

FINANCE COMMITTEE

11TH JANUARY 2021

REDACTED MINUTES FOR PUBLICATION

An exceptional meeting of the Finance Committee was held remotely via Zoom videoconferencing on Monday 11th January 2021 from 11.45am-12.30pm.

Present: Jat Brainch [JB] Honorary Treasurer and Chair
Nick Braisby [NB]
Amanda Clack [AC]
Andrew Hynard [AH]
Alastair Martin [AM]
Ashley Wheaton [AW]

Apologies:

In Attendance: Jane Fawkes (University College Secretary) [JEF]
Lyndsay Hughes (note taker) [LH]
Tim Mills (Director of Finance) [TM]
Lisa Wilks (Director of HR) [LW]

4403 **1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST**

4404 There were no conflicts of interest declared.

4405 **1.2/ TO RECEIVE APOLOGIES FOR ABSENCE**

4406 There were no apologies for absence. Nick Braisby was welcomed to his first Finance Committee meeting.

4407 **2.1/ TO RECEIVE A USS PENSION SCHEME UPDATE**

4408 The meeting was chaired by Amanda Clack as Jat Brainch had internet connection issues.

4409 The Committee was reminded that the Finance Committee had approved the UCEM USS Eligibility Policy in February 2020 following email confirmation from USS that the policy was regarded as acceptable (in December 2019). At the time it was agreed to review to confirm the number of staff newly eligible for the scheme in line with the criteria for USS.

4410 The Committee was reminded that any additional cost of USS has not been factored into the 2020-21 budget or forecast and that employer contributions to the USS scheme are also highly likely to be subject to significant increases. The Committee

was also reminded of the current UCEM agreed rates of USS contributions and their cash total in year, alongside projected increases in this if rates rise.

4411 The Committee noted that the current annual employer cost to UCEM based on the 28 staff already in USS is £394K. If all ten newly eligible staff opt to join the scheme this would increase by £111K to £505K per annum.

4412 It was discussed of the approach if members wanted to voluntarily leave the scheme due to the increased contributions, and the duty of care to staff in this instance, as UCEM cannot offer an individual access to an alternative employer pension scheme. It was agreed that where appropriate UCEM would support by providing access to an independent financial advisor.

4413 UCEM confirmed it has taken legal advice on its pension situation and has consulted with other Higher Education Providers on how they are managing the burden of increasing contributions.).

4414 The Committee **AGREED** that UCEM is right to be concerned about future liability in the scheme. The Committee also noted that it cannot mandate any personal action or decision whether to remain in the scheme, and therefore all financial models presented for the purposes of illustrating potential savings are subject to change.

4415 The Committee **APPROVED** the inclusion in the USS scheme of all employees (from the 1st April 2021) not currently on the USS pension scheme that were identified as eligible, thus demonstrating to the USS pension that UCEM is continuously reviewing staff eligibility (total of 10 additional new people). The Committee **NOTED** that this would increase UCEM costs by £111K per annum (excluding any future increases from USS to employer contributions).

ACTION: Contact the ten newly eligible USS scheme employees about their options for joining the USS Pension scheme. [LW]

4416 The Committee **RECOMMENDED** that UCEM takes additional legal and financial advice as to how it can continue to seek to reduce the financial burden of increasing employer contributions in the coming years. NB specifically recommended Mercers as a potential adviser.

4417 3/ ANY OTHER BUSINESS

4418 No other matters of business were raised, and the Chair closed the meeting at 12.25pm.

4419 The date and time of the next Finance Committee meeting will be Thursday 11th February 2020 at UCEM, Horizons, Reading, and via Zoom remote video link.

Signed



Name Jat Brainch, Honorary Treasurer

Date 11th February 2021