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2<sup>nd</sup> November 2015

Dear Professor Brady,

### **The current USS approach to scheme funding**

You will be aware that UCU has maintained a consistent position that the USS Board had adopted an approach to the valuation method, technical assumptions, and risk management of USS that has been counter to the interests of both employers and scheme members.

A number of employers including Imperial, London School of Economics, Warwick and Oxford broadly share our view and have significant reservations about the approach of the USS Trustees. Part of the agreement accepting the recent changes to benefits for members was that there would be an urgent review of the approach to USS funding methodology in advance of the next valuation of the scheme due on 31<sup>st</sup> March 2017.

Our Bristol UCU branch general meeting on 21<sup>st</sup> October 2015 discussed the approach to scheme funding and passed the appended motion. As such I am writing to ask that this matter be raised at the University Planning & Resources Committee and at the Finance Committee, with a view to the University agreeing to persuade their representatives in the USS machinery to adopt a different and more reasonable interpretation of the available evidence when setting the approach to scheme funding for the 2017 triennial valuation.

We would also ask that you agree to support a University of Bristol USS working group – to include Finance Director Andy Nield; HR Director Guy Gregory; UCU Pension Officers and representatives; and other University of Bristol academics with relevant expertise – to discuss the approach being adopted and its likely effects both on the health of the pension scheme (through impacts on investment decisions) and on the reported position of the University under new accounting requirements.

I look forward to your response.

Yours sincerely,

Tracey Hooper  
President  
University of Bristol Local Association of the University and College Union

University of Bristol UCU

Motion to General Meeting – Wednesday 21 October 2015

*This branch believes that the USS Board adopted a recklessly prudent approach to scheme funding in the lead-up to the 2014 triennial valuation and that this was the driving force for increases to employer and employee contributions and cuts to members' pension benefits.*

*This branch notes that UCU has commissioned expert advice. This suggests an alternative approach to that adopted by the USS Board. Adopting UCU's alternative approach could have reduced the deficit in the 2014 valuation by around £8.6bn.*

*It is also noted that individual USS member institutions such as Imperial College London, the London School of Economics, the University of Warwick and the University of Oxford have also questioned the valuation methodology.*

*This branch calls on the branch Executive to:*

- 1. Raise the USS scheme funding approach through the Joint Negotiating and Consultative Committee, highlighting the problems with the current approach; asking for the employer to agree that USS should adopt a reasonable interpretation of the available evidence when setting the approach to scheme funding;*
- 2. Write to the Vice-Chancellor, Finance Director and HR Director asking for the University to join with UCU in reviewing the USS funding methodology;*
- 3. To create a joint working group with management, UCU and relevant academic colleagues to discuss and develop a local response to the USS board;*
- 4. Encourage members to raise the USS scheme funding approach at other institutional bodies (i.e. Senate, Council, Faculty Boards and Assemblies, and School/Divisional meetings);*
- 5. Keep the UCU's head office informed of developments*

Proposed by Steve Condliffe and Tracey Hooper  
Seconded by Ricky Tutin and Jamie Melrose  
6 October 2015