

## **USS Review Working Group**

**Meeting room 6, Wellington Square, 11.00am – 12.30pm**

### **Minutes of the meeting of 20<sup>th</sup> May 2019**

Present: Professor Richard Hobbs (Chair), Mr Charles Alexander, Professor Danny Dorling, Mr Julian Duxfield, Professor Fabian Essler, Mr Charles Harman, Professor Sam Howison Professor Jane Humphries, Mr Jaya John John, Professor Sophie Marnette, Mr Lindsay Pearson.

In attendance: Prof Anne Trefethen, Mr Russell Powles (Aon), Ms Judith Finch,

#### **1. Apologies for absence and welcome**

Dr Martine Abboud, Professor Tim Jenkinson, Ms Jan Killick, Mr Lucian Hudson sent their apologies.

#### **2. Conflicts of interest**

There were no new conflicts of interest declared.

#### **3. Minutes of the previous meeting**

The minutes of the meeting on 25<sup>th</sup> April 2019 were agreed.

There were no matter arising not addressed by the main agenda items

#### **4. Recap of initial feedback to UUK on USS trustee's options**

It was noted that the quick turnaround required by UUK meant that the WG did not have as full an opportunity as they would have wished to consider their response. (the WG members received papers on the Friday and there was only an opportunity for a 30 minute conference call on the Monday.)

In addition for the first time the WG had needed to take a majority view rather than find consensus across the whole Group. It was agreed that on future occasions if full consensus could not be secured a majority of voting WG members, whether present or not, for future recommendations to Council on consultation responses would be required.

It was noted that Trinity College, Cambridge's apparent decision to exit the USS was not a substantial concern. Trinity are an outlier, their assets are huge compared to their exit costs. But it was agreed that the WG would need to keep a watching brief on this issue.

**Action:** Item to be taken at future WG meeting on the arrangements in place under USS rules for any participating employer to exit.

Anne Trefethen fed back from the EPF that all Russell Group members appear to have expressed a preference for option 3.

#### **5. Agree formal response to UUK on the options**

The working group debated whether the messages covered in its initial response to the 2018 valuation contribution options set out in Stuart McLean's email dated 9 May 2019 remained the view of the group and thus should formulate the formal consultation response to UUK.

The Group felt that the timeliness of the required response put undue pressure on employers to formulate a considered view on such a complex matter. In considering the contribution proposals

the view of the Group was that option 3 was the least worst outcome of the three options presented. The formal response to UUK should reflect:

- The view that more time should have been made available to consider an initial response on the three options proposed. Communications from USS requiring employer input should give sufficient time to make sure employers can formulate a considered view.
- The significance of JEP phase 2 and the continued support of both JEP phase 1 and 2.
- Option 3 being the least worst option of the three options proposed in Stuart McLean's email dated 9 May 2019.

**Action:** A draft response to UUK would be drafted and circulated to the WG members. A final version would then be sent to Council members, sent to UUK and placed on the website.

## **6. USS information on 2018 valuation**

The WG noted this communication.

## **7. USS information on 2018 valuation**

It was noted that the main area of contention appears to be that UUK & Aon feel the USS is being too short-term in their response to the valuation.

**Action:** A copy of the letter from Anne Trefethen to UUK about their summary of the previous employer consultation will be added to the papers for the next meeting as part of the minutes.

## **8. JEP call for evidence**

The Group considered the USS Joint Expert Panel's second call for submissions in relation to its second phase of work on the USS valuation, with a 14<sup>th</sup> June deadline. The Group agreed to respond to the JEP with the following:

- Continued belief that the work being carried out by the JEP is of significant importance.
- A desire for the JEP to continue to their work as proposed and deliver their initial findings within the stated timescales such that there is ample time for it to be considered in the context of the next USS valuation and beyond.

It was considered that individuals within the Group could respond to JEP directly if they felt they had sufficient expertise to do so.

## **9. Communication update**

In the absence of a representative from PAD Julian Duxfield provided a brief update on the communication plans, including the next webinar on 28<sup>th</sup> June.

The Junior Proctor made the point that she believed some scheme members have an expectation that Council's statement from April 2018 on 'pensions provision' refers to contributions not just benefits. It was agreed that future communications needs to remind staff about Council's decision that this statement refers to benefits not contributions.

## **10 UUK's structure and role**

The Group noted this summary and asked that it be included in the website documentation with links added to the UUK website where appropriate.