ULSTER UNIVERSITY **Confirmed**

<u>NOTES OF MEETING</u> – SPECIAL JOINT UNION CONSULTATIVE AND NEGOTIATING COMMITTEE (JUCNC).

Thursday 11 June 2020, Skype.

Meeting start 10:30am

Present:
Paul Bartholomew, Interim Vice-Chancellor; Cathy Gormley-Heenan, Deputy Vice-Chancellor; Peter Hope, Chief Financial Officer; Niamh Lamond, Chief Operating Officer; Damian McAlister, People & Culture (Chair); Paul Davidson, People & Culture; Mark Latuske, People & Culture; Christine Irwin, People & Culture; Lindesay Dawe, UCU; Linda Moore, UCU; Aisling O'Beirn, UCU; Richard Young, UNITE; Gareth Scott, UNITE; Marianne Buick – UNISON; Paddy Mackel, UCU.

Apologies:
Judith Hough.

NOTE: This meeting was held via Skype.

Single Item Agenda - University's Financial Strategy

20:09 Welcome
Damian McAlister welcomed all to the meeting.

20:10 University's Financial Strategy

Professor Bartholomew referred to the Sustainable Financial Strategy Document and the subsequent response letter from UCU. Professor Bartholomew noted that the document remains draft and at a formative stage and the University is keen to reach agreement on the way forward.

Professor Bartholomew noted that there may be a need to make very difficult decisions regarding staff cost reductions. Professor Bartholomew asked the meeting whether there was an acceptance, based on the financial picture, that there is a need to cut costs.

Mr Dawe noted that while it is accepted that the University's finances have to be balanced, the financial strategy document contains inherent contradictions. The University wants to be a cutting edge and world class organisation; however, excellence is not achieved by cutting away at core resources. UCU refer to pressures on staff in relation to staff/student ratios with staff expected to deliver the same product as other institutions, with fewer resources. While noting the financial challenges, Mr Dawe said that the union want a more robust approach which includes input from the Assembly and politicians and explores options other than cutting costs.

Mr Young said that job protection was UNITE's priority. UNITE welcome the commitment to reskill, retrain, redeploy. Mr Young advised that some of the suggestions, in the document, would breach UNITE's national position and therefore could not be supported by UNITE locally.

Mr Mackel noted that it is not within the DNA of a union to agree to staff reduction or actions that might lead to the diminution of terms and condition, but UCU recognise the financial challenge and is willing to work constructively with the University. Mr Mackel asked that it be put on record that the reason why the University is in the position where it is considering cutting costs is because of historic underfunding from government. He advised that UCU would be happy to work with the University in presenting arguments to government to address the underfunding but will not agree to cut costs which inevitably mean staff reductions.

Professor Bartholomew thanked the unions for saying that they would work constructively and advised that potentially there are some solutions that do not lead to jobs cuts.

Ms Lamont said that the University had lobbied and worked with politicians. For the moment the University have to plan on the basis of a loan for GBD rather than a grant. Dr O'Beirn asked what the timeframe was, for getting an answer to the request to convert the loan into a grant. Professor Bartholomew said that he expected to hear quite soon, maybe in June.

Ms Lamont advised the committee of the arrangements for drawing down the loan. The first stage is to secure agreement on the loan facility. Agreement would be sought at a meeting scheduled for the 24 June, for approval of the loan. Ms Lamont said that there are fairly onerous conditions associated with the 30-year loan. Once the loan is agreed, it will be executed subject to fulfilling the pre-conditions - insurance, cost expenditures etc. Draw down is expected in July.

Mr Mackel questioned why SIB is named as the lender and with draw-down expected in July, how likely would it then be that the loan would become a grant. Ms Lamont said that money goes from the treasury to the Department of Finance and they then allocated responsibility to SIB, in legal terms they are the counter party to the loan. If the University received a grant, the full loan amount may not be required.

Mr Dawe asked whether the DfE have proposed a model for a financial plan to include conditions on how the University gets itself on a better footing. Professor Bartholomew advised that DfE require the University to have measurable actions in place. Professor Bartholomew advised that there are two ways in which the University can improve its financial position; it can bear down on cost and it can improve its income however, the potential for income growth is limited because of MASN. It is accepted that removing costs may also impact on capacity which therefore impacts on the potential to generate income.

Mr Hope advised of an intention to maintain a £25 million reserve target as part of the financial strategy.

Professor Gormley-Heenan spoke about City Deals. The University only becomes irrevocably tied in at the point of committing to a building. A risk adverse approach is being taken.

Mr Mackel advised that there is concern that staff are being cut to service the loan.

The unions enquired about the proceeds from the sale of land in Jordanstown. Ms Lamont advised that the gain from disposal of land can only be used on capital. There is no connection between the sale of Jordanstown and repayment of the loan. Timing depends upon the strategy deployed and the market.

Ms Lamont said that the liquidity of Somague has been guaranteed by their parent company, Sacyr. Mr Hope said that an independent assessor had looked at both companies. Sacyr, the parent company, was very strong with assets of 1.2 billion euro which gave confidence that here was no risk to build. Sacyr will cover, should Somague not complete.

Ms Lamont said that if all assumptions crystallise around Covid-19 and we don not take action or get flexibility on the loan, it will create a problem in terms of our cash reserves.

The unions requested a formal response to the letter of 10 June. Mr Dawe said that UCU had found a lack of clarity and contradictions in the documents provided. He noted that 'cost savings', in the past, have meant cutting staff. A formal response from the University would be helpful.

Dr O'Beirn raised a concern about the unfavourable staff/student ratios at Ulster in comparison to the UK sector. Mr McAlister advised that the University recognise that reducing staff base comes with a reduction of activity. Professor Bartholomew advised that in relation to teaching, de-complexification of the curriculum may be a possible way forward. The University could consider reducing option modules. Professor Bartholomew said that the need to de-complexify the curriculum had been raised with the Deans and he would expect that programme teams would be consulted.

6-minute break in the meeting taken.

Mr Hope advised that there is a £7 million funding gap in relation to salaries. A vacancy freeze could reduce this by half.

Professor Bartholomew suggested that there might be opportunity for people to reduce their hours or to revise the standard working week.

Mr Young advised of the need for UNITE to discuss such matters with their membership before presenting a position.

Dr Moore said that while UCU want to work with management to balance the books, it is alarming to see in the appendix, on pg. 58 that it talks of a pay freeze and redundancies. Dr Moore suggested that it is not satisfactory for controversial matters of this kind to be presented to a meeting at very short notice. Dr O'Beirn asked whether reputational damage had been considered with the proposed measures. An erosion of teaching, research and staff base are major concerns

Professor Bartholomew advised that the University is obliged to demonstrate that it is considering options for sustainability. Professor Bartholomew noted that there would inevitably be diminished capability if staff costs are reduced.

Dr O'Beirn questioned how it was possible to grow under such conditions?

Mr Bartholomew spoke of the need to be more selective in relation to the area in which we wish to grow. Professor Gormley-Heenan advised that growing under these circumstances was part of the thinking with City Deals – there is growth market potential in those spaces enhanced by industry partners and other stakeholders in the city.

Dr Moore asked (in the sidebar) ''*Can you talk us through the status of the measurable actions? Are they things you're thinking of doing? Or noting down all the random options, even if some will never be considered? ''* Mr McAlister responded to Dr Moore's question stating that this is an initial list of options for consideration. The University is keen that the list is taken away and considered and additional proposals from the unions would be welcomed.

Mr McAlister advised that Professor Brian Murphy is keen to set up a meeting to discuss a global partner for online.

Discussion took place around a statement to be issued through the VC which will be shared with the unions prior to its issue.

Mr McAlister thanked the meeting.

13: 08 meeting closed.