

Ulster University

Council

24 June 2020

Minutes of a meeting of the Council of Ulster University held on Wednesday, 24 June 2020 by Zoom

#### PRESENT

Mrs J Pyper (Chair), Professor P Bartholomew (Interim Vice-Chancellor), Professor K Burnett, Mr D Clements, Mrs G Horgan, Mrs M Lindsay, Mr P Lobban, Mr A McAnallen (Students' Union), Miss C Cassidy (Students' Union) Dr P McNaney, Mrs H Quigley, Mr P Sheridan, Mr R Sloan, Dr J Stuart, Dr E Way.

#### IN ATTENDANCE

Professor C Gormley-Heenan (Deputy Vice-Chancellor), Mr P Hope, Ms F Kane, Ms N Lamond, Mr E Mullan, Mrs M Loughrey. By invitation Mr C Carvill (representing Arthur Cox) joined the meeting for agenda item 5.

The Chair welcomed members and welcomed Miss Collette Cassidy to her first meeting as the incoming Students' Union President. She also acknowledged that this was Mr Andrew McAnallen's last meeting, highlighting his valuable contribution and the importance of the Students' Union perspective and representation on Council.

#### APOLOGIES

No apologies were noted.

#### 20.23 MINUTES OF MEETING HELD ON 01 MAY and SPECIAL MEETING HELD ON 04 JUNE 2020.

The minutes from both meetings were accepted and approved subject to the following minor amendments:

#### 01 MAY MEETING MINUTES

- **Minute 20.16** In response to a query from a member Professor Bartholomew commented, that in relation to NIGEMS he had met with the Permanent Secretary for the Department of Health (DHSSPS).
- **Minute 20.18** The Council also provided, within the parameters set out, delegated authority to the Interim Vice-Chancellor and the Chief Operating Officer to make decisions, subject to having taken advice from DfE and regular reporting to the Resources Committee.
- **Minute 20.14 a)** Proposal to locate School on Coleraine campus (minute 20.02 and 19.52) The interim Vice-Chancellor confirmed that discussions were ongoing. Members commented that if this transpires it would demonstrate ongoing commitment to the Coleraine Campus.

## 04 JUNE MEETING MINUTES

- **1<sup>st</sup> paragraph 1<sup>st</sup> line** – The meeting was called to discuss the appointment process”.
- **1<sup>st</sup> paragraph, last line** - However, there was a broad agreement that there was a need to be pragmatic, and to take into account Professor Burnett’s comments on a perception from staff of the need for permanence.

### 20.24 MATTERS ARISING FROM THE MINUTES OF THE 01 MAY 2020 MEETING

The Chair advised that any matters arising were covered either in the meeting’s agenda or within the Interim Vice-Chancellor’s report being presented at the meeting.

### 20.25 CHAIR’S COMMUNICATIONS

The Chair advised that she had nothing additional to report.

### 20.26 INTERIM VICE-CHANCELLOR’S REPORT (C/20/17)

The Chair suggested the Interim Vice-Chancellor present his report by exception as there were other agenda items requiring time for discussion. Professor Bartholomew drew members’ attention to the following key points and associated risks within his report:

In terms of the Impact of Covid-19 pandemic, Prof Bartholomew advised there was significant risk in the system related to academic activity on campus, including the safe use of campus facilities. Much work was underway with estates to manage a safe, phased return to campus. In relation to applications he reported that they are surprisingly buoyant in comparison to expectations but highlighted the continuing risks as it is a dynamic marketplace and other institutions will be behaving quite differently this year in terms of their timings and approaches.

Members noted that the School of Health Sciences is likely to remain on the Jordanstown campus for another year (as opposed to “will remain” as stated within the paper, based on events of the last week) and that the EQIA process is progressing. The School of Sport is also likely to remain on Jordanstown campus for another year.

Professor Bartholomew advised there may be a need to hold some programmes back in Jordanstown depending on the progress of GBP. Contractors are progressing well. A second wave of Covid-19 has been taken into account when determining the risk profile.

Professor Bartholomew drew members’ attention to the retirement of Professor Alastair Adair from Ulster University in July after more than 40 years of dedicated and distinguished service. The University’s Professorial Executive Committee (a Committee of Senate) had agreed to award Alastair an Emeritus Professorship. Council recorded its thanks to Professor Adair for his many years of loyal service and leadership.

Professor Bartholomew informed members that Mr Mark Taglietti had been appointed as Ulster University's new Chief Digital Information Officer (CIDO).

The Chair thanked Professor Bartholomew for his report and endorsed the comments in relation to Professor Adair's significant contribution to the University.

#### 20.27 GREATER BELFAST DEVELOPMENT – LOAN FACILITY AGREEMENT (C/20/18)

The Chair asked Ms Lamond to talk through the key points. Ms Lamond apologised for the lateness of the paper due to the fast-moving nature of proceedings. Mr Cahal Carvill, a partner with Arthur Cox, Solicitors, was in attendance.

Council members had agreed the Heads of Terms in December 2019 and the current discussion related to approving the loan agreement based on those Heads of Terms. In terms of drawdown of funds, she explained that there are two stages: (1) the loan agreement needs executed with SIB and the University on agreed terms and (2) the completion of all conditions precedent (CPs) prior to the first loan drawdown.

Ms Lamond then reminded members of a potential £25m grant which, if forthcoming, would reduce the size of the loan.

Professor Bartholomew commented that as an impact of the pandemic, it had been challenging for the Department to instruct a firm to commission the capability review, one of the CPs. However, the Department remained firm that the capability review needed to happen as a precedent to drawdown but could not commit as to when that would happen.

He felt that this was unreasonable as the University would have completed all of its remaining CPs before drawdown. The Department had suggested bringing forward the block grant to ease cashflow, which was not acceptable without further assurances, which he subsequently received in a note of comfort making the proposal palatable. The assurances given were that: -

- the University's acceptance to implement the recommendations of the review will be sufficient to satisfy that condition and commence drawdown of the loan; and, importantly, that
- the review will be completed before the end of September 2020.

These enabled him as Accountable Officer to recommend using block grant as a form of bridging finance.

Ms Lamond proposed that Council approved the loan agreement subject to Professor Bartholomew having the authority to speak to SIB regarding the wording in clause 16.33, and also the wording within conditions precedent to reflect the discussions with DfE.

The Chair stated there was much new information for members to digest, but in her opinion, the Department's note of comfort and commitment to the £25m grant proposal were welcome and helpful.

Members congratulated those involved in these discussions and securing the letter of comfort. They queried their understanding from the paper that the £25m grant would come into the University and go straight out to SIB. Ms Lamond responded that they had as yet no offer letter regarding the grant but DfE had indicated they would like to see the loan reduced and she anticipated that on receipt of the grant the loan would be reduced by that amount.

The letter of comfort also covers additional teaching block grant as a counter to the impact of Covid-19 and members noted that the Department is working to secure additional income as compensation for commercial opportunities that were not availed of due to Covid-19. He agreed with the Chair that there may be support to the University beyond the FTC in terms of additional grant funding.

Ms Lamond undertook to circulate the revised resolution accepting the loan, referencing the change of wording in relation to clause 16.33 and noting the note of comfort within it. She would distribute accordingly to members for review prior to formally executing.

The Chair invited Mr Carvill to explain the legal perspective so that members understood the legal agreement they were being asked to endorse.

Mr Carvill referred members to the legal overview note and legal opinion provided by Arthur Cox. The overview note set out the main clauses and he highlighted that this is a “market norm” in terms of a funding position. He stated the facilities agreement contains clauses that they would expect in a project of this nature and such clauses were broadly speaking in line with their understanding of market practice and custom.

In relation to the sustainability review and capability review positions he stated these are unique to the University and SIB relationship and are referred to in the overview note. He stated the overall terms within the facility agreement from their perspective would be in line with market norms, albeit the nature of the FTC funding and the interest to pay would be a lot less than normally seen. Mr Carvill explained that the definition set out at page 87 provides additional comfort to the University in terms of entering into the transaction documents including the facility agreement, that Arthur Cox had considered the powers in the University’s Charter and relevant areas of University governance.

The Chair thanked Mr Carvill for drawing attention to the critical issues. Members asked that the wording in the note of comfort be reflected and changed in the facilities agreement’s relevant paragraphs such as 8A and 8B within the document. Mr Carvill commented that there needs to be a discussion on the back of the receipt of the note of comfort to address the point in the facilities agreement. Arthur Cox would move to have the facility agreement updated to reflect the position in respect of the note of comfort.

Members commented that the responsibility to complete the capability review lay with the Department as outlined in the note of comfort, and the consequences of not doing so would rest with them. They stated that as a Council it supported Professor Bartholomew’s efforts and endorsed his recommendation

Mr Clements, in his remit as Chair of the Resources Committee and as Honorary Treasurer, stated that Appendix 4 within the Arthur Cox document was an excellent summary of the position and that there was nothing surprising within the agreement, and to be expected at this level of finance and Dr Way, as Chair of Audit Committee, agreed.

Dr Way asked Mr Hope for an update on the signing of the 18/19 year financial statements. Mr Hope responded that the signed agreement was required before the accounts could be signed off.

The Chair brought discussions to a close and summarised that Ms Lamond had asked them to note:

1. The setting up of two new bank accounts to facilitate (i) the drawdown of the loan and (ii) the cash reserve account.
2. The security charges over all the University's land and estates property and the two bank accounts described in above.

She stated that Council was also being asked to approve the loan agreement, particularly having noted the advice received from Arthur Cox, and noted that members have done this.

The Chair advised it would be appropriate that members indicate that they are minded to approve the proposed loan facility agreement in full, subject to seeing the amended wording and reference to the note of comfort. Members confirmed that they were so minded.

She asked Professor Bartholomew and Ms Lamond if this allowed them to progress within the next couple of days to facilitate formal confirmation of members' agreement and Professor Bartholomew agreed it was and advised the proper sequencing of communications was important so that Tughans could amend without defaulting back or holding to a previous position, as they had not been copied into the note of comfort.

Ms Lamond agreed the approach and would discuss with SIB and Tughans.

The Chair thanked all for their work on this and Mr Carvill for taking members through the agreement from a legal perspective.

## 20.28 NORTHERN IRELAND GRADUATE ENTRY MEDICAL SCHOOL (NIGEMS) (C/20/19)

Professor Bartholomew provided an update in relation to NIGEMS, having received a letter from DfE requesting the University conduct a risk analysis for 2021 by Friday 26th June 2020.

Professor Bartholomew advised that the University needed to build trust with DfE in terms of managing its commitments and that the risk analysis is part of that process. He stressed the impacts of Covid-19 and the uncertainty regarding a second wave creating further pressures on staff. In addition, the University was still waiting on GMC Stage 5 approval, but that was expected when finance was confirmed. Members noted

that whilst there had been an announcement in New Decade, New Deal, the University had received no formal written communication, and members expressed the view that that was required.

Professor Bartholomew stressed that members should be in no doubt as to the desire to deliver for the University, Magee, the North West and NI in 2021 but undertaking this project at one of the riskiest times in the University's history may be unwise in terms of institutional sustainability. Adding additional risk without a firm commitment from government sources of funding was something he found difficult to recommend.

However, he advised that there was a need to demonstrate commitment to NIGEMS and Magee, and in respect of demonstrating that commitment he informed members that he was planning to establish a Strategic Programme Office at the Campus.

Professor Bartholomew suggested that on sending the Risk Assessment to DfE on Friday the safest position would be for the University to seek a 2022 intake, although not the preferred position but one that was dictated by risk and stretch and the absence of a funding letter.

The Chair thanked Professor Bartholomew for his thoughts and rationale and asked if this was the view of SLT. He confirmed he had spoken with some but, given the timeframe, not all, and they were in agreement with his recommendation. Professor Gormley-Heenan confirmed she was on balance in agreement with Professor Bartholomew's position given the external perception of stretch and unknown impact of a second wave of Covid-19.

The Chair advised members that they needed to consider the matter from a governance perspective and test the level of assurance and risk that the interim Vice-Chancellor had outlined.

While recognising the very difficult position he was in, and noting the conflicting positions being taken by some key stakeholders, members expressed disappointment that the Interim Vice-Chancellor had been forced to make this recommendation. Some raised grave concerns about the reputational damage to the University that could result from this decision, particularly in Derry/Londonderry and the North West. Professor Bartholomew responded and elaborated that options were now different to the paper that had been circulated due to: (1) conversations with the Department regarding marketing the programme and also the finances for the project. He stressed again that no actual funding had been committed by government sources. (2) If funding was not forthcoming and confirmed formally, the University could not proceed.

Ms H Quigley left the meeting at 12.26 due to a prior commitment.

Members asked if a definite statement of support for NIGEMS to commence recruitment for 2022 could be sought in order to provide certainty and mitigate any negative reputational issues. Professor Bartholomew commented he had already started that conversation and advised that such certainty along with plans for a Strategic Programme Office was intended to show commitment to Magee Campus.

Mr Clements stated he understood members concerns but commented that if members are getting a recommendation from their VC as the Accountable Officer and his team then it would be very difficult to advise Professor Bartholomew to take on additional risk and would be a very unfair request. Mr Sloan agreed strongly with Mr Clements in this regard.

Mr Mullan confirmed that Professor Bartholomew had an obligation to advise Council of these risks in his role as Accountable Officer. Professor Bartholomew stated that in doing so he was reflecting reality and felt that he needed to be clear and transparent to Council in relation to the risks.

The Chair agreed that the Interim Vice-Chancellor's position was informed and pragmatic. However, she suggested that an intervention from Council might be appropriate.

The Chair agreed with members regarding process and clear guidance on what is needed to help make the decision. She expressed discomfort based on her understanding of how things had moved since last week and expressed full support for the Interim Vice-Chancellor, as he was faced with matters outside his control. Professor Bartholomew stressed that the University had worked in good faith with buy-in from stakeholders and felt passionate about NIGEMS at Magee, but not at any cost. He stated that there are real challenges in getting all campuses up and running again after lockdown and that taking sustainability in the round that he had had no option.

The Chair commented that Professor Bartholomew had acted with the highest integrity in bringing his paper to Council.

She commented that, given that both she and Professor Bartholomew had received a letter from the Department regarding the Medical School she suggested a conversation with the Permanent Secretary was required, and asked Council's agreement for her to do this. She commented that the proposed response must reflect the University's standing.

She continued by suggesting a dual approach- that Professor Bartholomew respond with the risk assessment and process driven response, and that she, as Chair, respond to DfE reflecting the deep concerns Council had expressed in respect of risk and reputational damage in the North West from a governance perspective.

In conclusion members were content that the Chair writes as proposed above around the risk assessment, to reflect the strength of the concerns around risk to the University and Professor Bartholomew would respond to include a candid assessment that includes on-balance an operational preference for 2022 but having outlined strongly the reputational risk and damage for the University, stressing the commitment to make 2021 happen if the funding position was fully clarified by the Department. It was agreed that the Vice-Chancellor's Office and the Office of the University Secretary would co-ordinate responses.

Professor Bartholomew agreed that the Chair's suggested approach was an excellent proposal and thanked members for their frank views. He advised he had laid out today

a macro risk position and in his letter to the Department will set the risk position out clearly, and welcomed the Chair's support.

The Chair stressed the importance of managing the communications piece carefully. In response, Professor Bartholomew advised that a plan was in place but was pending today's discussion. He advised work was continuing to keep estates planning alive, the GMC piece etc. and that critical interplay continues. He concluded that the next step was the risk assessment and what happens following submission of that. He advised he would circulate his letter through the Chairs of Council.

The Chair thanked Professor Bartholomew for his update and recommendation, and members for their frank and helpful comments and support, commending them for enacting due diligence. She concluded that she and Professor Bartholomew would work on their responses as a matter of urgency.

## 20.29 COMMITTEES OF THE COUNCIL

- a) Audit Committee (18 May 2020) (C/20/20)
- b) Governance, Nominations and Remuneration (07 May 2020, 29 May 2020, 12 June 2020) (C/20/21, C/20/22, C/20/23)

Due to the time taken to discuss agenda items 5 and 6, the Chair proposed that the minutes of the Audit Committee and Governance, Nominations and Remuneration Committee be taken as read and agree the minutes. Members agreed and all minutes were approved.

## 20.30 COUNCIL EFFECTIVENESS REVIEW: DRAFT IMPLEMENTATION PLAN UPDATE (C/20/22)

Due to the time taken to discuss agenda items 5 and 6, the Chair proposed that members note the effectiveness review paper. Members agreed and noted the paper.

## 20.31 RESEARCH ETHICS ANNUAL REPORT (C/20/23)

Due to the time taken to discuss agenda items 5 and 6, the Chair proposed that this paper be postponed until the next meeting of Council, with apologies to Professor Gormley-Heenan.

## 20.32 STUDENTS' UNION IMPACT REPORT 2020 (C/20/24)

The Chair allocated the remaining time to Mr McAnallen and the UUSU Impact Report. She asked that members note the report, stating that it was an excellent report which was extremely encouraging. She apologised that time pressures had limited the scope for consideration of the report in greater detail.

Mr McAnallen thanked the Chair and explained that it was an unprecedented year for UUSU. He informed members of his great learning this year which included his Council membership and responding to a global pandemic. He advised members that whilst leaving UUSU and Council, he hopes to keep in touch with his contacts in Council as

he was taking up a post within the Strategic Programme Office. He thanked the Chair and members for all their support during his membership.

The Chair thanked Mr McAnallen for his diligent representation of the University's students and his contribution to Council. She also noted within the report the focus on mental health which resonated with her, and the need to ensure that those issues aren't lost sight of. She asked that Mr McAnallen pass on her thanks to all UUSU teams involved in the report. She wished Mr McAnallen well in his new role and formally welcomed Miss Cassidy as the incoming president of UUSU.

In bringing the meeting to a close, the Chair apologised for the overrun but concluded that the GBD discussion was very productive and commended members again for their heartfelt, candid and respectful discussions in relation to NIGEMS.

### **Actions Arising**

Minute Ref	Action	Responsibility
20.23 Minutes of meeting held on 01 May 2020 and Special meeting held on 04 June 2020	Minutes of the meetings held on 01 May 2020 and 04 June 2020 updated to reflect amendments	Office of the University Secretary
20.27 Greater Belfast Development – Loan Facility Agreement	Ms Lamond undertook to circulate the revised resolution accepting the loan, referencing the change of wording in relation to clause 16.33 and noting the note of comfort within it. She would distribute accordingly to members for review prior to formally executing.	Chief Operating Officer
	Members asked that the wording in the note of comfort be reflected and changed in the facilities agreement's relevant paragraphs such as 8A and 8B within the document. Mr Carvill commented that there needs to be a discussion on the back of the receipt of the note of comfort to address the point in the facilities agreement. Arthur Cox would move to have the facility agreement updated to reflect the position in respect of the note of comfort.	Chief Operating Officer

Minute Ref	Action	Responsibility
20.28 Northern Ireland Graduate Entry Medical School (NIGEMS)	The Chair writes as proposed above around the risk assessment, to reflect the strength of the concerns around risk to the University and Professor Bartholomew would respond to include a candid assessment that includes on-balance an operational preference for 2022 but having outlined strongly the reputational risk and damage for the University, stressing the commitment to make 2021 happen if the funding position was fully clarified by the Department.	The Vice-Chancellor's Office & University Secretary to coordinate responses
	The Vice-Chancellor advised he would circulate his letter through the Chairs of Council.	Vice-Chancellor