

*For members,  
for the future.*

**Universities Superannuation Scheme**

Governance Supplement 2021

## Introduction

Within this supplement, we set out an overview of the board of Universities Superannuation Scheme Limited Trustee, (USSL or the trustee), the corporate trustee of the Universities Superannuation Scheme (USS), and how it aims to deliver effective and prudent governance management and oversight, to deliver the long-term success of USS. In addition, we provide details of each of the Trustee Board's standing committees and also of the scheme's Joint Negotiating Committee and Advisory Committee, together with an overview of the work undertaken by these in the financial year 2020/21. For details of the activities of USS during the financial year 20/21, please see the USS Annual report and Accounts online at [uss.co.uk/how-uss-is-run/running-uss/annual-reports-and-accounts](https://uss.co.uk/how-uss-is-run/running-uss/annual-reports-and-accounts).

The role of the trustee (and therefore its directors) is to provide the overall leadership, strategy and oversight of USS and the subsidiaries that help run and invest its assets, including its investment management subsidiary USS Investment Management Limited (USSIM). This role includes monitoring and oversight of operations, ensuring competent and prudent management, sound planning, proper procedures for the integrity of financial information and the maintenance of adequate systems of internal control, and compliance with statutory and regulatory obligations.

The USS corporate governance arrangements also exist within the wider context of the USS scheme governance framework. Along with the Trustee Board's specialist standing committees, there are two key stakeholder committees which form part of the wider USS scheme governance framework: (i) the Joint Negotiating Committee (JNC), and (ii) the Advisory Committee. The JNC and Advisory Committee are constituted, empowered and governed by the Scheme Rules, not the Trustee Board. More information about the activities and membership of the Trustee Board, its committees, the JNC and the Advisory Committee is set out within this supplement.

## SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE "ACT") STATEMENT

Whilst the trustee, and its subsidiary USSIM, are not required to comply with the reporting requirements set out by the Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles'), the trustee has adopted the Wates Principles to provide a framework for disclosure of the group's corporate governance arrangements in so far as practicable taking into consideration its status as a trustee of a pension scheme. The Wates Principles also serve as the framework to demonstrate how the Trustee Board has had regard for the matters set out in section 172(1)(a) to (f) of the Companies Act when performing their duties, including how Directors have engaged with, and considered the interests of, stakeholders including UK employees, suppliers, customers and those in a principal business relationship with USSL. Reporting against the Wates Principles is included on pages 1 to 4 of this supplement.

As the largest private pension fund in the UK by reference to assets under management, USS makes it a top priority to ensure that it not only has an effective governance framework in place, but that it is properly documented and understood. The corporate governance framework sets out the principles and high-level arrangements from which its governance processes and procedures are derived.

For details of the activities of USS during the financial year 20/21, please see the Annual Report and Accounts for the scheme online at [uss.co.uk/how-uss-is-run/running-uss/annual-reports-and-accounts](https://uss.co.uk/how-uss-is-run/running-uss/annual-reports-and-accounts).

## Corporate Governance Statement for the financial year 1 April 2020 to 31 March 2021

The Trustee Board has overall responsibility for strategic oversight of governance. For the year ended 31 March 2021 the trustee has elected to adopt the Wates Principles, published by the Financial Reporting Council (FRC) in December 2018, in so far as they apply to USSL given its status as a trustee of a pension scheme.

The following pages summarise the six Wates Principles and set out an explanation of how the Wates Principles apply to USS. It also signposts where further information on how the Wates Principles have been applied during the financial year can be found within the Annual Report and Accounts for the scheme for the year ended 31 March 2021, or the individual committee reports contained within this supplement.

### Principle 1 – Purpose and leadership

*"An effective board develops and promotes the purpose of the Company, and ensures that its values, strategy and culture align with that purpose."*

Our purpose is working with Higher Education employers to build a secure financial future for its members and their families. This purpose highlights the importance of the scheme's beneficiaries and puts them front and centre of what USS does, and the scheme's values spell out how USS fulfils this purpose. The overall strategy, which is aligned to this purpose, is supported by three strategic priorities and is explained further on page 10 within the Annual Report and Accounts for the scheme.

The Trustee Board sets the corporate purpose statement and associated values and is committed to ensuring that the group's culture is aligned with its Purpose and Values in order to deliver the long-term success of USS. Our values; Integrity, Collaboration and Excellence, were adopted in October 2019 and support the overall purpose, shape the culture and reflect what is important to how we operate.

## Governance supplement *continued*

### **Principle 2 – Board Composition**

*“Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the Company.”*

To achieve effective leadership and discharge their duties successfully, the Trustee Board and USSIM Board look to ensure that an appropriate balance of knowledge, skills and experience is maintained. Recruitment, ongoing training and development and performance management processes are in place to achieve this. In particular, USSL has developed a skills matrix and competency matrix. The USS-Competency Matrix is maintained and regularly reviewed by USSL’s Governance and Nomination Committee (GNC) to inform succession planning, identify any skills gaps and inform and shape recruitment priorities. In addition, each USSL director completes the USS-Board Skills Matrix on an annual basis, and this is reviewed and assessed by the GNC. The Trustee Board, which is comprised entirely of non-executive directors, is led by an independent chair, a recent change introduced during the financial year following the retirement from the board of the previous chair. A biography for each Trustee Board director, and an overview of the USS Trustee Board’s skills/competency matrix is provided on pages 43 to 45 within the Annual Report and Accounts for the scheme for the year ended 31 March 2021.

This Governance Supplement includes further information about the Trustee Board, areas of focus for the Trustee Board, and the structure and role of its committees. The Trustee Board continues to work on creating a more diverse board of directors and recognises this as a challenge. Over the financial year, the Trustee Board has been very involved in reviewing its Diversity & Inclusion strategy, and overall succession planning with a focus on improving its diversity.

The Trustee Board is also committed to developing a more diverse workforce, including at the most senior levels within the executive, and maintains an active oversight role in succession planning for the USS Group and USSIM.

There are strategies in place which encourage diversity throughout the workplace with opportunities for employees to progress to senior levels

Further details of how the balance of responsibilities, accountability and decision making is maintained and steps undertaken during the financial year to improve the Trustee Board’s effectiveness as a collective are provided on pages 42 to 43 within the Annual Report and Accounts for the scheme.

### **Principle 3 – Director Responsibilities**

*“The board and individual directors should have a clear understanding of their accountability and responsibilities. The board’s policies and procedures should support effective decision-making and independent challenge.”*

To help ensure that its directors are adequately supported in understanding of their accountability and responsibilities, USS has developed a Corporate Governance Framework Policy for USSL and USSIM (which includes terms of reference for all Boards and standing board committees and the Group Executive Committee).

All committees and subsidiary boards that act on the direct delegated authority from the Trustee Board provide a report to the Trustee Board following each meeting. The reports cover: (i) key matters discussed and approved; (ii) decisions taken, and (iii) items recommended for approval by the Trustee Board. The Trustee Board also receives quarterly reports on operational performance within USSL and USSIM, key risks and opportunities, strategic and operational matters, market conditions, stakeholder engagement and legal, compliance, and regulatory issues. Over the financial year, the Trustee Board has also been extensively involved in oversight of the ongoing 2020 actuarial valuation.

The Non-Executive Directors who sit on the various committees provide an appropriate level of challenge, support and advice whilst respecting the executive responsibilities, in order to support the Board’s overall decision-making processes.

The work of the Group Executive Committee complements, enhances and supports the work of the Trustee Board, with the Group Executive Committee operating under the direction and authority of the Group CEO. The Trustee Board delegates to the Group CEO the execution of the group’s strategy and effective delivery of the group’s business plans, together with the day-to-day management and operation of the group’s business, in accordance with approved business plans and budgets.

Details of key activities undertaken by the Trustee Board and its committees in the financial year are set out on pages 46 to 48 of the Annual Report and Accounts for the scheme for the year ended 31 March 2021.

### **Principle 4 - Opportunity and Risk**

*“The Board should promote the long-term sustainable success of the Company by identifying opportunities to create and preserve value and establish oversight for identification and mitigation of risks.”*

Identification of value creating opportunities is the responsibility of the Trustee Board and executive management, which they articulate via their business strategy. Each year the Trustee Board review the group’s annual strategy and agree strategic priorities for the coming year and what reporting is required to review performance against this strategy.

The Trustee Board is the sponsor of the USS risk management framework, as set out in the USS Risk Governance Policy. The Risk Governance Policy directs the development of the governance, rules, frameworks and processes USS group needs to implement effective risk governance across over its activities. For more details on USS’s approach to risk management see page 36 of the Annual Report and Accounts for the scheme.

## Governance supplement *continued*

The Trustee Board set the strategy and delegates the execution of this to executive management, who must ensure that the strategy is achieved within risk appetite. All directors are expected to familiarise themselves with key challenges and areas of risk facing the UK higher education sector and changes in the pensions landscape. The role of the group risk team, as a second line of defence function, is to provide review, oversight and challenge of the business in order to help ensure that the risks created by the Trustee Board's strategy are managed within the stated risk appetite.

In addition to reporting to the boards as required under the respective terms of reference for the USSL and USSIM boards and committees, details of all high rated events (in relation to errors, breaches, near-misses, and operational losses) identified by the executive are provided to the USSL and USSIM Boards as part of the standard quarterly risk reports prepared by the executive to the boards. During the financial year, the newly appointed Chief Risk Officer, provided the Trustee Board with a detailed training session and refresher of the overall risk profile of the USS risk framework.

As part of its ongoing development of its risk oversight, and to help employees understanding in recognising and reporting events, during the financial year the policy in respect of errors, near misses and operational loss incidents was enhanced and simplified, and a rolling training programme on the policy and event reporting process was delivered to employees. In addition, a Risk Culture Dashboard was developed to measure the strength of the risk culture of USS, with corresponding actions to be developed to ensure that this measure is in line with the expectations of the Trustee Board's risk culture statement.

In addition to the matters referred to throughout this supplement on risk management, please also refer to pages 37 to 39 of the Annual Report and Accounts for the scheme for the year ended 31 March 2021 which include a list of all principal risks including mitigations relevant to the group.

### **Principle 5 – Remuneration**

*“A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the Company.”*

The scheme's remuneration framework is designed to ensure that the scheme has access to the right mix of skills and expertise to deliver the scheme's long-term priorities and value for money for members. USS hires expert people who can deliver long-term results and aims to pay them at market rates, assuming performance in the period reaches the required level, commensurate with the skills and experience they bring to the scheme.

Given the importance of attracting and retaining high-calibre employees in a competitive talent pool, fair and competitive salaries in comparison with our peers are offered. Salaries reflect the experience, responsibility and contribution of the individual and their role within USS. Further details about the scheme's approach to remuneration can be found on pages 50 to 53 within the Annual Report and Accounts for the scheme.

Annual benchmarking is also performed on salaries and total compensation levels; to minimise the disruption caused by employee turnover and the potential negative impact on employee engagement. At the same time, compensation benchmarking is vital to ensure we deliver value for money to employers and members. Two external benchmarking agencies are used: Aon McLagan for USSIM and group functions and Willis Towers Watson for pensions services roles and their support functions.

USS has also an established Remuneration Committee, which is responsible for reviewing the approach to and all elements of remuneration for USS, in conjunction with the USSIM Board. More information about the Remuneration Committee's activities during the financial year is contained within this supplement. In particular, during the financial year, the Remuneration Committee adopted a new remuneration policy to document the group's overall approach to remuneration and reward.

### **Principle 6 – Stakeholder Relationships and Engagement**

*“Directors should foster effective stakeholder relationships aligned to the Company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.”*

USS looks to develop effective stakeholder relationships by keeping in regular dialogue with key stakeholders through a number of means including, annual Institutions meeting, member roadshows, Engagement surveys and detailed engagement as a result of ongoing supervision from TPR.

USS is committed to being an open, inclusive and fair employer and has created a number of channels that give employees the opportunity to share views, as well as ensuring that they have all the information and resources needed on its Purpose and Values, strategy and objectives, and day to day activities.

## Governance supplement *continued*

As an employer, USS is also committed to attracting, growing and engaging with talented people from diverse backgrounds, at all levels, and we aim to work together to create a diverse and inclusive workplace that embraces individuality, where people are welcomed and feel comfortable in the knowledge that they can be themselves. A summary of stakeholder engagement during the financial year, including details of the Diversity and Inclusion programme is included on pages 12 to 19 within the Annual Report and Accounts for the scheme for the year ended 31 March 2021.

In addition to the numerous initiatives to engage with its stakeholders undertaken during the financial year, as outlined within the Annual Report and Accounts for the scheme, the Trustee Board has also established a designated non-executive Director (NED) to support its continuing pledge to improve engagement with its workforce. The designated NED looks to ensure that its employee's perspectives are factored into board decisions when appropriate. During the financial year, the designated NED held a special town hall to discuss the results of the USS annual employee engagement survey and to take feedback from employees on the group's strategy.

## Governance and Nominations Committee

### Introduction

The Governance and Nominations Committee was established by the Trustee Board to:

- Provide oversight of and participate in the recruitment process for the boards of USSL and USSIM and their principal committees
- Oversight of the induction and ongoing training programmes for board directors and committee members
- Provide oversight of the group executive team and senior management succession planning
- Provide assurance on matters relating to the scheme's corporate governance capability
- Ensure the effective design and operation of the scheme's governance arrangements in compliance with applicable legal and regulatory requirements.

The committee comprises five members, four of whom are also serving non-executive directors of the Trustee Board and Mr Bill Galvin, Group Chief Executive Officer. Dame Kate Barker, an independent director and chair of the Trustee Board, has chaired the committee since 1 February 2021 following Ms Kirsten English's scheduled retirement from the board.

### Role

The committee is responsible for developing and approving the succession plan for both the Trustee Board and the USSIM Board, and their principal committees, including assessing the collective competencies and skills required by the board in the context of the demands on the board in running and managing the scheme. This also informs the priorities for each director recruitment exercise.

The committee has a range of responsibilities in relation to recruitment to both the Trustee and the USSIM Boards. During the year, the committee has been heavily involved in director recruitment activities and succession planning, with a focus on ensuring the orderly replacement of current board members and special committee members and shaping medium to long term board succession plans.

During the period, it oversaw the recruitment of five new Trustee Board members (three UCU-nominated directors, one UUK director and one independent director), the reappointment of a UUK director, and the recruitment of the chair elect of the USSIM Board (an independent non-executive director position). The recruitment processes for the independent director and the chair elect of the USSIM Board, both of which were focused on identifying candidates with investment related experience, were both supported by executive search firms.

Throughout the year, the committee has also closely monitored the composition of the committees of both the USSL and the USSIM Boards and their respective committees and has made various recommendations to the Trustee Board around membership to ensure their smooth running and continued effectiveness.

The committee is currently focusing on succession planning for retirements from the Trustee Board in Autumn 2021. The Trustee Board remains focused on increasing the diversity of the board although is aware that there is much more to do in putting the scheme in a position to meet its recently adopted board diversity targets of 33% female board members by 2025 and one or more board member(s) from an ethnic minority background.

The committee also oversees succession planning for the group executive and senior management team, which is led by the Group Chief Executive Officer, and is involved in the recruitment processes for the most senior executives. The committee seeks to ensure the maintenance of a strong executive pipeline and diversity and inclusion across the business.

### Other key activity in 2020/21

Ensuring that the scheme's governance framework operates efficiently and effectively is also a key part of the committee's remit. During the year, on behalf of the Trustee Board, the committee has been involved in considering future governance priorities and transitioning leadership roles and engaging with stakeholders.

As part of its ongoing oversight of the effectiveness of the operation of the USS group's governance framework, the committee is responsible for overseeing the regular effectiveness reviews performed of the Trustee Board and USSIM Board, and their respective committees. During the year, an externally facilitated effectiveness review was undertaken of the USSL and USSIM boards and their committees. An action plan is currently being put in place in response to the agreed outcomes from the reviews to build on the significant improvements made to the boards' processes and effectiveness in recent years.

In addition, the committee was instrumental in overseeing a review of delegations from the Trustee Board, including the widening of the remit of the Pensions Committee (previously known as the Policy Committee) to provide greater oversight over the pensions business by the pensions committee, allowing the Trustee Board to take a more strategic role in relation to the pensions business.

## Governance supplement *continued*

### Governance and Nominations Committee *continued*

The committee is also responsible for overseeing the completion of individual director appraisals and any resulting actions. Having considered the outcomes of the most recent round of appraisals, and reviewed the external interests of the board members, the committee remains satisfied about the ability of all of the USSL and USSIM directors to commit sufficient time to their roles and about the effective management of conflicts of interest.

The committee is focused on ensuring the effectiveness of the group's governance framework, having regard to applicable corporate governance and regulatory requirements. During the year, it recommended to the Trustee Board the adoption of the Wates Principles, in so far as practicable to the scheme's position as a pension trustee. A statement of USSL's adoption of the Wates Principles is included on page 1 of this supplement.

Each year, the committee approves the training programme for the Trustee Board and USSIM Board, and their respective committees, giving due consideration to the training needs of the board and responding to the business demands of the scheme. The committee has sought to ensure a balance of training across a wide range of topics throughout the year, with additional training around valuation related topics combined with training on risk and operational topics.

As well as oversight of director training, the committee is responsible for ensuring the completion of the director induction programme by new directors. During the year the committee received confirmation of the successful completion of the programme by all those directors who joined the Trustee Board during the financial year.

#### **Membership - Appointed by the Trustee Board**

Dame Kate Barker (appointed as a director on 1 April 2020 and became Chair of the committee on 1 February 2021), Ms Kirsten English (Chair of the committee until her retirement from the Trustee Board on 31 January 2021), Mr Andrew Brown (appointed during the year), Mr Bill Galvin, Mr Ian Maybury and Professor Sir Paul Curran (appointed during the year) and Dr Steve Wharton (retired from the Trustee Board on 31 August 2020).

## Audit Committee

### Introduction

The committee was established by the Trustee Board to provide it with assurance:

- On matters relating to the adequacy and effectiveness of the USS group's internal control and risk management framework
- That appropriate financial reporting processes and controls are in place and operating effectively
- On the effectiveness of the internal and external audit functions.

The committee comprises five members all of whom are non-executive directors. Three of the members are non-executive directors of the Trustee Board; one member is a non-executive director of the trustee's in-house investment manager USSIM; and one member serves as a non-executive director on both the Trustee Board and USSIM Board.

Mr Gary Dixon, a UUK-nominated trustee director, has chaired the committee since 1 February 2021. Mr Dixon is a qualified Chartered Accountant and a Fellow of the ICAEW with almost 35 years' financial experience.

### Role

The committee plays a key role in ensuring that there is appropriate challenge of the USS group's internal control and risk management framework and provides assurance to the Trustee Board on the robustness of these systems. The committee receives a quarterly update and report at the end of each financial year from the Group Chief Executive Officer (GCEO) on the effectiveness of the internal control environment at the USS group. The quarterly statement is based on the output of the executive risk committees and the operating committees of the pensions business and of USSIM.

The end of year report is supported by assurance statements from each of the heads of the teams that form the three lines of defence of the organisation's control framework. In addition to receiving reports at each meeting from the GCEO, the committee also receives regular updates from the Chief Finance Officer, the Chief Risk Officer, the Group General Counsel, the USSL and USSIM Compliance heads, the Head of Internal Audit, the Head of Information Technology and, the external auditor, Ernst & Young LLP (EY). Regular reports are also received from the USSIM Audit, Risk and Compliance Committee and the Fair Value Committee.

EY was appointed as external auditor for USS and its companies in late 2017, following a competitive tendering process. The appointment was made for a five-year term subject to satisfactory completion of the annual performance review process. Each year the committee reviews the performance and effectiveness of the external auditor and the appropriateness of the external audit partner. The committee concluded during the year that EY had performed effectively since the last annual performance review. In line with best practice, at least once a year, and as required, the committee holds a meeting with the external auditor and without the executive present to discuss the auditor's remit and any issues arising from the audit.

The committee approves the external audit plan annually and oversees the integrity of the financial reporting process and production of the scheme's Annual Report and Accounts and those of USSL before submission to the Trustee Board for approval. It provides assurance to the Trustee Board that the financial statements and accompanying information are fair, balanced and understandable and have been prepared in accordance with the applicable accounting framework. The committee also oversees the integrity of the financial reporting process and

production of the USSIM annual report and accounts, through assurance provided by the USSIM Board.

The committee monitors the performance and effectiveness of the scheme's internal audit function. Discussions with the Head of Internal Audit are held without the executive present at least once a year, and as required, to discuss the effectiveness of the function. During the year, the committee considered a report from Protiviti, an external consulting firm whose internal audit quality assurance professionals were commissioned to conduct an External Quality Assessment (EQA) of the internal audit function. Protiviti's overall conclusion was that the internal audit function generally conforms to the Institute of Internal Auditors (IIA) Standards, which is the highest level of conformance. Protiviti recommended a number of actions, none of which the committee considered to be of concern. The actions are in the process of being implemented by the Head of Internal Audit.

An important part of the committee's activity each year is to oversee the work of the executive in responding to errors and events which occur in the operation of a scheme (and in-house investment manager) of the size and complexity of USS, and the implementation of any process and control enhancements (as appropriate) as a result.

### Key activity in 2020/21

The committee monitors the internal controls in place at USS and challenges their effectiveness. During the year, the committee has kept under review the assessments made by the executive about the continued robustness of the scheme's processes and controls in response to the coronavirus pandemic and the move to homeworking for most USS staff. It has overseen the additional audit activities undertaken on those processes and controls which were adjusted in response to the pandemic.

# Governance supplement *continued*

## Audit Committee *continued*

The committee was reassured that no material issues were identified, that USS was operating in line with regulatory guidance and was alert to the heightened risk of fraud during this difficult period.

The committee welcomed the appointment of a permanent Chief Risk Officer (CRO) in September 2020 and the CRO's initial observations on the level of risk maturity at USS. The committee has reviewed and endorsed the development of the CRO's strategic plan for the approach to risk, and the risk function, at USS. The committee was particularly supportive of the proposed move towards greater simplification of risk frameworks at USS.

The committee has monitored the executive's work to optimise the group's control environment. It has sought to ensure an appropriate balance, when considering improvements to the control environment, between incremental costs and additional control complexity, the Trustee Board's risk appetite and the effectiveness of the resulting control environment. The committee is supportive of the progress to date, including the review of the group's operational risk appetite statements and embedding of further Key Risk Indicators (KRIs) help ensure that value for money is appropriately factored into the design and operation of the control environment. This project will now be taken forward by the CRO as part of his overall review of the group's risk framework and will continue to be overseen by the committee.

The committee has been kept up to date by the executive on the robustness of Capita's control environment, as it relates to the provision of pension administration services to USS, and the appropriateness and timeliness with which Capita has addressed any areas of concern.

During the year, the committee oversaw internal audit-led work conducted by Deloitte, the scheme's co-source internal audit provider, to provide assurance regarding the robustness of the processes used for the 2020 Valuation of the scheme's Technical Provisions. The committee considered the results of the review and the executive's response to the findings. The Trustee Board agreed with the committee's conclusion that the findings of the Deloitte review were reflective of an adequate control environment and the assurance it provided in relation to the robustness of the control environment that applied in respect of the 2020 Valuation.

### **Other activity in 2020/21**

To safeguard the external auditor's independence and objectivity, the committee has approved a policy for the provision of non-audit services by the external auditor and receives a regular update on compliance with the policy. Throughout the year, the committee has been kept up to date on the impact of revisions made by the Financial Reporting Council to the UK's Auditing and Ethical Standard on the provision of non-audit services to the scheme and its companies and has approved appropriate adjustments to the policy. EY has also supported the committee in keeping up to date on the various reviews being undertaken across the audit profession and the implications they could have on the provision of non-audit services to the scheme and its companies.

The committee receives a quarterly report from the Compliance team on breaches of law, regulation and other events reportable or notifiable to the Pensions Regulator (TPR). The committee has observed the positive contribution to the scheme's control environment as a result of improvements made to the process for ensuring notifiable events are reported to TPR.

### **Membership - Appointed by the Trustee Board**

Mr Gary Dixon (became Chair of the committee on 1 February 2021), Dr Kevin Carter (appointed during the year), Ms Kirsten English (retired from the Trustee Board on 31 January 2021), Mr Michael Merton (Chair of the committee until his retirement from the Trustee Board on 31 January 2021), Mr Tony Owens, Mr Russell Picot (appointed during the year) and Ms Helen Shay (appointed during the year).

## Remuneration Committee

### Introduction

The Remuneration Committee ensures that remuneration arrangements for the USS Group (both the group and its subsidiary USSIM) promote the recruitment, motivation and retention of high calibre employees, within a competitive market, to support the delivery of the business and long-term strategic objectives and support the purpose, values and culture of the USS Group.

The committee, on behalf of Trustee Board, considers and approves the structure of compensation and all long-term incentive plans for USS staff; and is also responsible for reviewing and making recommendations to the Trustee Board on non-executive director remuneration within an overall cap set by the Joint Negotiating Committee (JNC).

The committee comprises four members, each of whom are also serving non-executive UUK-nominated, UCU-nominated or independent directors of the Trustee Board. Mr Will Spinks, a UUK-nominated director, took the position of chair of the committee in September 2020. Aon McLagan is the appointed remuneration consultant for the committee.

### Role

The committee provides review and robust challenge to remuneration arrangements for staff (including senior management), in order to provide assurance to the Trustee Board that compensation complies with agreed remuneration principles and industry standards and best practice.

The committee reviews total remuneration costs, including long-term incentive plans (applicable to a limited employee population), and aggregate bonus awards to satisfy itself that they are aligned to industry trends and appropriate to balance stakeholder and member interests between:

- Cost effectiveness
- Delivering long-term priorities and value for money for members
- An incentive structure to drive behaviours and performance aligned to the needs of employers and members in a cost-effective manner
- Effective risk management

The committee challenges the executive and the proposals made by its investment management subsidiary, USSIM, to demonstrate a clear and robust link between reward and performance, seeking assurance that a rigorous process of performance appraisal is in place, with appropriate controls to manage behaviour and manager discretion.

The scheme's remuneration report provides an overview of the remuneration framework and compensation approach and can be found on pages 50-53 of the scheme Annual Report and Accounts.

### Key activity in 2020/21

The key activity for the committee, as it is every year, was to review and approve the recommendations made by the USSIM Board and the group executive in relation to remuneration proposals (salaries and incentive awards) for staff across the London and Liverpool offices of USS. Incentives for employees are based on performance and vary depending on the part of the organisation in which an employee works. Whilst any salary and incentive awards are discretionary, some aspects of USSIM employees' discretionary compensation are directly linked to USSIM's long term investment performance, whilst other aspects are based on a more qualitative assessment of an individual's performance (as they are for USSL employees where compensation is linked to a more qualitative assessment of an individual's performance and not to investment performance).

For the 2020/21 financial year, the committee considered all remuneration proposals in the context of the potential outcomes from the 2020 actuarial valuation, the impact caused by the COVID-19 pandemic on the financial markets and the higher education sectors, as well as the continued expansion of USSIM's investment management team (to ultimately achieve reduced overall investment management costs for the scheme).

Taking into consideration these factors, how risk and compliance matters had been reflected in the compensation proposals, and advice and benchmarking information provided by the committee's external adviser, Aon McLagan, the committee reviewed and questioned the compensation proposals from the executive and was ultimately satisfied that an appropriate and detailed process had been followed. As a result, the committee approved the remuneration proposals for 2020/21.

### Remuneration Committee *continued*

In the light of the challenges arising from the COVID-19 pandemic during the financial year and beyond, and as part of its continuing efforts to help ensure that the scheme delivers value for money to employers and members, the committee noted that salaries would be frozen for members of the Group Executive with any salary budget increases principally focused on encouraging early career salary progression.

Over the course of the financial year, the committee also reviewed updates from its adviser, Aon McLagan, on the regulatory environment and advice around benchmarking of the group's remuneration practices against comparable companies and best practice. As a result of the output of this review, the committee intends to perform a detailed review of the remuneration arrangements for USS Group (both USSL and its subsidiary, USSIM) in the coming year to ensure that the approach to remuneration remains competitive and provides optimal alignment with the group's long-term strategic objectives.

The committee received an overview of remuneration related HR initiatives that were due to be undertaken during the 2020/21 financial year, that would feed into the group's broader strategic objectives, and how each project was scoped using output of the latest Employee Engagement Survey. The committee also reviewed the USSL and USSIM gender pay review data results for April 2020, including the changes year on year, and considered the executive's future plans to close the gender pay gap through initiatives that feed into USS' broader Diversity & Inclusion Strategy.

The committee also considered how upcoming changes in asset manager regulations applied to USSIM and how certain requirements would be implemented when USSIM becomes subject to these regulations in 2022.

The committee also reviewed the fees paid to all USS Group non-executive directors and stakeholder group

members against available benchmarking data. As a result of these fee reviews, the committee recommended that no changes be made to the fee cap agreed with the JNC for aggregate USSL director fees. However, following on from a request from members of the JNC, the committee considered the payment of a fee to JNC members or their employing institutions and, on the committee's recommendation, the Trustee Board agreed that fees would be paid to those UCU and UUK members (or their employer institutions) acting as members of the JNC in recognition of the time commitment involved in discharging aspects of their roles as members of the JNC.

During the year, the committee also reviewed and made minor updates to its terms of reference in line with recent changes in corporate governance best practice.

#### **Membership - Appointed by the Trustee Board**

Mr Will Spinks (Chair from 1 September 2020), Mr Andrew Brown (joined the committee 1 September 2020), Mr Gary Dixon (joined the committee 1 February 2021), Mr Michael Merton (retired from the Trustee Board on 31 January 2021), Mr Rene Poisson (Chair until 31 August 2020) and Dr Steve Wharton (retired from the Trustee Board on 31 August 2020).

## Investment Committee

### Introduction

The Investment Committee is a committee of the Trustee Board and makes recommendations on all strategic matters relating to, and provides oversight of, the investment of the scheme's assets.

During the financial year 2020-2021, the committee rose from eight members to nine (as listed below in the 'membership' section of this report). The committee comprises non-executive directors and special members appointed for their investment experience. It is chaired by Dr Kevin Carter, an independent non-executive director.

### Role

The committee oversees the investment of the scheme's assets, the discretionary day-to-day management of which has been delegated to USS Investment Management Limited (USSIM). The committee, having taken relevant investment advice where appropriate, provides recommendations to the Trustee Board on (or where delegated, approves aspects of) the investment strategy for the defined benefit (DB or Retirement Income Builder) and defined contribution (DC or USS Investment Builder) assets of the scheme.

The committee regularly reviews investment performance and risk reports from USSIM and receives regular investment manager presentations, in order to provide assurance to the Trustee Board that USSIM's management of scheme assets is in line with the Board's agreed strategy and targets, including on matters such as Environmental, Social and Governance matters, in line with the trustee's policies.

On behalf of the Trustee Board, the committee undertakes regular reviews of key investment policies and documentation, including the Statement of Investment Principles and the Investment Management and Advisory Agreement between the trustee and USSIM (IMAA). The committee also issues investment strategy instructions to USSIM and considers various investment strategy proposals and valuation related investment matters as required.

### Key activity in 2020/21

A key part of the committee's work during the year has been to consider and recommend to the board the investment-related inputs to the 2020 Actuarial Valuation. This has included recommending investment return forecasts and allocation assumptions for use within the valuation, based on investment advice from USSIM and input received from the committee's independent DB investment consultant, Mercer. During the latter part of the year, the committee also began to consider the investment aspects of the asset-liability-management (ALM) framework required to support the scheme as part of the 2020 valuation, including exploring different potential investment strategies.

Being an important part of USSIM's process for managing and advising on the trustee's investments, and also as one of many inputs to the 2020 valuation, the committee has received regular updates from USSIM on its Fundamental Building Blocks model, the expected returns generated by it and the enhancements made and future enhancements planned (such as inclusion of climate change as a factor in future investment returns) to ensure that the model continues to provide USSIM's best forecasts.

Following the work undertaken by the committee in 2019-20 and the board's decision to allow USSIM to use its in-house investment management expertise in private market investments for the benefit of the DC assets of the scheme (implemented in February 2020), during 2020-21 the committee considered where USSIM's expertise could be used elsewhere in managing the DC assets of the scheme. This led to the decision to allow USSIM the discretion to select its in-house Global Emerging Market equities team in DC (in addition to its current powers to select external managers). Investments in the USSIM Global Emerging Market equities fund were first made within the DC default funds and the USS Emerging Markets Equity Fund in February 2021. The investment management charge for the USS Emerging Markets Equity fund has been reduced as a result of the cost-efficiencies gained through using the internal team versus external investment managers.

Within DC, and following analysis and advice from USSIM, the committee also recommended to the board a simplification of the investment structure and risk limits for the DC funds which form the Default and Ethical lifestyle investment options. These changes were implemented on 1 July 2020. Whilst the investment return and risk characteristics of the DC funds have not changed materially as a result of this change, the trustee believes that changing the expression of the funds (to a simplified asset allocation, risk tolerance and long-term investment return target expectation) provides a clearer approach for members and links more closely to the outcomes that members wish to obtain from their DC investments.

# Governance supplement *continued*

## Investment Committee *continued*

Responsible Investment has also been a key theme of work for the committee throughout the year. In addition to the committee's usual oversight of USSIM's implementation of the trustee's Responsible Investment strategy, the committee also recommended, following advice from USSIM, that the trustee adopt a net zero carbon (and other greenhouse gases) ambition by 2050 and that the trustee sign up to the Financial Reporting Council's (FRC) new 2020 Stewardship Code.

During the year, USSIM also implemented its plans to exclude, and where necessary divest from companies in those sectors that were deemed to be financially unsuitable over the long-term. Sectors excluded to date are: Tobacco Manufacturing; Thermal Coal Mining (the mining of coal to be burned for electricity generation), specifically where this makes up more than 25% of revenues; and companies that may have ties to the following industries - Cluster Munitions, White Phosphorus (a chemical which self-ignites on contact with air) and Landmines. As USSIM's sole client and with USSIM responsible for investing the scheme's assets across DB and DC, the committee was kept informed of USSIM's plans for its exclusions policy and the investment rationale for it prior to USSIM publicly announcing and implementing the plan from 1 June 2020.

Whilst the 2020 valuation discussions with stakeholders have continued, the committee has kept the scheme's DB investment strategy under review and in March 2021, and following investment advice, recommended to the board the de-risking investment strategy and investment restrictions to be applied from 1 April 2021 for the following financial year. This is an activity that the committee undertakes every year, taking into account the latest valuation and valuation discussions.

The de-risking strategy recommended for 2021/22 is in line with the de-risking strategy of the scheme's last 'in-force' valuation (31 March 2018) and the trustee's Statement of Investment Principles and included some changes to the amount of currency hedging and the proportion of UK equity investments versus the rest of the World, believed to be beneficial to the risk/return characteristics of the investment strategy. As the 2020 valuation discussions continue, the committee will review the 2021/22 de-risking plan and make adjustments to it as appropriate.

Lastly, having retained Mercer as DB-related investment consultant and appointed Lane Clark & Peacock as DC-related investment consultant with effect from 1 April 2020, in March 2021 the committee undertook an exercise to review and provide feedback on the services provided by these advisers over the year, and by USSIM as primary adviser to the committee.

### **Membership - Appointed by the Trustee Board**

Dr Kevin Carter (Chair), Dame Kate Barker (joined the committee on 1 April 2020), Mr Andrew Brown (joined the committee on 1 September 2020), Professor Sir Anton Muscatelli, Mrs Virginia Holmes, Mr Ian Maybury, Mrs Sarah Bates, Mr Mark Fawcett, Mr Russell Picot (from 1 February 2021, and due to become chair of the committee from 1 September 2021 when Dr Carter retires as a director of the Trustee Board).

## Pensions Committee

### Introduction

The Pensions Committee (previously known as the Policy Committee) was reformulated during the financial year 2020-2021 to more accurately reflect the committee's role and remit, and to facilitate more effective decision making within the trustee's governance structure. The old Policy Committee's role had evolved over the past few years to provide increased oversight of matters impacting more generally on the pensions business of the scheme rather than only pension 'policy' related matters. As such, oversight of the pensions business now primarily sits with the Pensions Committee, allowing the Trustee Board to focus on more strategic matters.

As a consequence of the changes to its remit, the committee membership was increased from five members to six (as listed below in the 'membership' section of this report) and now comprises both non-executive directors of the Trustee Board and executive members of the group board who provide an additional layer of challenge and oversight. Mr Ian Maybury, an independent non-executive director, has chaired the committee since 1 September 2018.

### Role

The committee undertakes, on behalf of the Trustee Board, the monitoring and oversight of the pensions business including (i) pensions administration and pension services provided to employers and scheme members, (ii) engagement with members and employers (other than in relation to actuarial valuations of the scheme which is overseen by the Trustee Board), (iii) the approach to any material regulatory, policy or strategy developments impacting the pensions business, and (iv) development of the Scheme Rules, and implementation of any changes following receipt of consent or recommendations from the Joint Negotiating Committee.

In addition to its strategic oversight of the items above, at each meeting the committee also receives, and reviews reports from the executive on the operation and administration of the pensions business, in accordance with the rules and the policies approved by the trustee.

The committee also continues to consider recommendations (where required) in respect of decisions of the Advisory Committee that involve a significant issue of principle or policy where the Advisory Committee is required to refer the matter to the Trustee Board.

### Key activity in 2020/21

During the financial year, the committee played a key role within the trustee's governance framework, by monitoring and reviewing the delivery of several strategic pension deliverables. These included, significant enhancements to the scheme's digital platform (including the relaunch of the [uss.co.uk](http://uss.co.uk) website and member portal in September 2020) and the insourcing of the Member Service Desk, which created an in-house Member Service Team with a single contact number for member enquiries.

In addition, following the rollout of a number of member services including free guidance services via a range of specialist webinars in late 2020, the committee continued to monitor implementation of these services by providing oversight into the methods of delivery (such as providing flexible mechanisms to support members in a COVID-19 environment). The committee also reviewed the processes that had been established to help ensure the new guidance services can be monitored effectively by the executive on an ongoing basis.

As part of its expanded remit into overseeing the performance of the pensions business, in addition to its regular oversight of the operation of the pensions business, the committee closely monitored how the pension operations team responded during the developing COVID-19 situation in relation to (i) managing workloads against a backdrop of increasing member requests during the period, (ii) maintaining operational resilience and ensuring that the teams continued to provide a good level of service to members and employers and (iii) receiving updates on the executive's focus on the physiological wellbeing of employees during a sustained period of home working.

It also oversaw work undertaken during the year to enhance engagement with stakeholders and improve the member experience, which included approving that communications could be sent directly to members rather than via their employer and overseeing the launch of the member preference centre. In addition, to further enhancing its oversight capabilities of the pensions business, the committee oversaw the development of risk reporting from both the first- and second-line risk functions within the pensions business, encompassing all key risks impacting upon the pensions business and delivery of its strategic objectives.

In relation to the ongoing review and development of the Investment Builder, the defined contribution (DC) element of the scheme, the committee now takes an active oversight role in monitoring the various workstreams undertaken by the DC Product Governance Committee (DCPGC), the executive forum established to implement and provide end to end oversight of the DC product.

## Governance supplement *continued*

### Pensions Committee *continued*

As a result, the committee now receives updates from a number of sources, including the DCPGC, on various aspects of the DC product, including developments in the DC investment platform and DC administration services. In addition, the committee reviews the trustee's external DC Value for Member assessment, which compares and scores the Investment Builder to several Master Trust peers across several categories, before being submitted to the Trustee Board for approval. In relation to its annual review of DC member requirements (including the formal triennial review of the DC Default investment option), the committee submitted its conclusions to the Investment Committee and Trustee Board as part of the trustee's annual suitability review of the Investment Builder product.

During the financial year the committee also expanded its responsibilities in relation to the trustee's ongoing requirements under its Master Trust obligations. As such, the committee oversaw production of the scheme's first Master Trust supervisory return. This substantial programme of work included (i) documenting how the scheme (as an authorised Master Trust) continued to reach the high levels of compliance expected by the Pensions Regulator, and (ii) overseeing production of the trustee's updated DC business plan, and of the development of a Master Trust Audit Assurance Framework (AAF) report, which supported the supervisory return by describing how the Trustee Board has oversight of, and monitors governance activities and administration, including relevant systems, processes and policies surrounding the DC element of the scheme.

The committee has also continued to consider and support the Trustee Board on key issues relating to employer participation, including a number of specific employer debt cases and participation requests during the year and recommending a new delegations framework in relation to employer participation decisions to the Trustee Board. In addition, the committee assisted the Trustee Board to form its ongoing view over the strength of the scheme's participating employers' covenant by overseeing the production of a monitoring framework in relation to covenant support measures. These measures were in response to the importance of addressing the risks of growing sector debt identified as part of the 2018 actuarial valuation, and will continue to be developed as part of the remainder of the 2020 actuarial valuation, taking account of the trustee's selected assumptions in different covenant support scenarios.

As part of its ongoing responsibilities delegated by the Trustee Board, and following advice from the Scheme Actuary, the committee approved actuarial factors (the calculations used to calculate certain DB-related pension benefits from the scheme) following the completion of the 2018 actuarial valuation. In addition, the committee has reviewed proposed amendments to the Scheme Rules, including (i) to remove a restriction on total commutation for serious ill-health, which resulted in a minor improvement for members who were taking flexible retirement (embodied in the Twelfth Deed of Amendment), and (ii) the creation of a funded account option to deal with potential regulatory fines and penalties (embodied in the Thirteenth Deed of Amendment).

#### **Membership - Appointed by the Trustee Board**

Mr Ian Maybury (Chair), Dr Kevin Carter (stepped down from the committee with effect from the December 2020 meeting), Mr Bill Galvin (Group CEO, joined the committee 1 October 2020), Mrs Helen McEwan (Chief Pensions Officer, joined the committee 1 October 2020), Mr Rene Poisson, Ms Helen Shay (joined the committee 1 August 2020 and stepped down 16 June 2021), Mr Will Spinks, Dr David Watts (joined the committee after the financial year end) and Dr Steve Wharton (retired from the Trustee Board on 31 August 2020).

## Joint Negotiating Committee

### Introduction

The Joint Negotiating Committee (JNC) was established under the Rules of the scheme. Its constitution, powers and responsibilities are set out in the Scheme Rules.

The JNC's main purpose is to initiate amendments to the Scheme Rules and to approve rule changes proposed by the trustee or the Advisory Committee. If, following an actuarial valuation of the scheme, the trustee determines that the cost sharing provisions under the Scheme Rules are triggered, the JNC also has the power to decide how the cost of the contribution increases or decreases should be shared between employers and members and whether there should be a change to future benefits. There are also certain other decisions under the Scheme Rules that require the JNC's approval such as increases in fees for directors and certain other committee members, and whether payment of investment management costs from the fund and the cap on such costs remains appropriate.

The JNC comprises five representatives of Universities UK (UUK) and five representatives of the University and College Union (UCU), together with an independent committee member who acts as Chair. In recognition of the time commitment involved in discharging their duties as members of the JNC, eligible UCU and UUK members are able to claim a fee of £4,536 per annum payable to them (or their employer institutions).

Sir Andrew Cubie retired as Chair of the JNC on 30 June 2020 having served as Chair since 1 September 2008. Ms Judith Fish of Dalriada Trustees Limited was appointed as interim Chair of the JNC with effect from 1 July 2020. Ms Fish's appointment has been extended from an initial period of 12 months to 18 months (and due to expire on 31 December 2021). The JNC formally met ten times during the year.

### Key activity in 2020/21

The 2020 valuation has been the primary topic discussed by the JNC during the year. The JNC has received updates at each of its meetings from the trustee in relation to the valuation as well as regular updates from UUK and UCU. Prior to the launch of the Technical Provisions consultation the JNC also received updates in relation to the meetings of the Valuation Methodology Discussion Forum (VMDF).

In addition to regular updates, during the year the JNC received four in-depth briefings/Q&A sessions on the 2020 valuation from the executive and the Scheme Actuary, Aaron Punwani of Lane Clark & Peacock, the trustee's actuarial adviser, (two following the launch of the Technical Provisions consultation and the others following the receipt of the Rule 76.1 Report to the JNC). The trustee's covenant adviser, PriceWaterhouseCoopers (PwC), attended two of the briefing sessions as well as providing a separate training session in relation to the employer covenant.

During the financial year, the JNC also:

- Received updates from the JNC Effectiveness Group and subsequently approved Phase 1 proposals which provided a series of recommended actions and practices that the Group has developed. This has included the writing and publication of more detailed reports of JNC meetings
- Reviewed and consented to one deed of amendment to the Scheme Rules. The deed included a number of clarifications and corrections to 'glitches' that had little or no practical impact, plus one change. The change was a minor improvement for members, which allows access to total commutation for serious-ill health for members that have flexibly retired but are still actively accruing benefits

- Received updates from the Confidentiality and Transparency Working Group to discuss confidentiality and transparency and review the JNC Code of Conduct. The Working Group included representatives of UUK, UCU, a Trustee Director and members of the executive. In addition, the work of the Group resulted in a new Code of Conduct, the Transparency and Confidentiality Agreement being approved on 12 May 2020
- Received regular updates regarding the funding status of the scheme
- Received regular regulatory updates
- Received and reviewed detailed 'insight' in relation to the scheme's membership and considered analysis of important data, such as that relating to member opt out and withdrawal rates (and the reasons for those). In addition to regular updates on this topic a 'deep dive' was held in December 2020 for the JNC to explore this topic in depth
- Received and considered the annual review of the voluntary salary cap and enhanced opt out options available as part of the scheme proposition and member participation with each option
- Appointed an interim chair of the JNC with effect from 1 July 2020, Ms Judith Fish

In addition, during the year:

- The Chair of the Joint Expert Panel (JEP) met with the members of the JNC in May 2020 to update them on the meetings of the JEP tripartite group
- Throughout the year, Trustee Directors attended JNC meetings as observers as part of the drive to become more visible to the JNC and as per the recommendation of the Confidentiality and Transparency Working Group.

## Governance supplement *continued*

### Joint Negotiating Committee *continued*

- The JNC approved the payment of a flat fee to JNC members (other than those employed directly by UUK or UCU)
- The JNC received a training session from the trustee's investment adviser, USSIM, in relation to the use of the Fundamental Building Blocks (FBB) model within the valuation alongside the training session from PwC in relation to the employer covenant

#### **Membership during the year**

Independent committee member: Sir Andrew Cubie (Chair) (retired with effect from 30 June 2020). Ms Judith Fish was appointed as interim chair of the Committee with effect from 1 July 2020.

UUK appointees: Mr Phil Harding, Mr Cliff Vidgeon, Mr John Neilson, Mr Anthony Odgers and Mr Stuart McLean.

UCU appointees: Ms Christine Haswell, Dr Sam Marsh, Dr Deepa Govindarajan Driver, Dr Justine Mercer (appointed during the year) and Dr Woon Wong (appointed during the year). Ms Blake was replaced during the year by Dr Adam Ozanne. Dr Adam Ozanne was subsequently replaced during the year by Dr Mercer and Dr Marion Hersh was replaced during the year by Dr Woon Wong.

## Advisory Committee

### Introduction

The Advisory Committee is established under the Scheme Rules and it exercises the dispute resolution function on behalf of the trustee under section 50 of the Pensions Act 1995. Its role also extends to advising the trustee company on matters on which it requires advice, including those relating to:

- The exercise by the trustee company of its powers and discretions (other than those relating to investment matters)
- Difficulties in the interpretation or application of the Scheme Rules
- Complaints received from members or participating employers

The committee met four times during the year.

### Key activity in 2020/21

During the year, the committee considered seven complaints received under stage 2 of the internal dispute resolution procedure from scheme members (or their representatives) or their dependants. The complaints covered various topics including retirement quotation errors, incapacity retirement and death after retirement lump sum payments. Distress and inconvenience payments were awarded in three of the cases, although the committee did not uphold any of the cases.

The committee also oversees cases referred to the Pensions Ombudsman (TPO) and received regular updates on the progress and outcome of all applicable cases during the year. TPO decisions during the year have generally been in line with the committee's decisions. In addition, the committee received regular updates on non-USS TPO cases and industry developments.

One of the functions of the committee is to oversee the implementation of the USS dispute resolution policies and procedures. The committee received a report from the trustee's executive team providing an overview of the complaints received and determined by the trustee in the period 1 April 2019 to 31 March 2020. This included complaints received informally, as well as those received under stage 1 and stage 2 of the internal dispute resolution (IDR) procedure, and complaints referred to TPO.

Under the USS Augmentation Policy, the committee also provides the Trustee company with any advice it requires in relation to the use of its augmentation power under the Scheme Rules, as well as a recommendation in respect of any proposed uses of the augmentation power. During the year, the committee considered two proposed uses of the augmentation power and its recommendation to the Trustee company was that both proposals were consistent with the USS Augmentation Policy and should therefore be granted.

The committee also exercised its oversight role in relation to full commutation cases and considered 32 applications during the year.

### Membership

Universities UK (UUK) appointees: Mr Cliff Vidgeon (Chair until 30 September 2020), Dr Tony Bruce and Mr Denis Linfoot.

University and College Union (UCU) appointees during the year: Dr Marion Hersh, Dr Chris Grocott (Chair with effect from 1 October 2020) and Dr Renee Prendergast (who replaced Professor Dennis Leech and Ms Amanda Williams with effect from the July 2020 meeting of the Committee). Since the financial year end, Mr Sunil Banga has been appointed to the Committee in place of Dr Marion Hersh.

Mr Will Spinks (a UUK-nominated director) and Mr Andrew Brown (a UCU-nominated director) acted as the UUK and UCU Trustee director representatives that attend committee meetings. Their presence is required when the committee is considering cases raised under the Internal Dispute Resolution (IDR) procedure. Mr Brown replaced Dr Steve Wharton as the UCU IDR director with effect from the January 2021 meeting.