COUNCIL
Thursday 30 April 2020
CONFIRMED MINUTES

Present:
Lord Clement-Jones (Chair)    Ade Adefulu    Megan Annetts
Professor Alison Blunt    Professor Colin Bailey    Monica Chadha
Sarah Cowls    Celia Gough    Stella Hall
Dr Darryn Mitussis    Professor Mangala Patel    Dr Alix Pryde
Luke Savage    Melissa Tatton    Professor Wen Wang
David Willis

In attendance:
Dr Nadine Lewycky    Jonathan Morgan    Louise Parr-Morley

Apologies:
Professor Colin Grant    Isabelle Jenkins    Bushra Nasir
Peter Thompson

Welcome and apologies

2019.075 The Chair welcomed everyone to the meeting, which had been called for Council to consider the university’s response to a consultation by the USS on its approach to the valuation of the pension scheme in 2020. The decision had been taken to hold this additional meeting via video conference to provide effective governance during the social-distancing measures introduced by government to combat the Covid-19 outbreak.

USS Consultation on 2020 valuation

2019.076 Council discussed the university’s response to the consultation on the USS pension scheme valuation in the context of the financial situation of the university and wider sector. The following points were noted in the discussion:

[a] Council noted that Council members Professor Wen Wang, Professor Mangala Patel, Professor Alison Blunt, Dr Darryn Mitussis and Sarah Cowls, as well as the Chief Governance Officer and University Secretary, were contributing members of the USS pension scheme.

[b] Council commented that there was a high level of risk in the scheme and that assumptions made in the consultation document about the future of higher education would need to be revisited in the light of the effects of Covid-19 on the sector. As more members entered retirement, salary
contributions would need to be increased among active members to fund the deficit. The scheme could become less affordable for universities affected by imposed restrictions on student numbers and the deficit left by any universities which were unable to continue operating after the Covid-19 outbreak would still need to be covered.

[c] Council asked the President and Principal about the appetite in the sector for considering changes to benefits alongside contributions. The Terms of Reference for the Joint Expert Panel (JEP) did not refer to benefits, reflecting the position reached at the end of industrial action in 2018. The potential for further industrial action by UCU meant that the appetite amongst employers to address benefits remained was low.

[d] Council asked the President and Principal about the stance of the Office for Students on the pension dispute. The OfS was concerned about both the proportion of student fee income being spent on pensions and the impact of the industrial action on students.

[e] The President and Principal was asked what percentage of the university’s turnover was spent on payroll costs and how this had changed in recent years. It was suggested that this could be open to misinterpretation, as necessary work had been done over the same period to address the operating deficit and generate cash reserves in order to catch up with maintaining the digital and physical estate. Council would be provided with the information that had been requested at the next meeting.

[f] The Chair asked the President and Principal whether there was scope to make the response stronger given the serious financial implications for the university and the sector. It was noted that the response as drafted would already be one of the strongest to be submitted.

[g] Council agreed to support the university’s response to the consultation in its current form.

Action: [e] Interim Finance Director

Dates of Meetings 2019–20

- Thursday 21 May, 1500 hours, via video conference.
- Monday 15 June, 1000 hours, via video conference.
- Thursday 09 July 2020, 1600 hours, Colette Bowe Room, Mile End.