

JNC Enhanced Report, 30 October 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)	Dame Kate Barker, USS observer
Margaret Monckton (UUK)	Ellen Kelleher, USS observer
Sharon Moore (UUK)	Helen Shay, USS observer
Mike Shore- Nye (UUK)	
Dr Carol Costello (UUK)	
Anthony Odgers (UUK)	
Dr Marion Hersh (UCU)	
Dr Deepa Driver (UCU)	
Professor Taylor- Batty (UCU)	
Dooley Harte (UCU)	
Dr Jackie Grant (UCU)	

Meeting governance

The committee agreed to defer the review of the annual JNC Transparency and Confidentiality Agreement to allow UUK, UCU and Trustee representatives to work together on an updated version to be agreed no later than April 2024.

Update from the Trustee

A Trustee representative noted a recent drop in scheme 'opt out' rates. They updated the group on a plan to engage with USS employers on the investment strategy for the defined benefit section of the scheme, and provided an update on the planned '[Mansion House Reforms](#)'.

The group went on to discuss the timetable for formalising the outcome of the 2023 valuation and the Trustee Boards approval of the recent actuarial report 'the Rule 76.1 report'. The reports approval means that the Trustee has approved a reduction in the required contribution rate and the implementation of the decrease is now a matter for the JNC to consider and approve (see 'voting' section for more detail). The group discussed recent member impact analysis on the proposed changes and the need to update members on the timeframe for changes and agreed to consider an update to [the previous joint statement](#). The Chair noted the hard work and effort from all parties to reach this point.

UCU made a request for a briefing from the Scheme Actuary on the lowering of contributions and the augmentation of member benefits. A Trustee representative agreed to this.

A Trustee representative provided an update on the responses to date to the ongoing member consultation. The group noted themes from the feedback including scheme stability and contribution rate consistency.

The group discussed how best to keep the JNC committee informed on the discussions and findings of the Stability Working Group and agree that a quarterly standing item and a written summary would work best.

Stakeholder updates

UCU

A UCU representative thanked the committee for their efforts to reach a joint agreement on USS. They noted the outcome of the [recent UCU e-ballot showing overwhelming UCU member support for the proposal](#).

They went on to note the current Israel – Hamas conflict and asked for detail on the USS Responsible Investment policy in relation to weapons manufacturing. A USS representative confirmed the RI policy [on specific points made](#) and agreed to follow up with UCU representatives more formally on any other matters.

A UCU representative provided an update on the ongoing work of the subgroup reviewing JNC member fees.

UUK

A UUK representative provided an overview of the feedback received via the recent Technical Provisions consultation. They received responses from 83 employers which together represent approximately 93% of the active membership of the scheme. They confirmed that employers expressed near unanimous support for finalising the valuation in line with the approach and assumptions proposed by the USS Trustee and have proposed the creation of a Working Group to discuss Trustee debt monitoring methodology as well as noting their commitment to the ongoing work of the Stability Working Group. Further detail is available [here](#).

Voting

The Committee was asked to vote to:

- Approve the [jointly agreed scheme change proposal](#), with effect from 1 April 2024 (which included the revised member and employer contribution rates, effective from 1 January 2024); and
- Approve the additional pension and lump sum proposal submitted by UCU.

UUK and UCU committee members voted unanimously to accept the proposals.