

ACADEMIC BOARD – SPECIAL MEETING

Thursday 9 June 2016

MINUTES

*PRESENT*¹:

Provost (*Chair*)

Professor David Abraham; Professor Arne Akbar; Ms Kinda Al-Sayed; Professor David Alexander; Ms Wendy Appleby; Professor Jonathan Ashmore; Dr Paul Ayris; Professor Christopher Barker; Professor Polina Bayvel; Professor Sarah-Jane Blakemore; Professor Martin Bobak; Dame Nicola Brewer; Professor Frances Brodsky; Professor Nick Brook; Professor Andrew Brown; Professor David Brown; Professor Eric Brunner; Professor Lucie Clapp; Professor Shamshad Cockcroft; Dr Alun Coker; Professor Stephen Colvin; Dr Mike Cope; Professor Andrew Copp; Professor Izzat Darwazeh; Professor Brian Day; Dr Sally Day; Professor Dina D'Ayala; Professor Annette Dolphin; Professor Andrew Edkins; Professor Michael Ehrenstein; Professor Professor Tariq Enver; Professor Susan Evans; Professor Ariberto Fassati; Professor Andrew Fisher; Professor Maria Fitzgerald; Dr Martin Fry; Professor Dame Hazel Genn; Professor Francesco Gervasio; Professor Alasdair Gibb; Professor Adam Gibson; Professor Derek Gilroy; Dr Hugh Goodacre; Professor John Greenwood; Dr Alistair Greig; Dr George Grimble; Ms Ruth Harper; Professor Kenneth Harris; Professor John Hartley; Professor Robert Hazell; Professor Benjamin Heydecker; Professor Justin Hsuan; Professor Kristian Jessen; Professor Robert Kleta; Mr Rex Knight; Professor Martin Koltzenburg; Professor Jonathan Ledermann; Professor Louis Lemieux; Professor Alison Lloyd; Dr Andrew Logsdail; Professor David Lomas; Professor Paul Longley; Professor Robin McNulty; Ms Fiona McClement; Professor Raymond MacAllister; Professor Sandy MacRobert; Professor John Martin; Professor Mark Maslin; Dr Helen Matthews; Professor Roberto Mayor; Dr Saladin Meckled-Garcia; Professor Usha Menon; Professor Neil Millar; Dr John Mitchell; Professor Richard Mott; Dr Kit Opie; Professor Norbert Pachler; Professor Sandip Patel; Dr Anne Peasey; Professor Alan Penn; Professor Sarah Price; Professor Stephen R Price; Professor Geraint Rees; Professor Jane Rendell; Professor Helen Roberts; Mr Mike Rowson; Professor Nader Saffari; Professor Ralf Schoepfer; Professor Anthony Segal; Professor Clare Selden; Professor David Selwood; Professor Sonu Shamdasani; Professor Richard Simons; Professor Trevor Smart; Professor Anthony Smith; Professor Clare Stanford; Dr Martin Stocker; Professor Geraint Thomas; Ms Emanuela Tilley; Professor Nigel Titchener-Hooker; Professor Derek Tocher; Professor Gert van der Heijden; Professor Goya Wannamethee; Ms Soo Ware; Mr Nigel Waugh; Dr Andrew Wills; Professor Jo Wolff; Professor Derek Yellon; Professor Ian Zachary; Professor Semir Zeki.

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.

In attendance: Dr Tracey Allen; Ms Dawn Bailey; Dr Jenny Crinion; Mrs Lori Houlihan; Dr Jie Huang; Mr Nick McGhee; Mr Angus O'Brien; Dr Paola Oliveri; Mr Derfel Owen (Secretary); Ms Wendy Richards; Ms Chandan Shah; Dr Ines Torra; Professor Robin Weiss; Professor Sir Mark Pepys.

Apologies for absence were received from: Professor John Achermann; Professor John Anderson; Dr Catia Andreassi; Dr Sulafa Badi; Professor Jurg Bahler; Professor James Bainbridge; Professor David Balding; Professor Francois Balloux; Dr Simon Banks; Professor Martin Birchall; Professor Ann Blandford; Professor Sebastian Brandner; Professor Chris Brewin; Professor John Bridgewater; Professor Franco Cacialli; Professor Juan Casas Romero; Dr Celia Caulcott; Professor Helen Chatterjee; Professor John Collinge; Dr Mark Cooper; Professor Richard Cowan; Professor Mehul Dattani; Professor Brian Davidson; Dr Jason Davies; Professor Peter Dayan; Professor Oscar Della Pasqua; Professor Carol Dezateux; Professor Jorge Diaz-Cintas; Professor Snezana Djordjevic; Dr Rosalind Duhs; Dr Melanie Ehren; Andrew Faulkner; Professor Patrizia Ferretti; Professor Adele Fielding; Dr Lars Fischer; Professor Elizabeth Fisher; Professor Nick Fox; Professor Bryony Franklin; Professor Karl Friston; Dr Dilly Fung; Professor Rosemary Gale; Professor Hubert Gaspar; Professor Xavier Golay; Dr Lesley Gourlay; Professor Hugh Griffiths; Professor Paul Griffiths; Professor Bodo Gribmacher; Dr Paul Groves; Professor Mordechai Haklay; Professor Steve Halligan; Professor George Hamilton; Dr Jamie Harle; Dr Andrew Harris; Professor Robert Harvey; Professor Derek Hausenloy; Professor Michael Heinrich; Professor Daniel Hochhauser; Dr Arne Hofmann; Professor Martin Holbraad; Prof Giandomenico Iannetti; Professor David Isenberg; Professor Edward Johnson; Professor Peter Jones; Professor Eileen Joyce; Professor Benjamin Kaplan; Professor Yvonne Kelly; Professor Peng Khaw; Professor Susanne Kord; Professor Cecile Laborde; Professor Marie Lall; Professor Mark Lancaster; Dr Sandra Leaton Gray; Professor Philip Lewis; Professor Carolina Lithgow-Bertelloni; Professor Mark Lowdell; Professor John McArthur; Professor Eamon McCrory; Professor Chris Mcmanus; Professor Anson Mackay; Professor Alejandro Madrigal; Dr Merle Mahon; Professor Gesine Manuwald; Professor Andrew Martin; Professor Juan Pedro Martinez-Barbera; Professor Marcos Martinon-Torres; Professor Susan Michie; Professor Steven Miller; Dr Jennifer Mindell; Professor Amanda Mcroft; Dr Richard Mole; Professor Henrietta Moore; Professor Huw Morris; Professor Stephen Moss; Professor Jan-Peter Muller; Professor Elizabeth Murray; Professor Monty Mythen; Dr Julie Olszewski; Professor Christine Orengo; Professor Paola Pedarzani; Professor Stephen Pereira; Professor Steve Perkins; Professor Ann Phoenix; Professor Franck Pichaud; Professor David Price; Professor David Pym; Professor Anisur Rahman; Professor Rosalind Raine; Professor Peter Rich; Professor Jonathan Roiser; Professor Andreas Roposch; Professor Neil Rose; Professor John Rothwell; Professor Maneesh Sahani; Professor Peter Scambler; Professor Andreas Schaefer; Professor Andreas Schatzlein; Professor Giampietro Schiavo; Professor Mala Shah; Professor Robert Sheil; Professor Lorraine Sherr; Professor Angus Silver; Professor Mervyn Singer; Professor Michael Singer; Professor Sanjay Sisodiya; Professor Anthony Smith; Professor Kenneth Smith; Professor James Steele; Professor Claudio Stern; Professor Sacha Stern; Professor Andrew Stockman; Professor Sarah Tabrizi; Dr Junwang Tang; Professor Melissa Terras; Professor Mark Thomas; Professor Alan Thompson; Professor Geoff Thornton; Mr Simon To; Mr Ben Towse; Professor Chronis Tzedakis; Professor Faraneh Vargha-Khadem; Professor Phiroze Vasunia; Professor Essi Viding; Professor Thomas Voit; Professor Henning Walczak; Professor Sarah Walker; Professor Robert West; Professor David Wheeler; Dr Rachel Wilde; Professor Stephen Wilson; Dr Gavin Winston; Professor Ziheng Yang; Professor Kwee Yong; Professor Tarek Yousry.

Key to abbreviations

AB	Academic Board
HEI	Higher Education Institution
HMRC	Her Majesty's Revenue and Customs
SMAB	Special Meeting of Academic Board
SMT	Senior Management Team

1 **DISCRETIONARY ACCOUNTS POLICY**

[SMAB PAPER 4-01, 2015-16]

- 1.1 **Received** – a presentation from Professor Annette Dolphin.
- 1.2 Professor Dolphin outlined the most common sources of income stored in discretionary accounts including remnants of research grants dating back many years, fees for private consultancy undertaken by UCL staff and charitable donations to fund specific initiatives such as studentships and prizes. In many cases the staff concerned could have chosen to take such funds as personal income in addition to their UCL salary, but elected instead to store the funds in discretionary accounts with UCL. Professor Dolphin explained that a large number of staff were seriously concerned about the situation and that it was affecting staff motivation and morale.
- 1.3 Professor Dolphin explained that the funds were typically used for a range of academic related purposes and a number of examples were cited by members of AB, including the unplanned replacement of equipment, support for PhD students and short-term lectureships or hospitality for high profile guest speakers that now needed to be accounted for through UCL's budget planning process. Several members suggested that it was illogical to be obliged to submit a business case for such expenditure. There had therefore been some discontent that UCL's practice in respect of the use of discretionary accounts appeared to have changed in some areas without consultation with staff.
- 1.4 The Provost noted that practice in respect of discretionary funds has varied between Faculties for some time, with responsibility for applying institutional policy as appropriate to the local circumstances devolved to Deans, who were charged with working towards UCL's target of 5.5% surplus for 2017-18. Changes in the external environment over recent years – notably the introduction of a new student fees regime and the withdrawal of a capital funding stream – were obliging universities to budget a surplus in order to fund investment in the development of their infrastructure. UCL's current 3.5% surplus would need to increase in future years if the institution were to remain financially sustainable and to maintain an appropriate level of liquidity.
- 1.5 In addition to financial planning requirements, HMRC rules dictated that, where moneys which would otherwise have been taxable were instead paid into a discretionary account, they were subject to UCL's accounting procedures and policies, and to charity law. As expenditure from discretionary accounts affected the bottom line in the Financial Statements, it was important for UCL to be able to budget for that expenditure with a reasonable degree of accuracy. The current issue had arisen following an internal audit request that the Senior Management Team look at the implementation of the policy. Although there had been no change in institutional policy, the guidelines had been reissued to staff, which had drawn attention to a number of issues and in some cases had led to changes in practice at faculty level.

- 1.6 With respect to some of the examples cited by members, it was suggested that an alternative mechanism (such as a charitable fund) ought to have been used, rather than a discretionary account.
- 1.7 The Provost explained that he was concerned to ensure that matters like this did not impact on staff morale and supported the comments from a number of members for the need for a spirit of partnership and respect between academic staff, professional services staff and students.
- 1.8 The Chair called for a show of hands and there was a clear majority in favour of the proposal as follows.

RESOLVED:

That Academic Board:

1. **Calls on the Provost, as chair of Academic Board, to address this growing problem with urgency, given the effect it is having on academic community and excellence at UCL;**
 2. **Advises UCL Council (under UCL Statute 7(10)(A) and the Charter Art. 22(2)) to formally review the policies (at all levels) restricting the use of discretionary accounts and to do so urgently and in full consultation with Academic Board;**
 3. **Resolves to create a working group of senior academics composed of 5 members to consult with the wider academic community on this matter, to advise on the academic effects of any new or proposed policy on discretionary accounts, and to report back to Academic Board on progress.**
- 1.9 The Chair stated that it will be important that the group works ensures any advice developed takes account of HMRC and Charity Commission guidelines and pays due consideration to the need for long-term financial sustainability.

DERFEL OWEN
Director of Academic Services and Secretary to Academic Board
13 June 2016