

## **Universities Superannuation Scheme Limited (“USSL” or “Trustee”)** **Director Job Description**

**Position:** Director of USSL board (“board”) and member of USSL

**Responsible to:** Chair of the board

Universities Superannuation Scheme (USS) is the largest pension scheme in the UK, with total fund assets of over £64 billion. The scheme’s trustee is Universities Superannuation Scheme Ltd (USSL), a corporate trustee, which provides scheme management and trusteeship. USS Investment Management Ltd (USSIM), a wholly owned subsidiary of Universities Superannuation Scheme Ltd, is the principal investment manager and advisor to USSL.

The role of the board (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 USSIM. This role includes monitoring and oversight of USSL’s 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 for compliance with statutory and regulatory obligations.

Key responsibilities include overall oversight of the administration of the Scheme to ensure that:

- (i) USS is adequately funded;
- (ii) the assets of the Scheme are properly invested in line with the Scheme’s investment principles and relevant law;
- (iii) benefits are paid when they fall due;
- (iv) the Scheme is effectively administered in line with objectives and relevant legislation, regulation and regulatory guidance including that issued by the Pensions Regulator (“TPR”);
- (v) the Scheme and its administration continue to meet the needs of the UK higher education sector; and
- (vi) oversight of USSL’s wholly owned subsidiary USSIM.

The board is composed of ten to thirteen directors comprising:

- Four directors appointed by Universities UK (“UUK”);
- Three directors appointed by University and College Union (“UCU”)<sup>1</sup>; and
- Between three and six independent directors appointed by USSL.

There is no distinction in terms of powers and duties between directors appointed by UUK and UCU and those appointed by USSL.

### **Duties and powers**

As a director of the Trustee, the principles of trusteeship impose certain fiduciary duties and responsibilities on the board and each individual director. TPR’s *Trustee guidance* provides a general overview of the duties and responsibilities. These are broadly summarised below:

- To act within the framework of the law and the regulatory requirements and in accordance with the Scheme Rules and other documents that govern the Scheme;

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<sup>1</sup> At least one of whom must be a pensioner member, as defined in the Scheme Rules.

- To act in the best interests of members and beneficiaries. A duty to balance fairly the interests of different groups, to act impartially between different classes of beneficiaries (not necessarily to act equally) and to not act with any sense of “constituencies”. Once appointed, all directors share the same responsibilities to the entire membership;
- To pay benefits on time and correctly;
- To act prudently, honestly and conscientiously, with the utmost good faith;
- To take advice on technical matters and on any other matters with which the director is not fully familiar. Decisions should be taken only by persons with the right skills, information and resources needed to take them effectively;
- To derive no personal gain from the Scheme (other than as a member or where payments have been authorised by the board, such interest having been declared where known);
- To invest and ensure the safe custody of the Scheme’s assets; and
- To ensure that proper records and accounts are kept and that information is communicated and disclosed as legally required.

### **Directors’ responsibilities**

All directors of USSL are required to comply with the director responsibilities and duties set out in the Companies Act 2006 and all other relevant legislation. In order to carry out the role in accordance with the principles outlined above, directors are expected:

- To adhere to the principles of trusteeship;
- To understand and be committed to the aims of the Scheme;
- To devote sufficient time to undertaking the role, including preparation for meetings, board meetings and committee meetings of which they are a member;
- To review all documents required to be approved by the board;
- To constructively challenge, debate intelligently and test recommendations from committees (where applicable), the USS Group Executive and USSIM and to challenge advisers to ensure sound decisions are made;
- To ensure sufficient knowledge and understanding to undertake the role (both at commencement of their tenure and at all relevant times), including undergoing training and improving knowledge and understanding (on an ongoing basis) in accordance with the Trustee Knowledge and Understanding requirements of the Pensions Act 2004, any other relevant legislation and specific requirements of the Scheme;
- To reflect annually on board performance and individual performance and carry out identified actions for improvement, including undertaking appropriate training and education to develop and refresh knowledge and skills;
- To disclose any conflicts of interest;
- Not to use, directly or indirectly, or disclose any confidential information relating to the USS Group or the Scheme (in order to discharge this responsibility, it is essential for directors to separate this role from any other positions/commitments);
- To meet all legal and regulatory requirements in relation to fitness and propriety including (but not limited to) honesty, integrity, financial soundness, competence and conduct; and
- To submit to and satisfy the requirements of any appropriate criminal record, financial or other checks and provide any information or evidence

reasonably required to establish a director's fitness and propriety or to satisfy any other regulatory requirements.

In addition to fulfilling their duties as a director, each USSL director becomes a member of USSL (a company limited by guarantee) on appointment.

### **Technical and behavioural skills / competencies**

The law requires that trustees and directors have knowledge and understanding in a number of specified areas. Although training is provided, and the Trustee has the benefit of the skills of the Group Executive and the assistance of professional advisers, directors of the board are required to have the skills and competencies listed below at an appropriate level to enable them to discharge their functions as non-executive directors.

USS is the largest private pension fund in the UK by reference to assets under management. Enabled by its relative scale, USS chooses to perform many pensions administration and investment management activities in-house. This reduces agency issues, and overall costs, very significantly. The USS Group has therefore significant responsibilities for the management and execution of complex operational and advisory functions at scale, and would in its own right be a sizable pensions administration or investment management business. The experience, expertise and capabilities required below should be seen as proportionate to the oversight and governance of an organisation of this nature. All directors are therefore required to have the general technical and behavioural competencies set out below.

#### *Technical competencies<sup>2</sup>*

- **Strategic thinking:** Focus on strategic issues and a willingness to share responsibility for USS's strategic vision; impact of legislative requirements; link between strategy and daily running of the Scheme.
- **Pension Technical:** Legal and regulatory framework; trust, pensions and tax law as applied to both defined benefit and defined contribution schemes.
- **Funding:** Principles for funding of the Scheme and valuing of liabilities; the impact of the employers' financial position; impact of the Scheme's investment policy.
- **Investment:** Legal and regulatory framework; investment principles, practices and options; the nature of risk and reward; asset classes and strategic asset allocation.
- **Administration:** Administration and audit requirements, application of the Scheme Rules, operational risks and risk management.

#### *Behavioural competencies*

- **Communication and influence:** Transfer of thoughts and expression of ideas; influencing others and gaining their support.
- **Planning and organising:** Establish courses of action to achieve objectives; determine priorities; allocate resources effectively.
- **Teamwork:** Cooperate and work with others toward solutions that accomplish objectives; engaging with the executive, where appropriate, outside of formal board and committee meetings in relation to the director's

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<sup>2</sup> An appropriate level of numerical skills is key to fulfilling the 'funding' and 'investment' technical competencies.

areas of specific expertise (including by the provision of guidance, advice and support whilst recognising the delineation of executive and non-executive activities).

- **Decision-making:** Make rational and realistic decisions, using relevant knowledge and experience.
- **Leadership:** Create a shared vision and sense of direction; clarify means of achievement; generate enthusiasm, commitment and trust to the vision and purpose of the Trustee company; commitment to the board code of conduct. At all times, role model the values of the USSL in interactions with other directors and members of the executive team.

TPR's Scope Guidance document and Code of Practice for Trustee Knowledge, Understanding and Conversance should be consulted for more details on technical competencies.

### **Specific Skills and Experience**

It is essential that the successful candidate has one or more of the following core competencies:

#### ***Communication, media and stakeholder engagement***

- Practical knowledge/experience gained at a senior level in relation to the creation of effective member and employer communications and education strategies. This includes an understanding of behavioural economics and how to provide optimal decision making support to members.
- Expertise in the design and deployment of omni-channel digital platforms (preferably including those catering for, and enabling, self-serve functionality) and digital communications strategies.
- Knowledge and experience of data security and managing communications campaigns and member engagement in compliance with all data protection laws.
- Deep understanding of the broader regulatory and practical issues in relation to the provision of financial advice and guidance to scheme members.

#### ***Pensions industry experience***

- Experience as a senior member of the management team or trustee of a significant DB/DC or mixed benefit pension fund.
- Strong understanding of pensions and the challenges and opportunities facing pension schemes.
- Practical knowledge and experience of developing member facing pension products and pension services.
- Experience of value for money (VFM) assessments and criteria.

#### ***Trustee and/or director experience***

- Experience as an executive director, non-executive director or trustee of a large, complex organisation.
- Proven track record as a board and/or committee member.
- Excellent working knowledge of corporate governance best practice and TPR's codes of practice and guidance in relation to the effective trusteeship of pension funds.

It would be desirable (but not essential) for the successful candidate to also have one or more of the following competencies:

***Media, PR and stakeholder engagement***

- Proven track record of being able to successfully manage complex stakeholder relationships and build buy-in and consensus views on difficult topics.
- Practical knowledge/experience gained at a senior level in relation to the creation and deployment of effective public relations strategies and successful media strategies.

***Legal and Regulatory***

- Experience as a senior in-house or private practice lawyer specialising in trust law (including trustee's powers and duties), pensions law and/or financial services law.
- Deep understanding of the legal and regulatory environment within which the USS Scheme operates.

***Investment***

- Experience as a senior manager or non-executive director of an investment or fund management business.
- Understanding of macroeconomics, investment principles, different assets classes and strategic asset allocation.
- Understanding of environmental, ethical, social and corporate governance (ESG) considerations in investment decisions.
- Understanding of investment choices and implications for members.

**Time Commitment and term of initial appointment**

In addition to being members of the USSL board, it is anticipated that directors may become members of one or more of the board's sub-committees, and may be asked to chair a committee. Directors are expected to attend all (or almost all) meetings. The USSL board typically meets 8 times a year in person (and additional meetings are arranged where necessary). Directors are also required to attend the annual Institutions Meeting and the additional training and strategy sessions arranged for the USSL board throughout the year. The board's sub-committees typically meet 4-8 times per year. In addition, directors are encouraged to participate in other events for stakeholders or staff e.g. Investment Team Open Day. Meetings are held at USSL's offices in London or Liverpool. Directors must ensure that they can make sufficient time available to discharge their responsibilities effectively.

USSL is committed to ensuring that its board has all of the necessary knowledge and understanding to run the scheme. For this reason, prior to commencement of their appointment to the board, USSL directors are required to complete the TPR toolkit (or evidence their completion of an equivalent programme). On appointment they will also be expected to complete an induction programme (leading to an enhanced time commitment during their initial few months on the board). Thereafter, USSL directors are expected to take opportunities to develop and refresh their knowledge and skills throughout the course of their appointment, including familiarising themselves with the key challenges and areas of risk facing the UK higher education sector and changes in the pensions landscape.

The selected candidate will be appointed to the board for an initial 4-year term of office (although there is the possibility in certain circumstances to extend this term, by mutual agreement). At the end of the initial term of office there may be an opportunity for the successful candidate to apply for reappointment.

<https://jobs.theguardian.com/job/6971195/non-executive-director/>

For more information please contact Paul Bridge by email to PBridge@UCU.ORG.UK. Interested candidates should submit a letter of application – accompanied by their CV – and send these details by email via the button below. The closing date for applications is Friday 8 November 2019.