Dr W. J. Astle (MRC Biostatistics Unit, and Cambridge University and College Union Executive Committee), read by the Senior Pro-Proctor:

Deputy Vice-Chancellor, the Board of Scrutiny has produced a report which raises some important concerns about pay, pensions and employment practices in the University. As Treasurer of the Cambridge branch of the University and College Union (UCU), I wish to make some remarks in response. The UCU, which represents the academic-related, research and academic staff of the University, is in dispute with higher education employers in the UK because of their persistent refusal to address many of the problems identified by the Board.

The current run of concern from the Board about remuneration in the University goes back to the fourth recommendation of its Twentieth Report (*Reporter*, 6394, 2014–15, p. 770), in which the University was urged to 'continue to explore total remuneration packages as a means of attracting the most talented staff'. In that report, the Board noted that 'uncompetitive salaries' meant that 'neither a young post-doc nor a newly recruited Professor will find working in the University financially attractive'. Subsequently, reports from the Board have expressed concerns more firmly. In its Twenty-second Report the Board noted that 'the effective deterioration in pay relative to cost of living urgently requires addressing' and 'doubt[ed] whether continuing to offer sub-inflationary pay increases to core academic and academic-related staff for the next seven years is sustainable' (*Reporter*, 6478, 2017–18, p. 24).

Since the publication of the Board's Twentieth Report in 2015, the annual increments applied to the single salary spine by the University and Colleges Employers' Association amount to a compound increase in nominal salary or stipend of 9.5%, except for staff employed at the lowest spine points. The Office for National Statistics reports that, in the UK over the same period, inflation in the Consumer Price Index (CPI) was 24% and the increase in average weekly earnings was 26%.[1,2] The pay of higher education workers has been cut substantially in real terms and cut substantially relative to the pay of other workers. The Board points to the obvious consequence in this Report – professional support staff will vote with their feet 'in the face of market competition where salaries may be up to 50% higher'. The willingness of academic and research staff to tolerate the continual suppression of their remuneration must also have its limit. A recent news item in *Nature* reports that 'even high-profile scientists are struggling to recruit qualified postdoctoral researchers'.[3] 'I don't know anyone worldwide who currently doesn't complain how hard it is to find postdocs', laments a Cambridge Professor.

The Monetary Policy Committee of the Bank of England predicts that CPI inflation, high since March, will remain above 10% until the end of the first quarter of 2023.[4] In this context, the announcement last month by the Pro-Vice-Chancellor for University Community and Engagement of an exceptional, non-pensionable payment to non-clinical staff, consisting of 4% of basic pay over six months, looks like the sort of charitable 'tinkering at margins' that the Board warns against here in its Report. How many years of sub-inflationary pay rises can the University afford if it is to maintain its academic standards?

The effect of national pay restraint on the recruitment and retention of staff at this University is particularly pronounced because of the high cost of accommodation in Cambridge. According to the Land Registry, since 1995 the price of housing in Cambridge has increased by 591%, while the price of housing in the UK generally has increased by 436%.[5] Cambridge UCU supports national pay bargaining, but given the particular change in the cost of accommodation in Cambridge over the last three decades, is it time for the University to consider a permanent cost of living supplement for staff and research students?

Staff remuneration consists of pension as well as pay. A pension is a form of deferred pay and, whatever the legal technicalities, its value forms part of an implicit agreement with the employer. In 2018, Universities UK (UUK) – the employers' representatives on pension matters – tried to close the defined benefit (DB) element of the Universities Superannuation Scheme (USS), in favour of the defined contribution (DC) element. This was an attempt to off-load the cost of insuring the risk associated with pension investments onto university staff. The response of this university to the UUK consultation on the proposal argued that 'the balance of benefits between DB and DC should move much more towards DC', and stated that: 'The University has other demands on uses of money in pursuit of its mission than to pay more into USS. In particular, the University wishes to protect the long term health of the University as a major asset to the UK economy.'[6] Skirting around the legitimacy of this administrative redefinition of the purpose of the University to include support for the national economy, it is important to remember that UCU strike action in 2018 altered the position of the University on USS and prevented the closure of the DB element of the scheme. The pensions of the staff whose labour sustains the major national asset were given a temporary reprieve.

In March 2020, the USS trustees chose to conduct a valuation of the USS scheme during a dip in asset prices caused by the Covid-19 pandemic. Unsurprisingly, this valuation concluded that the scheme had a significant deficit. Rather than temporarily increase their contributions until the next valuation, to maintain the value of staff benefits – to mirror a contribution holiday taken from 1997 – the employers chose to impose major cuts to the DB element of the scheme, effective from April 2022. UCU modelling suggests that staff beginning their careers stand to lose approximately a third of the guaranteed portion of their future retirement income, unless these cuts are reversed.[7] The good news is that recent data from the trustees suggests that the scheme now has a £1.8bn surplus,[8] which is almost certainly sufficient to restore the benefits lost retroactively.[9,10] The Board's Report 'welcomes the University taking a leadership role in the national negotiations over the 2020 valuation'. The ball is now in the employers' court.

Real terms cuts to pay and pensions are not the only material costs to staff in the era of the higher education market. Risk is increasingly transferred to staff through casual employment practices. The Board has expressed its concern before about 'the unregulated proliferation of unestablished posts: the risk to the University of employing individuals doing the same job on different terms and conditions, undermining the University office as the career path of staff delivering core teaching, research and professional services, and possible decline in academic standards as the workforce is casualised' (*Reporter*, 6633, 2020–21, p. 62 at p. 71).

Much of the casual employment associated with teaching at Cambridge is the responsibility of the Colleges, but graduate-level taught courses, which are the responsibility of the University, also depend on casual teaching, often performed by staff on research contracts or by research students. Research in the scientific Schools of the University is performed almost entirely by staff employed on short term contracts. Between July 2012 and July 2021 the number of contract research staff in the University rose by 27%, from 3,120 to 3,966, while the number of established academic staff rose by 8%, from 1,435 to 1,550. In July 2012, the academic-related staff of the University were employed in roughly equal proportions on an established (n=710) and unestablished (n=703) basis. By July 2021, one fifth (n=526) of such staff were employed on an established basis and four fifths on an unestablished basis (n=2,224).

As the Board points out, employment practices form an area 'in which the University has the flexibility to act without national negotiation'. Its recommendation that the Council announce a timetable for the completion of the review of the use of fixed-term contracts and unestablished posts in the University is welcome. So too, is the call for that review to consider the practice of appointing externally funded academics by a 'legal fiction' of employment coterminous with a position – often titular or honorary – that is logically equivalent to the continuation of external funding for the post. This appears to be an attempt to create by the backdoor an office of unestablished Professor *de facto*; the thin edge of a dangerous wedge.

This autumn, the UCU held national ballots to determine whether our members are willing to resort to industrial action to resolve the disputes over USS pensions and pay and working conditions. More than 80% of members voted to support strike action in each ballot. The ballots were nationally aggregated, which means the union has a mandate to strike at almost every university in the UK. It is regrettable that for the fourth time in five years it has become necessary for the UCU to disrupt the activity of the University and the education of its students, in order to defend the standard of living of University staff and their future security as pensioners. We hope that the University will use its influence with other employers to ensure the proper settlement of legitimate grievances. If not, we expect to see exceptionally strong support for the forthcoming strike action. Cambridge UCU received a record number of reports from members stating that they had voted in the industrial action ballots. We invite all members of University staff who are eligible to join the picket lines and fight with us to defend their pay, pensions and working conditions.

1 https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt/mm23

2 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/latest

3 Lab leaders wrestle with paucity of postdocs, *Nature*, Career News, 30 August 2022, https://doi.org/10.1038/d41586-022-02781-x

4 https://www.bankofengland.co.uk/monetary-policy-report/2022/november-2022

5 https://landregistry.data.gov.uk/app/ukhpi/

6 https://www.staff.admin.cam.ac.uk/system/files/download/uoc_response_to_the_uuk_survey_on_the_2017_uss_valuation_final.docx

7 https://www.ucu.org.uk/ussmodeller

8 See *Reporter*, 6675, 2022–23, p. 112.

9 https://www.uss.co.uk/-/media/project/ussmainsite/files/news-and-views/briefings-and-analysis/indicative-costs-of-enhancing-benefits.pdf

10 https://www.uss.co.uk/-/media/project/ussmainsite/files/news-and-views/briefings-and-analysis/indicative-contribution-requirements-for-the-pre-and-post-1-april-2022-benefit-structures.pdf