

UNIVERSITY OF WARWICK

ASSEMBLY

Minutes of the meeting of the Assembly held on 28 October 2014

Present: Thrift, Nigel (Vice-Chancellor and President, Chair), Arber, Tony; Baesens, Claude; Ball, Robin; Barnes, Sally-Anne; Barnes, Stuart; Barnes, Tina; Barrett, Hailey; Bateman, Elle; Battams, Elizabeth; Black, Sophie; Blindauer, Claudia; Botley, Louise; Bowell, Corine; Bowkett, Elizabeth; Bowskill, Jenny; Boxall, Roger; Boyatt, Russell; Bradford, Christine; Branke, Juergen; Brock, Michelle; Budden, Yvonne; Burke, Stephen; Butcher, Des; Caesar, Ann; Calvert, Alicia; Chambers, Ailsa; Chandler, Martin; Chen, Bo; Cherrington, Helen; Christie, Delphine; Clarkson, Guy; Coleman, Jane; Cook, Debbie; Cooper, Ruth; Corbett, Matt; Corvi, Peter; Costello, Diarmuid; Cowling, David; Cremona, John; Croft, Stuart; Cunningham, Richard; Dean, Deborah; Dedner, Andreas; Doan, Vinh; Donaghey, Jimmy; Drinkwater, Rosemary; Dritsaki, Melina; du Plessis, Laura; Dunn, Peter; Dyer, Christopher; Eardley, Michael; Edie, David; Ellison, Susan; Epstein, Adam; Er, Ahmet; Farnhill, James; Ferdinand, Peter; Firth, Catriona; Fisher, James; Fleetwood, Jaine; Fletcher, John; Forsyia, Teresa; Foster, Philip; Gaffney, Eliza; Galetto, Manuela; Gamble, Alan; Gilling, Simon; Goddard, Paul; Gracia, Louise; Grant, Teresa; Grewal, Simran; Grosskinsky, Stefan; Haddleton, David; Hall, Peter; Hamer, Kevin; Harper, Simon; Harrison, Daniel; Harrison, James; Hatfield, Brigitte; Hemmings, John; Henderson, Jennifer; Henrywood, Clair; Higgins, Andrew; Hinton, Mark; Hodgson, Jacqueline; Hughes, Dean; Hutchins, David; Ireland, Helen; Isoni, Andrea; Jacka, Saul; Jay, Debbie; Johal, Kam; Johansen, Adam; Johnson, Carl; Jones, Timothy; Kaijaks, Nick; Kalvala, Sara; Keene, Janet; Khan, Mia; Khan, Omar; King, James; Kirkwood, Alex; Klaus, Andrea; Knowles, Graeme; Lain, Michael; Latham, Nicola; Latham, Andrea; Lazic, Ranko; Lightbown, Martin; Lindsell, Nikki; Littlewood, Veronica; Locke-Wheaton, Steve; Macdougall, Colin; MacKay, Robert; Maddison, Andrew; Malin, Alexander; Marsh, Andrew; Martin, Andrew; Martin, Thomas; Mason, David; Matthews, Steve; Mattock Barylo, Kimberley; McArthur, Justin; McGrath, Mary; McGrattan, Gillian; McMahan, Rob; Mee, Carly; Middleton, Zoe; Mills, Geraldine; Miners, Mark; Moulem, Samuel; Murrain, Lucinda; Nicolini, Davide; Ovens, Maria; Owen, Anne; Packwood, Roger; Pearson, Daniel; Pereira, Maria Do Mar; Pink, Joshua; Pipkin, Thomas; Pitman, John; Podinovskaia, Tanya; Prakash, Shum; Preston, Lesley; Price, Gary; Punch, Mary; Punter, Ken; Reece, Ben; Reese, Hannah; Reeve, Andrew; Reinecke, Juliane; Ritchley, Anna; Robins, Derek; Robinson, Steven; Rodger, Mark; Roemer, Rudo; Rogowski, Ralf; Rourke, Jonathan; Rowles, Hywel; Roxburgh, Angela; Safra, Zvi; Salter Wright, Yvonne; Sanborn, Adam; Scanlan, David; Schafer, Marlene; Scott, Peter; Sharp, Richard; Shire, Stan; Silvester, Carolyn; Smith, James; Stacey, Sarah; Stanley, Stuart; Steel, Mark; Stevens, Dallal; Stewart, Evan; Stewart, Neil; Stinner, Bjorn; Sullivan, Timothy; Sun, Hongfeng; Surana, Ragvinder; Swift, Adam; Sykes, Vivienne; Taggart, Frances; Trimmer, Paul; Tuersley, Sharon; Vickery, Jonathan; Walker, Carol; Wharton, Susan; Wild, David; Wilkes, Steve; Williamson, Paul; Wood, Christopher; Zachwieja, Jaroslaw.

Apologies: Dowler, Elizabeth; Jefferies, Richard; Sarkar, Aditya.

In attendance: Sloan, Ken (Registrar and Chief Operating Officer, Secretary); Birchfiel, Anna; Butler, Nicola; Dabrowa, Anne; Evans, Janet; Findlay, Joy; Freeman, Rona; Leech, Dennis; Le Friec, Robyn; Martin, Dan; Nicholls, Melissa; Owen, Lyn; Roke, Ros; Thomas, Alison; Wallis, Darren (Assistant Secretary)

1/14-15 Confirmation of Quoracy

REPORTED:

That the meeting of the Assembly was quorate based on there being more than 50 members of staff present as required in the Standing Orders.

2/14-15 Chair's Business

REPORTED (by the Vice-Chancellor and President):

- (a) That the agenda, together with the Standing Orders, had been made available to members online via the intranet and had been available since the date of announcing the meeting on 21 October 2014.
- (b) That further information had been made available online on 23 October 2014, including the University's response to the Universities Superannuation Scheme (USS) consultation and a resolution from the University of Warwick branch of the Universities' and Colleges' Union (UCU), which had been proposed as a motion to be considered at the meeting of the Assembly by Dr Jimmy Donaghey.

3/14-15 Standing Orders of the Assembly

REPORTED (by the Registrar and Chief Operating Officer):

- (a) That this additional meeting of the Assembly was being held in response to a request from the UCU to be able to set out their position with regard to the USS consultation proposals;
- (b) That, as previously announced, a further meeting of the Assembly will be held in the Spring term in order to consider USS proposals received;
- (c) That, given the nature of the topic of the meeting, all members of staff who were members of, or eligible to be members of, the USS had been invited to join the Assembly for this meeting;
- (d) That members must not speak more than twice upon any question, other than to speak on a point of order, information or clarification of a point that they have previously raised;
- (e) That the decision of the Chair was final.

4/14-15 Overview of the USS Consultation Process

RECEIVED (from the Registrar and Chief Operating Officer):

An oral report on the USS consultation process as it was understood by the University to date and highlighting the following key points:

- (a) That the University had received the USS consultation documents from Universities UK (UUK) in July 2014 and submitted its institutional response on 22 September 2014, including feedback from 113 members of staff. This was considered by the University Steering Committee and by the Senate;
- (b) That the University had been one of a very small number of employers within the USS which had consulted members of the scheme at this early stage in the process;
- (c) That, at the meeting of the University Council on 9 October 2014, the Council had agreed to form a sub-group to consider and report on the proposals for reform of the USS in order for the University to reach an informed and

- independent view of the options at the meeting of the Council in November 2014;
- (d) That, via the 240 participating employers, the USS Trustees would consult USS members on final proposals between January and April 2015 and that the University would hold a meeting of the Assembly as part of this process;
 - (e) That changes to the scheme would begin to take effect from October 2015.

5/14-15 UCU Position with respect to the Proposed Reform of the USS

RECEIVED:

An oral report from Dr Jimmy Donaghey on the UCU position with respect to the proposed reform of the USS, noting the following key points:

- (a) That the UCU challenged the methodology used by the USS to estimate projected fund valuations of assets, liabilities and deficit;
- (b) That the UCU believed the current proposals for reform would result in unpredictable pensions and limited reward for career progression for members, and would also result in poor value for money, higher employer contributions for significantly worse return, and less attractiveness for participants and employers than other schemes such as the Teachers Pension Scheme (TPS);
- (c) That, at its meeting on 19 September, the UCU considered that the attack on the pension scheme was part of a politically-motivated attack on the contract of defined benefits pension schemes and on the future of higher education;
- (d) That the funding situation may require an increase in employer contributions and that pension provision should be set at a level which is affordable for institutions in the long term;
- (e) That the UCU considers it vital to maintain a defined benefit (DB) scheme;
- (f) That any changes to the benefits structure should provide for intergenerational fairness,;
- (g) That any improvements in the funding position should be used to maintain a DB scheme;
- (h) That the UCU recognised a number of issues would not be clarified by the reforms proposed to date, including what would happen to future surpluses, mutuality, additional voluntary contributions (AVCs), the definition of salary as actual or full-time-equivalent (FTE), the definition of pensionable salary on the date of changes and the capacity/capability of the USS to run defined contribution (DC) schemes;
- (i) That the UCU supported the response the University of Warwick had made to the initial USS consultation on changes.

6/14-15 Motion to the Assembly

CONSIDERED:

A motion to the Assembly on the UCU position with regard to the proposed reform of the USS proposed by Dr J Donaghey and seconded by Dr S Matthews and encompassing the following points:

- (a) That the Assembly of the University of Warwick requests the University of Warwick Senate and Council to:
 - (i) declare a clear belief in the importance of a good defined benefit

- pension scheme that provides a secure and predictable income to staff in retirement as an essential element of a world class university;
- (ii) note that the latest Annual Report and Accounts of the USS pension scheme (March 2014) indicates an operating surplus of over £1 billion for the year;
 - (iii) also note that the fund has seen surpluses in 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004 etc. (USS Accounts: <http://bit.ly/ongoingsurplus>);
 - (iv) recognise that the scheme is 'immature' (continues to have more money going in than out and membership is still growing) and clearly not in need of a de-risking strategy
 - (v) acknowledge that the reported 'deficit' of the scheme is predicated on the assumption that a recovery fund must be calculated to pay all future pensions if all USS-scheme universities cease to operate simultaneously (Q7, EPF Q&A, <http://bit.ly/whatdeficit>);
 - (vi) declare it does not believe this is a credible scenario for the basis of a recovery plan, because it takes prudence to ridiculous extremes;
 - (vii) use its role in UUK and the Employers' Pension Forum to bring influence to pull back from the proposals that will change USS beyond recognition, and; acknowledging that this is a regulatory requirement under current arrangements, explore mechanisms for lobbying for regulatory change.

REPORTED:

- (viii) That it was not permitted for the University nor the UCU to provide financial advisory information to members of the USS on the implications of proposed changes to the scheme;
- (ix) That there was disparity between the UCU and the Trustees' interpretation of the financial and economic technical assumptions utilised to inform projections on the future sustainability of USS;
- (x) That the motion was intended to stimulate intellectual discussion across the entirety of the Warwick academic community as opposed to only those staff who were members of the UCU;
- (xi) That the University would reach an informed, independent view on its position on the proposed reforms to USS following consideration of a report by the Council sub-group on the proposals in November 2014;
- (xii) That some members of the scheme believed the proposal to alter the terms of the final salary scheme may represent a breach of contract between members and the USS;
- (xiii) That there appeared to be lack of clarity on the reasons underlying the changes to the actuarial valuation of the scheme that had triggered the requirement for reform;
- (xiv) That the proposed changes to the USS would have a significant impact on the attractiveness of Russell Group universities to new academic and professional staff.

RESOLVED:

That the motion as set out above be approved, with the following votes cast:

In favour: 170
Against: 0

Abstentions: 25

NOTE: there were 185 total votes returned and counted. Reconciliation of numbers of votes and members present at the meeting identified that there were 195 members present at the time of the vote, and that 10 members present had not indicated their vote by show of hands, and hence were deemed to have abstained. The attendance record shows that 15 members of staff members present would not normally have been eligible to have attended as voting members of the Assembly, but had been invited to attend the meeting as eligible members of USS.

RECOMMENDED (to the Senate and the Council):

That the motion as set out in minute 6a/14-15 be considered by the Senate and the Council in the context of discussions on the proposed USS reforms.