

USS Scheme Governance Consultation response

We welcome the opportunity to comment on the planned approach to a full review of the governance of USS. It has long been the view of the College that USS needs urgent reform in order to ensure it is a sustainable, affordable and rewarding scheme for all its members.

We support that good governance of USS requires having the right structure and processes to enable effective and timely decisions to be made, along with robust risk management protocols and clear scheme objectives.

The current structure doesn't appear to allow for timely decisions to be made. In particular decision-making during the valuation process was slow, and we hope that the planned review tackles this.

We endorse the three-phase approach outlined in your Governance Review document. However, we would urge that the second phase (soft wiring) could be reached before December 2022.

We feel strongly that the appointment of the Review Group Chair will be crucial to the work of the group. The Chair needs to be trusted by all stakeholders, have a good knowledge of scheme governance and most importantly be independent. We wonder if the process used in setting up the Joint Expert Panel (JEP) in 2018 might be replicated here.

We agree with the JEP statement in its second report that the JNC does not work as well as it might, and it appears as though it is still not operating effectively. It is unclear what has been implemented as a result of the JNC effectiveness review and whether there can still be some improvements made. We feel that greater transparency and visibility around the powers that the JNC has would help.

For a review of this kind to be effective, it is imperative that all stakeholders – employers and employees – feel a sense of ownership of the changes that are being discussed. We would like the governance review to consider how all member views can be effectively and fairly fed into the JNC, in line with the JEP recommendation that national UCU needs to represent all scheme members, not just those that are union members. Consideration needs to be given to how the work of the review group is made available to the wider membership and how the views of all members, including pensioners and deferred members, can be captured. Clear timeframes and processes for how any changes are to be implemented need to be shared early on.

It might also be time to review whether UUK is the appropriate negotiating body on behalf of USS employers when UCEA negotiate on pay. A more holistic approach on the total package may be helpful.

It would appear that the relationship with The Pensions Regulator (TPR) is still one that could be better. We would wish the review group to focus on the interactions and relationships phase as early as possible.

And finally, we are keen to recommend Professor Richard Craster, Chair of Imperial's USS Staff Working Group, to work with the liaison group.