



ACADEMIC BOARD

3 October 2018

MINUTES

PRESENT¹:

Professor David Price, Vice-Provost (Research) (*Acting Chair*)

Dr Ali Abolfathi, Dr Bojan Aleksov, Ms Wendy Appleby, Dr Manuel Arroyo-Kalin, Professor Jonathan Ashmore, Dr Elinor Bailey, Mr Malcolm Bailey, Professor Torsen Baldeweg, Dr Simon Banks, Dr Michael Baron, Professor Gill Bates, , Dr Jyoti Belur, Professor Andrew Bevan, Professor Stephanie Bird, Professor Chris Blackman, Dr Geraldine Brodie, Dr Jamie Brown, Professor Stella Bruzzi, Professor Jon Butterworth, Professor Francesca Cacucci, Ms Elizabeth Carter, Dr Declan Chard, Dr Evangelia Chrysikou, Dr Coziana Ciurtin, Professor Lucie Clapp, Dr Ben Clifford, Ms Lori Coletti Campbell, Professor Nicola Countouris, Ms Sonja Curtis, Dr Ruth Dann, Professor Izzat Darwazeh, Professor Julio Davila, Dr Jason Davies, Dr Lee De-Wit, Dr Johanna Donovan, Ms Dominique Draï, Professor Piet Eeckhout, Ms Evelyn Eguridu, Professor Susan Evans, Dr Mechthild Fend, Dr Carlotta Ferrara degli Uberti, Dr Richard Freeman, Dr Rachael Frost, Dr Martin Fry, Professor Jonathan Gale, Professor Alasdair Gibb, Dr Hugh Goodacre, Ms Emma Grant, Professor Lee Grieveson, Dr Lucia Patrizio Gunning, Mr Martin Hall, Mr Phil Harding, Dr Jennifer Hazelton, Professor Michael Heinrich, Dr Arne Hofmann, Mrs Lori Houlihan, Dr Phyllis Illari, Dr Thomas Kador, Professor Tara Keck, Ms Leigh Kilpert, Dr Franz Kiraly, Professor Robert Kleta, Mr Rex Knight, Ms Katherine Koule, Dr Jagjeet Lally, Professor Alena Ledeneva, Professor Louis Lemieux, Professor Nicholas Lesica, Dr Christopher Leung, Ms Collette Lux, Ms Bella Malins, Dr Elvira Mambetisaeva, Dr Margaret Mayston, Professor Tristan McCowan, Dr Saladin Meckled-Garcia, Professor Neil Millar, Dr Mazaher Molaei Chalchoogi, Professor John Mullan, Dr Mark Newman, Dr Teresa Niccoli, Dr Catalina Ortiz, Dr Michael Page, Dr Adam Paige, Dr Jo Pearce, Professor Alan Penn, Professor Cyril Renaud, Dr Carol Rivas, Professor Helen Roberts, Professor Sue Rogers, Professor Sasha Roseneil, Ms Fiona Ryland, Professor Vieri Samek-Lodivici, Professor Ralf Schoepfer, Professor Peter Scully, Dr Lion Shahab, Professor Sonu Shamdasani, Dr Beatrice Sica, Dr Bill Sillar, Dr Nadine Simons-Weidenhaier, Professor Michael Singer, Professor Lucia Sivilotti, Professor Joy Sleeman, Ms Jamie Smith, Dr Michail Stamatakis, Ms Cicely Striolo, Professor Judith Suissa, Dr Florence Sutcliffe-Braithwaite, Professor Nicolas Szita, Dr Andrew Thomson, Dr Amy Thornton, Mr Simon To, Professor Tse-Hui Teh; Dr Hans Van de

¹ An attendance sheet was circulated for signature at the meeting. Any colleagues present who did not sign the sheet and whose names are therefore not recorded as present are invited to notify the AB Secretary's office (e-mail – academic.services@ucl.ac.uk) so that their names can be included in the record when these Minutes are confirmed at the next scheduled meeting of AB.

Koot, Ms Louise Vink, Dr Nalini Vittal, Ms Yasmin Walker, Professor Rene Weis, Professor Andrew Wills, Professor Michael Wozniak.

In attendance: Mr Derfel Owen (Secretary to Academic Board); Mr Nick McGhee (Deputy Director (Casework and Governance)).

Apologies for absence were received from: Ms Mumtaz Abdul-Ghafoor, Dr Sinead Agnew, Professor Gianluca Baio, Dr Beatrice Baudet, Dame Nicola Brewer, Ms Cathy Brown, Professor Rob Brownstone, Ms Nadia Bukhari, Professor Franco Cacialli, Ms Amy Clemens, Professor Stephen Colvin, Dr Martin Davies, Mr Farooq Dean, Dr Vanessa Diaz, Professor Simon Dixon, Professor Becky Francis, Dr Claire Garnett, Professor Nikolaos Gonis, Prof Alastair Greig, Professor Helen Hackett, Professor Graham Hart, Dr Victoria Hilborne, Dr Evangelos Himonides, Mr Ambrose Hogan, Dr Helga Lúthersdóttir, Professor Gesine Manuwald, Professor Charles Marson, Professor Kevin Middlebrook, Dr Jennifer Mindell, Professor Robert Mills, Professor Moses Oketch, Professor Enrico Palandri, Dr Julie Pitcher, Dr Mike Porter, Dr Stephen Potts, Professor Sarah L Price, Professor Stephen Price, Professor Stephen Quirke, Mr Saddiquir Rahman, Dr Miguel Rodrigues, Dr Benet Salway, Professor Lorraine Sherr, Professor Anthony Smith, Professor Sarah Spurgeon, Professor Andrew Stahl, Professor Sacha Stern, Professor Alan Thompson, Professor Sarah Walker, Dr Carla Washbourne, Professor Li Wei, Dr Hannah Williams, Professor Dominic Wyse, Dr Jinghao Xue, Dr Paola Zaninotto, Professor Stan Zochowski.

<i>Key Abbreviations</i>	
AB	Academic Board
GCAB	Governance Committee of Academic Board
HE	Higher Education
JEP	Joint Expert Panel
SMT	Senior Management Team
USS	University Superannuation Scheme
UUK	Universities UK

1. DISCUSSION OF THE UUK CONSULTATION ON THE JOINT EXPERT PANEL'S RECOMMENDATIONS

[PAPER AB 1-01 (2018-19)]

- 1.1 The meeting had been called by the Chair, in accordance with Regulation 3.5 and in the context of AB's expressed view that future responses to UUK on the matter of pensions should be preceded by consultation with Academic Board *[AB Minutes, 02.05.18]*. The purpose of the meeting was to discuss, in advance of the Council meeting of 10 October 2018, UCL's response to the UUK consultation on the recommendations of the Joint Expert Panel (JEP).
- 1.2 The consultation document had been published on 24 September 2018 with a deadline for responses of 30 October 2018. The report invited the views of employers on three questions:
 - whether the institution supported the JEP recommendations, subject to the acceptance of such a position from the USS Trustees;
 - whether further information was required in order to decide on the above;

- whether the institution would accept employer contributions at the proposed level (20.1% of salary) and, if not, what balance of risk, higher contributions and/or benefit change was preferred.
- 1.3 The Acting Chair noted that the Provost was unable to attend the meeting but had written to members of Academic Board in advance to advise that UCL's proposed responses to the UUK questions, subject to the views of Academic Board and Council, were as follows:
- UCL welcomed and accepted the Joint Expert Panel findings in full and thanked them for their detailed work;
 - UCL would like more information on the precise nature of additional risk that USS might ask employers to assume;
 - UCL was prepared to pay the recommended employer contributions of 20.1%.
- 1.4 The Director of Human Resources explained that two consultations processes were currently underway. USS consulting directly with scheme members about major increases, staggered over two years, to staff and employer contributions of the scheme. Concurrently UUK was running a consultation with employers on the JEP report, and that gaining feedback and input from AB was the purpose of this meeting; AB's discussion would be reported to Council at its meeting on 10 October 2018.
- 1.5 The Acting Chair invited questions and comments from AB members. The following points were raised during the discussions.
- 1.6 Members commented that the JEP had been imposed on employers by the industrial dispute of February-March 2018. Members considered that the JEP report demonstrated that it had been incorrect to assert that a defined benefit scheme was unaffordable. It was noted that the Pension Code permitted the valuation of a fund in terms of the assets held rather than the 'de-risked' valuation model reflecting what the scheme would be worth if most of its investments were in government bonds. Members expressed frustration that staff had felt they were forced into taking industrial action by the adoption of a flawed methodology on the part of the USS, UUK and the Pensions Regulator, which had had the effect of artificially inflating the apparent size of the deficit. It was suggested that the final salary element of the scheme had been closed to new members on the basis of this faulty reasoning. Members urged that UCL should seek to engage with the UUK on this matter.
- 1.7 Communications from institutions had focussed on what was affordable to employers but did not reflect what was affordable to staff, it was noted that the affordability of the scheme to staff and the fair distribution of the cost must also be taken into account and reflected in UCL and UUK position. It was noted that employers' contributions rates had reduced significantly during the period 1997-2009, and that the impact of that adjustment amounted to approximately £7bn. There had been no reduction in contribution rates for employees during that period. Members expressed a sense that the industrial action had had a disproportionate impact on younger staff who were least able to bear the financial impact of salary reductions for participating in the strike. Members regretted the lack of a supportive statement from UCL during the industrial action and felt that the episode had been unnecessarily confrontational. It was further suggested that, if it were concluded that the report of the JEP demonstrated that the industrial action had been justified, then the corollary was that the pay withheld from staff who had engaged in industrial action should be refunded.

- 1.8 In response to questions, the Director of Finance and Business Affairs confirmed that:
- in the absence of sufficient time for the necessary statutory consultations, the current proposal for increases in employers' and members' contribution rates in April 2019 would continue to apply unless the Trustees chose to suspend the process in light of the outcome of the present consultation. This request has been made to the USS Trustees, Council could be asked to further reiterate the request to suspend USS's existing plans to escalate staff and employer contributions;
 - the savings resulting from the cessation of the matching of additional voluntary contributions by employers had already been accounted for in the projected increased contribution levels;
 - the question of the legality and ethical validity of a defined contribution scheme effectively cross-subsidising a defined benefits scheme could be raised with the USS. It was noted that it would be helpful for this to take place before the meeting of Council on 10 October.
- 1.9 AB discussed the scope for adjustment in the conventional 65/35 split of the additional contributions required to the pension scheme. Those members who spoke during the meeting expressed a view that any existing deficit in the scheme should be funded by employers. In response to a question about the options for an institution acting unilaterally in this respect, the Director of Finance and Business Affairs confirmed that, under current arrangements, member institutions negotiated a single contribution rate across the sector.
- 1.10 AB discussed the extent to which an institution was in a position to act unilaterally. It was understood that, although the JEC had solicited responses to three questions, it would be open to Council to comment more broadly and to express UCL's opinion, even if that did not align with all other universities responding. In discussions about whether UCL would be in a position to act in tandem with other institutions, it was noted that the HE landscape is heterogeneous and it could be expected that the individual circumstances of different institutions would influence their responses. It was suggested that, although other institutions would have their views, the consultation was seeking each institution's own response and UCL need not account for the assumed position of other universities.
- 1.11 The matter of the split of the additional contributions would be addressed by the JEP in the second phase of its deliberations, after the end of the current consultation during which the JEP had paused its work. Members raised the possibility of making adjustments to staff salary arrangements if it were not possible to increase the employers' contribution rate, with others taking the view that the matter was a national question of principle and national negotiation which should not be subject to locally negotiated pay agreements.
- 1.12 The Acting Chair thanked AB members for their views, which would be relayed to Council by way of these minutes.