

USS Joint Expert Panel – Terms of Reference

1. Background

UCU and UUK have agreed to form a Joint Expert Panel.

2. Scope

The agreement reached on 23 March 2018 under the auspices of Acas was formally adopted by UCU and UUK and forms the foundation of the panel's process.

The agreement set out that the purpose of the panel is to:

- make an assessment of the 2017 valuation (paragraph 5 of the Acas agreement)
- focus in particular on reviewing the basis of the scheme valuation, assumptions and associated tests (paragraph 4 of the Acas agreement)
- agree key principles to underpin the future joint approach of UUK and UCU to the valuation of the USS fund (paragraph 1 of the Acas agreement)

The agreement set out that the panel would take into account:

- the unique nature of the HE sector, intergenerational fairness and equality considerations (paragraph 4 of the Acas agreement)
- the clear wish of staff to have a guaranteed pension comparable with current provision whilst meeting the affordability challenges for all parties (paragraph 4 of the Acas agreement)
- the current regulatory framework (paragraph 4 of the Acas agreement)

The agreement set out that parallel discussions will continue between UUK and UCU on:

- comparability between TPS and USS (paragraph 6 of the Acas agreement)
- alternative scheme design options (paragraph 6 of the Acas agreement)
- the role of government in relation to USS (paragraph 6 of the Acas agreement)
- the reform of negotiating processes to allow for more constructive dialogue as early as possible in the valuation process (paragraph 6 of the Acas agreement)

This document (Terms of Reference) underpins and supplements the 23 March agreement but does not override it.

3. Reporting

The panel will aim to submit a report to UUK and UCU in September 2018 that meets the purpose described above in relation to the 2017 valuation.

The panel will provide a follow up report that meets the purpose described above in relation to the USS valuation process in general. The follow up report will relate to valuations after the 2017 valuation.

4. Chair

The scheme stakeholders UCU and UUK will jointly agree the independent Chair.

The Chair will be involved in determining the order of work within the reporting timescales above.

The role of the Chair will be to provide leadership for the panel, to ensure that it functions effectively, that its members are able to participate fully and that its purpose is met.

5. Membership

The scheme stakeholders UCU and UUK will each select 3 panel members.

In nominating the panel members, UCU and UUK shall have regard to the responsibilities required of these individuals and will appoint those who possess the relevant skills and capabilities.

6. Remuneration/expenses

Any costs incurred relating to the Chair and secretariat and will be covered 50/50 between UUK and UCU. Any additional costs will be incurred by the relevant side for their nominated members.

7. Secretariat

The panel shall be supported by a joint secretariat appointed by UCU and UUK in agreement with the Chair.

8. Meeting arrangements

Meeting frequency: To be determined by the Chair

Meeting location: To be determined by the Chair

Quorum requirements: All panel members should be present for all meetings.

Meeting actions: Panel will produce action points to be agreed by the Chair. These action points will be available within 7 working days of each meeting.

9. Advice, evidence and information

The panel will have access to a collection of expert witnesses, including (but not limited to) the actuarial advisers of UUK and UCU, the USS Trustee, the Scheme Actuary and the Pensions Regulator.

The panel may also refer to evidence submitted by interested parties.

The panel will be provided with a pack of evidence and reports to date relating to the USS (subject to agreement of USS Trustee).

10. Confidentiality

The contents of all panel meetings are confidential to the panel members, except the agreed action points which will be provided to UUK and UCU.

All material provided to the panel is confidential to the panel, whether from the evidence pack, expert witnesses or submitted evidence.

11. Conflict of Interest

All members of the panel will be asked to declare any current or potential conflicts of interest related to the subject matter of the panel deliberations.

A conflict of interest log will be maintained as the responsibility of the Chair, and this will detail any action taken to mitigate potential conflicts. The log will be monitored by UUK, UCU and the panel's secretariat.

12. Reaching conclusion

The panel is expected to reach a consensus on the content of its reports.

If a vote is required, the Chair shall not participate.