

JNC Enhanced Report, 7 July 2023

Please note: The committee has approved the publication of this report (but it has not been approved by UCU).

Attendees

Committee members	Observers
Akbar Khan (Chair)	Russell Picot, USS observer
Cliff Vidgeon (UUK)	Dooley Harte, UCU observer
Stuart McLean (UUK)	Shahenda Suliman, UCU observer
Sharon Moore (UUK)	Will Spinks, USS observer
Dr Carol Costello (UUK)	Professor Taylor- Batty, UCU observer
Anthony Odgers (UUK)	Donna Brown, UCU observer
Dr Marion Hersh (UCU)	Aaron Punwani, USS Scheme Actuary
Dr Deepa Driver (UCU)	
Sarah Joss (UCU)*	
Jenny Lennox (UCU)	
Dr Jackie Grant (UCU)	

*Alternate for Professor Taylor-Batty

Update from the Trustee

A Trustee representative provided the group with an update on a proposed amendment to the scheme rules drafted in response to the entry into law of the Pensions Act 2021, and the fines regime operated by the Pensions Regulator which had changed to introduce a broader range of events being subject to fining powers and the maximum fine to which the trustee could be liable increasing from £50k to £1m.

The representative asked the committee to approve the amendment, following its recent approval by the USSL Trustee Board. A UCU representative asked that the vote be postponed until the September JNC whilst they considered the detail further and take legal advice. The Chair agreed to this.

A Trustee representative noted that the new USS CEO will attend the next meeting of the JNC. They also informed the group about the upcoming publication of the 2023 USS Task Force on Climate-related Financial Disclosures (TCFD) report. The report sets out [how the Trustee is assessing climate risk and considering emissions](#) as it works towards achieving its Net Zero ambition.

The group discussed recent Trustee engagement with TPR.

The Scheme Actuary provided the group with an overview of technical aspects of the 2023 valuation and its outputs. Trustee representatives provided an overview of recent Trustee Board discussions and the key guiding principles for scheme valuations, the background methodology on scheme stability, and measurement of the scheme surplus.

A Trustee representative provided an update on the support offered to members following the Capita cyber incident. A UCU official gave feedback from members and the group went on to discuss member concerns and the services available for members to help support them.

A Trustee representative provided an update on the speculation around Thames Water, noting that the Trustee did not expect the current events surrounding Thames Water to have a material impact on the funding position or contribution rates coming out of the 2023 valuation, nor on the security of members' promised pensions. The group discussed the concerns of members and the ongoing work of USSIM in relation to the situation.

Stakeholder updates

UCU

A UCU representative noted the importance of the stability working group and separately provided the group with an update on the work to consider augmentation options. On augmentation options, UCU proposed the creation of a JNC working group to consider augmentation and the timelines; the proposal was supported by UUK.

UUK

A UUK representative noted the ongoing work to prepare for the upcoming Technical Provisions consultation, and the collaboration with UCU on the stability workstream.

They detailed their concerns about the recent news about Thames Water, and the ongoing work around the Capita cyber incident and UCU representatives noted their agreement.

Additional matters covered at the meeting

The group reviewed and offered feedback on the Terms of Reference for the JNC Stability workstream. The committee approved the document.

The group considered the review of the JNC member fees. A UCU representative asked that the current interim arrangement be extended, with a decision made at the February 2024 JNC. The committee discussed the capacity concerns of UCU JNC members to be able to commit sufficient time to reach a decision on JNC member fees, and what would be a realistic timeline for the discussion, benchmarking, agreement and final sign off. The committee approved the proposed extension which would be put to the USS Board to consider.