenging to secure.

We remain committed to being one of the 147 institutions supported by UCEA to review staff salary levels as part of an annual, joint employer and union negotiation and I believe that the settlement agreed this year reflected an increase that all universities participating in the group felt able to agree to. At Royal Holloway we have the ability to make some choices when it comes to our expenditure, other universities who are part of the UCEA group do not. When we enter into negotiations as a group, we must work within parameters that are acceptable to the whole group.

Gender Pay Gap

Given our history, our gender pay gap is frustrating and disappointing for us all. It is for this reason that, in July 2019, we commissioned a report from the independent Institute of Employment Studies, to assess our progress and to advise on further measures we can take to improve pay equity.

We pay our staff equally for work of equal value however, our 2019 gender pay report stated that we have a mean (average) and median (midpoint) gender pay gap of 24.9% and 31.9% respectively. I would like to provide some context for this figure.

At Royal Holloway we have a large casual workforce. Our 2019 gender pay report stated that we had more than 1200 workers (38% of the overall workforce). The majority of these are students that we employ in our cafes, bars and restaurants and as student ambassadors, etc. Students welcome the opportunity to earn and we value the contribution they make.

Women make up nearly 60% of our student body and two thirds of casual workers are women. The biggest factor contributing to our gender pay gap is that we have more women in casual roles than men, and 94% of the staff in the lower pay quartile are casual workers.

That said, we do have issues to address in relation to gender pay, and I expect the report, due at the end of this year, to help us to do this. We should also recognise that some progress has been made, for example in relation to academic promotion. The number of female professors at Royal Holloway increased from 24.9% in 2014 to 30.5% in 2018 and the Executive Board, which I chair, now has a more balanced gender make-up across its members, with women making up just under half of its members.
**Going forward**

We are nearing the end of the first week of the declared industrial action, with three more days to follow next week and action short of strike declared until the end of April. In taking action, colleagues are making clear their concerns with regard to pensions and pay and conditions.

Looking to how we might end this dispute, where concerns are within our control to resolve locally, the concerns are recognised, and we are already working with the unions to identify routes to address them. For nationally negotiated issues, we can each encourage our respective bodies to resume talks and work to secure a position we can all accept.

I hope that through our collective efforts we can end this dispute and refocus on our passion for our academic disciplines, supporting colleagues in their work and delivering an excellent education to our students.

**Professor Paul Layzell**