

JNC Enhanced Report, 12 October 2022

Attendees

Committee members	Observers
Judith Fish (Chair)	Professor Sir Paul Curran, USS observer
Margaret Monckton (UUK)	Ellen Kelleher, USS observer
Stuart McLean (UUK)	Dr Marion Hersh, UCU observer
Cliff Vidgeon (UUK)*	Dr Renee Prendergast, UCU observer
Dr Carol Costello (UUK)	Sharon Moore, UUK observer
Anthony Odgers (UUK)	
Dr Justine Mercer (UCU)	
Dr Deepa Driver (UCU)	
Professor Taylor- Batty (UCU)	
Dr Jackie Grant (UCU)	
Jon Hegerty (UCU)*	

*Alternate attendees

Meeting governance

Prior to the meeting, the Committee met informally for valuation training and to hear an update from a USSIM representative on recent investment market volatility. The group agreed to have a further 'deep dive' on valuation matters.

The new appointee to the JNC Chair role joined the meeting as an observer. They will take up the role formally in January 2023.

Update from the Trustee

A Trustee representative provided an overview of an indicative 2023 valuation timeline, considering all key milestones between November 2022 and the statutory deadline for submission to the TPR in June 2024. The group discussed the possibility of a statutory consultation with members on benefit changes, such as a change/increase to the salary threshold, being triggered and its impacts on the timeline, as well as how the timeline dovetails with stakeholder governance processes.

The group agreed to hold an interim meeting ahead of the December JNC to hear more detail on the timeline. Both UUK and UCU representatives noted their wish to conclude the valuation ahead of the statutory deadline.

A Trustee representative provided an update on the establishment of a Valuation Technical Forum including sharing a draft term of reference on the purpose and the scope of the forum.

UCU representatives asked the group to consider how the work of the forum can be shared with the wider JNC members and the USS membership and the group went on to discuss this in detail. The group expected that following discussions at the forum, UCU and UUK would wish to submit a report to the Trustee to form part of the information it considers when setting assumptions for the 2023 valuation, and that the Trustee should offer rationale were its decisions to diverge from the consensus view of the forum. Both UUK and UCU representatives noted their belief in the value of the forum and their keenness to be involved.

A Trustee representative provided an overview of the proposed Trustee response to the DWP consultation on the Draft Occupational Pension Schemes (Funding and Investment Strategy and Amendment) Regulations 2023.

Non-restricted (NR)

The USS logo is a red circle with the white text "USS" inside.

UUK and UCU representatives noted that they support the Trustee stance and UUK informed the group that they will consider writing to the DWP in support of the Trustee consultation response. A Trustee representative agreed to offer some analysis on the impact on employers, members, and the wider sector if the proposals are implemented.

Stakeholder updates

UCU

A UCU representative provided an update on the ongoing industrial action ballot and the potential shape of industrial action that will take place if the nationally aggregated ballot meets the statutory threshold.

They noted that UCU has welcomed thousands of new members and that its membership are asking for the April benefit changes to be rescinded and assurance that future valuations should be 'moderately prudent'.

UUK representatives asked UCU representatives what criteria needs to be met for potential industrial action to be paused.

UUK and UCU representatives went on to discuss how the timing of potential industrial action would intersect with the plan to model data on the funding position and cost of benefits via the Valuation Technical Forum.

UUK

UUK representatives noted their wish to move through the 2023 valuation as quickly and efficiently as possible and thanked the Trustee for providing some initial modelling on conditional indexation.