

Ulster University

Council

2 December 2016

Minutes of a meeting of the Council of Ulster University held at the Coleraine Campus on Friday 2 December 2016.

#### PRESENT

Mr J Hunter (Chair), Professor P Nixon (Vice-Chancellor and President), Mrs H Bingham, Dr K Burnett, Mr D Clements, Mr A Langan, Mr P Lobban, Mr C Mackey (Students' Union), Mrs M McKee, Mrs L McKeown, Dr P McNaney, Mrs H Quigley, Sir Robert Salisbury, Professor M Stringer, Dr J Stuart

#### APOLOGIES

Mrs J Pyper

#### IN ATTENDANCE

Professor A Adair, Mrs F Kane, Mrs N Lamond, Mr E Mullan and Mr R Millar

#### PRESENT BY INVITATION

Mr P Hope, Mr B O'Hara, Mr J Poole (KPMG) and Mr M Kidd (Ernst & Young) (for part of minute 16.45), Mr E Friel, Mrs C Armstrong (for Fundraising presentation)

The Chairman thanked members of staff who facilitated the tour of the Media Centre and the School of Education. The Chairman also thanked Mr Colum Mackey, Students' Union President, for providing lunch for Council members.

#### Outlining of Future Fundraising Plans – Presentation

Mr Eddie Friel (Director of Development and Alumni Relations) assisted by Ms Caroline Armstrong (Head of Fundraising) delivered a presentation on future fundraising activities. The driver for the strategy was to provide philanthropy support to the delivery of 5&50, the Strategic Plan. At the heart of the Strategy was the intention to identify key campaign themes and potential benefactors. Strategic developments such as the new Graduate Entry Medical School and the Greater Belfast Development would be promoted. Mr Friel commented that it was important to set and achieve targets.

Mr Friel responded to a comment on the naming rights especially with the Greater Belfast Development by stating that it was key to promote activities aligned with the Greater Belfast Development.

The Vice-Chancellor responded to comments on the achievement of targets by stating that we had already held a successful campaign for the Tip O'Neill chair in Magee. Mr Friel commented that there was also a need to engage more with the student body and have it engage more with the University. Ms Armstrong informed

Council that the 2020/21 target of £5m income and 1,000 donors was challenging but it needed everyone associated with the University to engage their networks. The option of reviving the Ulster University Foundation was noted.

The Chairman thanked Mr Friel and Ms Armstrong but commented on the need to ensure that key projects did not rely on philanthropic giving.

#### 16.41 MINUTES OF THE MEETING HELD ON 07 OCTOBER 2016

The minutes of the meeting held on 07 October 2016 were approved.

#### 16.42 MATTERS ARISING

There were no matters arising that did not appear on the agenda.

#### 16.43 CHAIRMAN'S COMMUNICATIONS

The Chairman mentioned the following matters:

- 1 He reminded members that they had received an invitation to attend and process at one or more of Winter Graduation ceremonies.
- 2 He informed members that there was provision within the Council committee system for ad hoc meetings of the Chairs of Council committees. The Chairman commented that it was important for the group to meet to reflect on the progress of sensitive and important issues such as the Greater Belfast Development and that that group would meet more regularly in that context.
- 3 He informed members that he had recently attended a meeting of the Chairs of University Councils (CUC). Issues raised included funding issues following Brexit; the role Councils would play in future in relation to Academic Assurance with the change in reporting arrangements; and trends in relation to student numbers.
- 4 The Chair informed members that he had been part of a delegation from the University to visit the University of Exeter, which over the last 10 years had undergone a significant transformation and had increased its standing across a number of league tables. It had been useful to hear at first hand the challenges encountered by Professor Steve Smith and his team in changing the culture of the institution.

#### 16.44 VICE-CHANCELLOR'S REPORT (C/16/30)

The Vice-Chancellor presented his report and highlighted the following:

##### Times Higher Education Awards

At the THE awards, attended by the Vice-Chancellor, Ulster University had received the award for the most improved Students Experience. To be recognised was particularly pleasing as it had been voted for by students and in a year when there had been significant changes to the academic structure of the University.

### Research Grants

The University had attracted research grants to a total of £30m.

### Tier 4 Licence

The University had retained its Tier 4 Licence, which allowed the University to continue to recruit international students.

### International Recruitment Budget

The budget for international recruitment was due to be presented to the Senior Management Team on 5 December 2016. It would then be forwarded to the Resources Committee for approval.

### Event Engagement

The Vice-Chancellor had delivered a speech at the Annual Economic Conference in Derry. It had been an opportunity to continue and promote discussions on the Magee Business Case with relevant stakeholders.

The Vice-Chancellor responded to a comment on the Magee expansion by stating that the target of 10,000 students over a ten-year period is achievable.

The Chairman commented that the Provosts would engage with local communities and that he had witnessed increased energy around the campuses. The Deputy Vice-Chancellor responded to a comment on the NI Executive's awaited economic strategy being focused on skills and social issues, by stating that the Provosts would in the future be presenting a paper to the Senior Leadership Team on identifying deliverables including a local strategy for social engagement.

### Medical School

The Graduate Entry Medical School Strategic Outline Case was currently with Department of Health and the Department for the Economy for consideration. Council noted that the planned date for first intake of students is September 2019.

### Key Risks

Higher Education funding remains a concern. The Executive was due to present a draft budget to the NI Assembly on 16 December 2016. This would bring more clarity to the University's funding position.

### Strategic Plan Monitoring.

A balanced scorecard to assist Council in monitoring the implementation of the Strategic Plan was being refined and would be brought to the February meeting of Council.

## Greater Belfast Development

Work was continuing in strengthening relationships with the contractors to help ensure that the project would be completed in accordance with the revised timetable.

## Staff Survey

A staff survey would be conducted in the spring of 2017.

The Chairman thanked the Vice-Chancellor for his report

## 16.45 COMMITTEES OF THE COUNCIL

### a) Audit Committee (17 October 2016) (C/16/31)

Mr Langan presented the minutes and reported that:

#### i) Academic Assurance Report (minute 16.24)

The Committee had received the Academic Assurance annual report and had noted that the revised HEFCE quality assurance model would be operational by 2017/18. It would require Council to provide assurance statements on quality and standards:

- Continuous improvement of the student academic experience and student outcomes
- Methodologies used as a basis to improve the student academic experience and student outcomes
- Maintenance of academic standards

The Committee would in future receive an expanded assurance report, to include detail on standards assurance, performance metrics and associated plans for enhancing the student experience.

The Committee noted the annual report and judged the information sources adequate to allow it to advise Council regarding assurance statements as specified by DfE.

#### ii) Year End Report (minute 16.25)

The Committee had received the year-end report and individual reports with the following outcomes

- The Project Management arrangements for the Greater Belfast Development had received a satisfactory assurance rating with 1 priority 2 issue
- Governance over the Riverside Theatre had received an unsatisfactory assurance rating with 6 priority 1 issues and 2 priority 2 issues

- Faculty/Department level review of IT General Controls (Ulster University Business School/Faculty of Arts) had received a satisfactory assurance rating with 2 priority 2 issues for Ulster University Business School and 3 priority 2 issues for the Faculty of Arts
- Implementation of the Corporate IT Strategy had been a non-assurance rated report
- Use of Key Data Sets for Management Information and control proposes had been a non-assurance rated report
- Governance over Education Partnerships had received a satisfactory assurance rating with 1 priority 2 issue
- Review of Key aspects of management control over the development of Teaching Block at Coleraine campus had received a satisfactory assurance rating with 2 priority 2 issues
- Senior Leadership Team had been a non-assurance rated report

Ten of the 26 issues raised during the current year had been fully addressed. Since the meeting of the Committee on 26 May the status of 4 priority 1 issues had been reviewed and 6 priority 1 issues (Riverside Theatre) raised. Of the four brought forward, one had been addressed and three recorded as in progress. Of the 6 Riverside Theatre priority one issues, two had been addressed, three are in progress (two of which have been reclassified to priority 2) and one is outstanding.

iii) External Audit Report (minute 16.27)

The Committee had received and endorsed the External Audit Report. Of particular note was that a £40.6m liability for pension provision is recognised in the balance sheet in relation to the NILGOSC pension scheme deficit. A bad debt provision of £1.4m continues to be held in respect of a debt due from Saad College of Nursing. Mediation between JH Turkington and the University ended in agreement to share the risk of the breakeven 67% occupancy, with the University effectively guaranteeing occupancy of 34%.

Mr Kidd informed the Council that the report had been prepared in line with the new FRS102 regulations. The planning decision in respect of the Jordanstown campus had resulted in reducing its value by £2.3m. Mr Poole informed Council that the University's assurance statement had been affected by the number of priority one issues which emanated from the Riverside Theatre report.

Mr O'Hara reminded Council that the current year was indeed the last year of the three-year plan and changes to the 2016-17 internal audit plan would be presented to Audit Committee on 12 December for approval.

Mr Lagan reminded Council that the Letter of Representation in relation to the audit of the financial statements needed to be signed off. Mr Clements recorded his thanks to the auditors for their efforts in ensuring adherence to FRS102 regulations.

Council endorsed the signing of the Letter of Representation by the Chief Finance and Information Officer and the Chair of the Audit Committee.

iv) Audit Committee Annual Report (minute 16.28)

The Committee had endorsed its annual report and noted that a total of 37 recommendations had been brought forward from previous years. 23 had been addressed or superseded during the year. Of the remaining 14, thirteen were in progress and one is not yet due. Within the external audit section, the key focus included accounting for the Greater Belfast Development and other capital projects, research grants and contracts, NILGOS/USS pension liabilities and restructuring provision/voluntary redundancy scheme.

v) Internal Audit Assurance Priority Ratings (minute 16.29)

The Committee had noted the proposed changes to the internal audit ratings which needed to be implemented by 2017/18. The substantial elevation is being removed which will leave satisfactory as the highest rating. The changes will see priority 1\* becoming 1, priority 1 will become priority 2, priority 2 will become priority 3. Priority 3 will no longer be awarded. The ratings of satisfactory, limited or unacceptable will continue to be awarded based on the impact or the internal audit findings in the specific area subject to review.

vi) Assessment of Strategic Risks Annual report (minute 16.30)

The Committee had noted the annual report and that three of the eighteen risks had been escalated.

- STRT-05 Inability to recruit and retain staff committed to the delivery of excellence across all activities, from medium to medium/high
- STRT-11 Failure to grow international UG and PG student numbers and a lack of focus on quality and standards in recruiting these students which threatens the University's highly trusted sponsor status, medium to medium/high
- STRT-15 Failure to respond/adapt to the consequences of the recent funding cuts which would impact on the student experience and the delivery of core business, medium/high to high.

The Committee also noted that the new Risk Register would closely reflect the new Strategic Plan.

vii) Annual Financial Appraisal Report (minute 16.32)

The Committee had noted the annual report with three projects having been submitted to the Department of the Economy:

- Estates Refurbishment, total cost £15.199m. Project had been approved by the Department and awaited a case conference approval

- Video-conferencing, total cost £1.903m. Project had also been approved and awaits case conference approval.
- Wind Turbine Generator, total cost £1.950m. Project is with the Department's economist and will be forwarded for case conference approval in due course.

Council endorsed the minutes of the Audit Committee meeting held on 17 October 2016.

b) Resources Committee (07 November 2016) (C/16/32)

Mr D Clements presented the minutes highlighting the following:

i) Students' Union Financial Statements (minute 16.37)

The Committee had received and approved the statements which recorded a surplus of £40,868. This had been the result of a net decrease in payroll costs. The Committee had again noted the pension deficit and that discussions would need to take place regarding the repayment period.

ii) Tuition Fee Revisions for 2017-18 (minute 16.40)

The Committee had approved the draft Tuition Fees for 2017-18. There would be an increase, in line with inflation on international fees. The flexibility in regard to international fees would also see a number of scholarships and bursaries being recommended to the Senior Leadership Team. A benchmark and update to the market research should be carried out in 2017 to review the success of the overall marketing strategy and make recommendations for future enhancements.

iii) Capital Development Programme (minute 16.41)

The Committee had received the update and noted that the Coleraine Sports Centre would be fully operational by Spring 2017. Construction on the new Teaching Block in Magee had recommenced with completion due in Autumn 2017. In relation to block BC/BD of the Greater Belfast Development, the Committee were supportive of the efforts which had established a better working relationship with the contractors. The Committee noted the completion date of November 2019 for block BC/BD.

iv) Draft Financial Statements (minute 16.42)

The Committee had approved the financial statements which had been prepared in line with the new FRS102 regulations. All targets had been met with the exception of the non-regulated income. The balance sheet shows an increase in fixed assets of £8.4m, cash in bank of £131.2m and a long term loan facility of £77.5m.

The Council endorsed the signing of the Financial Statements for the year ended 31 July 2016 by the Vice-Chancellor, Honorary Treasurer and the Chief Finance and Information Officer.

The Chairman thanked everyone concerned with the production of the annual accounts. The Vice-Chancellor responded to a comment from the Chairman in the Annual Review by stating that it had for the first time included financial information on the University. The Annual Review would be presented to the February 2017 meeting of Council.

v) Group Debtors and Bad Debt Write Off (minute 16.43)

The Committee had received details of commercial and student debt for the year ended 31 July 2016. The Committee approved the write-off of student debt of £687,762. The Committee also noted that Mr Hope would be investigating the possibility of a change in policy to assist with future student debt.

Mr Clements responded to a comment on the instances of student debt and how it can persist throughout the year and affect the students concerned, by stating that the whole issue needed to be looked at with possible changes which are fair to the student and instigated by either Registry or Finance.

Mrs Lamond informed Council that student debt was a problem for all universities and in some cases it had been the result of funds not being received in time by the Universities.

Council endorsed the minutes of the Resources Committee held on 07 November 2016.

c) Governance, Nominations and Remuneration Committee (06 October and 07 November 2016) (C/16/33) and verbal report from 01 December 2016 meeting

The Chairman presented the combined minutes of the meetings on 06 October (Council had received a verbal update on 07 October 2016) and 07 November 2016, reconvened meeting. The Chairman also highlighted issues discussed at the 1 December 2016 meeting.

**7 November 2016 meeting**

The meeting had been reconvened to discuss issues arising at the October meeting on the reorganisation of professional services within the Chief Operating Officer's portfolio. Mrs Lamond had provided the Committee with additional information on the proposed new and amalgamated posts and potential savings.

The Committee approved the six Director roles and the recommendation on salaries.

Mrs Lamond informed Council that four of the posts were an amalgamation of other current posts. The six posts would be:

- The Chief Finance Officer and Deputy Chief Operating Officer
- Director of Estates
- Director of Marketing and Communications
- Chief Digital and Information Officer
- Director of Campus Life
- Director of People and Culture

The Campus Life post would assume some of the duties currently within Mr Donnelly's remit. It will also develop and enhance the student experience. The Director of People and Culture will encourage staff and give them the support to develop. In this context a staff performance framework will be developed.

The Chief Operating Officer agreed to circulate the new structure to members of the Council. The job specifications and matching roles would be completed within a week with a view to the jobs being advertised in January 2017.

Mr Clements commented that the Campus Life role would enhance the University's commercial side of activities. The Vice-Chancellor asked members to respect the confidentiality of the information presented regarding the new posts.

### **1 December 2016 verbal report**

The Chairman presented the verbal report and reminded members that the 1 December 2016 meeting had been the first full meeting of the new Committee. The previous two meetings had been devoted solely to remuneration issues.

The Committee had discussed how consistent the operation of the Council had been with the Higher Education Code of Governance, and found that the Council at Ulster by and large complied with guidance. The Committee had also noted that consideration was being given to a Performance Pay scheme, for Senior Staff.

The Committee had been informed that plans were in place for separate but related leadership development programmes for Council members and for SLT.

Council endorsed the minutes of the Governance, Nominations and Remuneration Committee held on 06 October and 07 November 2016. The Council noted the verbal report of the meeting on 1 December 2016.

### **16.46 COURT MEMBERSHIP – EXTERNAL NOMINATIONS APPROVED BY THE COUNCIL (C/16/34)**

Mr Mullan presented the paper and informed Council that his office would be updating the membership of Court for the period 1 October 2016 to 30 September 2020. Court had been significantly reduced in size over the last number of years from around 230 members to around 80 and included internal and external representatives.

Court meetings had attracted significantly low attendance and it was important to review the function of Court and ensure all our stakeholders added value to the University. Members commented that it was important for Court members to engage and in a more structured way with the University.

The Vice-Chancellor commented that if a body exists, such as the Court, it was important that it had a purpose and function. It was also important that all stakeholders were engaged properly and the new Provosts would have a significant role in the future with this. Mr Mullan agreed to take another look at the Court membership and ensure all bodies were still operating and bring it back to Council.

The Council noted the Court membership would be updated and presented to the next Council meeting.

#### 16.47 ANY OTHER BUSINESS

The Vice-Chancellor informed Council that he intended to have presentations at future Council meetings on strategic issues such as the Estates Strategy, Internationalisation Strategy, Learning and Teaching Strategy and the Research Strategy. The February 2017 meeting would receive a presentation on University funding and Key Performance Indicators. Mr Mullan commented that the operational business of Council could be amended to accommodate future strategic items and presentations.