

Ulster University

Council

9 November 2018

Minutes of a meeting of the Council of Ulster University held at the Coleraine Campus on Friday 9 November 2018.

PRESENT

Mr J Hunter (Chair), Professor P Nixon (Vice-Chancellor), Mr D Clements, Mr A Langan, Mrs M Lindsay, Mr P Lobban, Dr P McNaney, Ms J Pyper, Mrs H Quigley, Mr P Sheridan, Dr E Way

APOLOGIES

Mrs H Bingham, Professor K Burnett, Mr K McStravock (Students' Union)

IN ATTENDANCE

Professor A Adair (Deputy Vice-Chancellor), Mrs F Kane, Mrs N Lamond, Mr R Millar, Mr E Mullan, Mr R Sloan (observer)

PRESENT BY INVITATION

Mr P Hope, Mr J Poole, Mr B O'Hara (KPMG) and Mr M Kidd (Ernst & Young)

The Chairman welcomed new members Mrs M Lindsay and Mr P Sheridan to the meeting. The Chairman also welcomed Mr R Sloan, attending as an observer, who would become a full member in March 2019.

The University Secretary would be organizing an induction session of new members in the next few weeks.

Mr Mullan informed members that the process to fill the current two staff vacancies on Council would be completed early in the New Year.

Council recorded its congratulations to Professor Burnett on her promotion to a personal chair.

18.33 MINUTES OF MEETING HELD ON 5 OCTOBER 2018

The minutes of the meeting held on 5 October 2018 were approved.

18.34 MATTERS ARISING

The papers presented at the meeting included updates on all strategic items of business.

18.35 CHAIRMAN'S COMMUNICATIONS

The Chairman mentioned the following matters:

1. The Chairman informed members that due process had been followed by the Nominations Sub-Committee for the selection process for the appointments of two independent members, with the third coming on board in March 2019.
2. Council members noted that the meeting of Chairs of Council Committee meeting held on 1 November 2018 had discussed the progress with the Greater Belfast Development. The reserved paper would give members the full details of the proposed negotiations
3. He had received an email from the UCU on the Sustainability Review being undertaken by the University. The response to UCU gave assurances that the trade unions would be consulted on the review. Members noted that progress had been made recently in building good relations between management and the unions.
The Vice-Chancellor informed Council that every effort was being made in continuing to build good relations with the Unions. The Vice-Chancellor had reassured the unions that the Sustainability Review had not yet commenced and that they would be kept informed. Good communication with the Unions would be extremely important going forward with the review.
4. Members would receive an invitation from the Events Office to attend the four Winter Graduation Ceremonies. The Waterfront Hall ceremonies would include the conferring of honorary degrees on Jonathan Rea (world motorcycle champion) and Lord Tony Hall (Director General of the BBC).
5. The University Secretary will accept nominations for honorary degrees up to 15 November 2018.
6. The CUC meeting in October had as one of its major topics the mental health of students and staff across the sector.

18.36 VICE-CHANCELLOR'S REPORT (C/18/24)

The Vice-Chancellor presented his report to Council, drawing member's attention to the following:

Sustainability Review 2034

The Vice-Chancellor informed Council that the review would consider the optimal sustainable mix across the campuses, particularly in an uncertain political and economic environment.

A full report on the terms of reference for the sustainability review and work programme would be presented to Council at its February 2019 meeting.

Graduate Entry Medical School

Council noted that the School would now not open until 2020, owing to the lack of Government support for the project. Members commented that it was important to keep the pressure on politicians owing to the lack of a sitting government. Council supported the Vice-Chancellor in his efforts to secure support for the venture and would endorse a letter being issued to the Secretary of State to highlight concerns with the lack of progress in securing funding for the School.

The Vice-Chancellor informed Council that QUB had also submitted proposals to expand their own medical provision. Both universities would work together to promote and deliver both the University's medical school and QUB expansion. Council noted that the two projects were not incompatible.

The Vice-Chancellor agreed to ensure that Council was informed of major news stories before being issued by the University to the media. The Risk Register would also be amended to reflect the potential financial and reputational risks associated with the medical school.

Union Engagement

The Vice-Chancellor informed Council that as a result of the Industrial Tribunal report and as a matter of good practice, efforts were being made to improve relations with the Unions. The Unions had also been reassured that the Sustainability Review was only commencing and consultations would be taking place with all stakeholders.

Global Engagement

Council noted that the Global Engagement strategy had been approved by SLT on 5 November 2018 and would be presented to Council at its meeting on 15 February 2019. There had been significant progress in forming partnerships, such as with a private university in Egypt, with the potential for a significant intake of students. The School of Education was also doing excellent work with University of East Anglia in progressing a partnership for the PGCE. The financial pressures on English universities could be compounded by the proposed reduction in student fees.

Council noted the Vice-Chancellor's report.

18.37 COMMITTEES OF THE COUNCIL

- a) Audit Committee (15 October 2018) (C/18/25) and (9 November 2018)(verbal report)

Mr Langan presented the minutes and highlighted the following:

The Committee had received the Annual Academic Assurance Report (minute 18.32) in relation to the University's taught provision. The report had

been endorsed by Senate at its meeting on 3 October 2018. The report indicated the four assurance statements which Council is required to provide to the Department for the Economy. The Committee noted how relevant qualitative and quantitative information had been considered through the academic governance structures. All possible steps are taken to ensure that quality of awards is maintained. The Committee noted the annual report and recommended it to the Council.

The Committee had also noted that the information sources that inform the report were judged adequate to allow the Committee to advise the Council regarding the assurance statements as specified by the Department for the Economy.

Council endorsed the Annual Academic Assurance report.

The Committee had received the year end Internal Audit Report for 2017/18 (minute 18.33) and four reports on:

- Income Diversification had received a Satisfactory internal audit opinion with one priority two issue.
- Academic Planning had received a Satisfactory internal audit opinion with no issues
- IT General Controls within the Faculty of Life and Health Sciences had received a Limited internal audit opinion with four priority two issues.
- Specific Faculties: Life and Health Sciences had received a Limited internal audit opinion with four priority two issues and one priority three issue.

Of the 50 outstanding recommendations carried forward from previous years, 19 had been addressed or superseded. Of the 40 to be followed up in the next year, the implementation date for 14 had not elapsed. Only two of the forty were priority one issues, 24 were priority two issues and 14 were priority three issues.

The Committee had received the External Audit Report (minute 18.34) which indicated that based on work carried out, the external auditors would be issuing an unqualified auditor's report in respect of the group accounts. The Letter of Representation indicates that the University has an adequate system of internal controls adequate to enable the preparation of accurate financial statements, in accordance with applicable law, UK accounting standards and FRS 102. The University continues to give close attention to its pension liabilities and how they could be managed going forward. Negotiations were ongoing in respect of USS contributions by employers and employees. An extra £24m additional commitment to rectify defects had been noted under the Greater Belfast Development.

The Committee had received the annual Value for Money report (minute 18.36) and noted that, despite receiving £35m less funding than institutions in GB, still delivered its finance strategy. The Committee noted the

processes in place, through its committee structures, practices and strategies which ensure value for money is delivered.

The Committee noted the Greater Belfast Development Risk Management update (minute 18.40). Discussions with Somague had just commenced. A number of risks, currently coded red would be de-escalated to yellow and green as progress is made with the development.

9 November 2018 – verbal report

The Committee had received and endorsed the Audit Committee Annual report which included a section on Risk Management as requested by the Committee at its October meeting. The Resilience Committee had responsibility for coordinating risk management at the tactical level and escalating risks to the Senior Leadership Team.

The Committee had received and endorsed the Strategic Risks for 2018-19. The risks had been consolidated to nine risks following a workshop facilitated by KPMG. Members had recorded their concern that the financial and reputational risks associated with the General Entry Medical School were not captured on the risk register. It had been agreed that the risks associated with the Medical School would be captured on the risk register. It had been further agreed that the Vice-Chancellor's Office, University Secretary and Corporate Communications would, where possible, advise Council of significant news releases or high profile stories prior to them going live.

The Committee had received and endorsed the Letter of Representation which indicated that the University had provided EY with access to all relevant information and that all liabilities and contingencies had been disclosed.

Council endorsed the minutes of the meeting on 15 October 2018 and noted the verbal report from the meeting on 9 November 2018.

b) Resources Committee (8 November 2018) (verbal report) Draft Financial Statements for year ended 31 July 2018 (C/18/27)

Mr Clements presented a verbal report and informed members that the main item of business had been the Financial Statements for the year ended 31 July 2018. The accounts reported a surplus of £14.2m and net assets of £309m. A cash inflow of £3.6m. Overall income had increased by 3.3%, mainly as a result of an increase in research grants and contract income, other income and new endowments received of £5.3m. The year witnessed an increase in income of £6.7m with 26% funded by non government sources compared to 21.4% in 2017. The non government sources included £5m of funding to support a Chair and Research fellow in Data Analytics. Expenditure increased by £9.1m, mainly due to increased research activity and approved University initiatives as a result of the 5&50 strategy.

Mr Kidd (Ernst & Young) informed the Council that the audit of the University's financial statements had gone well. The two main issues had been reported in the accounts, that is, the deficit under the NILGOSC pension scheme and Greater Belfast Development and the commitment of additional money to complete the project.

Mr Poole and Mr O'Hara (KPMG) informed Council that they had also completed their work for the year and had issued a Satisfactory assurance rating.

Members were reminded that the issue of Pcards within the Faculty of Life and Health Sciences and IT issues across faculties needed addressed as they continued to appear before the Audit Committee in internal audit reports.

The Chairman thanked Mr Hope and his team for the invaluable work undertaken during the course of the year.

The Council endorsed the signing of the Letter of Representation by the Chief Finance and Information Officer and the Chair of the Audit Committee. The Council further endorsed the signing of the Financial Statements for the year ended 31 July 2018 by the Vice-Chancellor, Honorary Treasurer and the Chief Finance and Information Officer.

Council noted the verbal report of the Resources Committee meeting held on 8 November 2018.

c) Governance, Nominations and Remuneration Committee (4 October 2018) (C/18/28)

The Chairman presented the minutes and reminded members that he had presented a verbal report of the meeting at the Council meeting on 5 October 2018.

The Committee had noted that Mr David Bingham (minute 18.23i) had agreed to join the Committee as an independent member. He had a wealth of experience in governance and senior staff remuneration. David is currently a member of national Doctors and Dentists Pay Review Body.

The outcome of the CUC survey on Vice-Chancellor's salaries (minute 18.23ii) would be presented to the November meeting of the Committee. Data was currently being compiled for next year's survey.

The Chairman had updated the Committee on discussions he had with members over the Summer on a Pro-Chancellor appointment (minute 18.27). One member had expressed an interest and would be interviewed by a sub-group of the Committee.

The Committee had noted the position on the membership of the Council in regard to independent and staff members (minute 18.28) and the process

being allied to fill vacancies. Owing to the difficulty in attracting suitably experienced members, there may be a need to consider payment. Members had noted that remuneration had been considered previously in the sector but there had not been the will to move in such a direction. It would also be unlikely that the Charity Commission would agree to the remuneration of Council members, given the perception of potential conflict of interest on the part of those appointed as charity trustees.

The Committee had noted a USS pension update (18.29) on the findings of the Joint Expert Panel. Discussions were on-going and the final outcome would have a significant impact on University finances.

Mr Mullan informed Council that Dame Geraldine Keegan and Mr Denis Licence had stood down from the Committee.

Council endorsed the minutes of the Governance, Nominations and Remuneration Committee held on 4 October 2018.

18.38 INTERNAL EFFECTIVENESS REVIEW OF COUNCIL AND COUNCIL COMMITTEES (C/18/29)

Mr Mullan presented the paper which had been received by the Governance, Nominations and Remuneration Committee on 4 October and deferred from the Council meeting on 5 October.

Mr Mullan thanked members for their contribution to the process. The Chairman reminded members that he had had separate conversations with members on their reflections on Council after two years of the current term. The general view had been that Council operates effectively and had a good balance of skills. It also received good support from the secretariat. Members felt that more presentations from senior staff would broaden the knowledge of members and also allow a deeper knowledge of the challenges facing senior staff. Concerns had also been raised at the targets set in the 5&50 strategic plan.

Mr Mullan responded to a comment on action points arising from the questionnaire, being of assistance for future reviews, by stating that the significant points would be taken forward.

The Council noted the paper and outcome of the questionnaire

18.39 DELEGATED AUTHORITY FRAMEWORK (C/18/30)

Mrs Lamond presented the final report and reminded Council they had received a draft version at its meeting on 15 June 2018. The document had been prepared with reference to the Charter, Statutes and Ordinances and the Senate Delegated Authority Framework. The paper highlights the seven minor changes made to the original document.

Mr Mullan responded to a comment on final authority for strategic issues, by stating that authority on strategic issues had been delegated to the appropriate committee.

Mrs Lamond responded to a comment from the Chairman on Council taking the final decisions on major issues, by stating that it would change, both the terms of reference of committees and also the Delegated Authority Framework.

Council noted the updated Delegated Authority Framework.

18.40 HEALTH, SAFETY AND WELL-BEING POLICY (C/18/31)

Mrs Lamond presented the policy which had been approved by SLT on 15 October 2018. The policy indicated specific responsibilities of managers. Individual employees had also a responsibility to keep themselves informed, through information or training, provided by the University. Members noted their responsibility of oversight and the importance of communicating the policy to everyone at the University.

Mrs Lamond agreed to strengthen the wording around Council's oversight of health, safety and well-being.

Council would also receive an annual health, safety and well-being update.

Council welcomed the pro-active and more passionate approach to health and safety, congratulated everyone involved in producing the policy and endorsed the report and noted its role of oversight of Health, Safety and Well-Being Policy.

ULSTER UNIVERSITY

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Reserved Business

Present by Invitation for reserved item

Mr P Hope, Ms N O'Higgins (Arthur Cox), Mr G Robinson (Senior Project Director)

19.41 GREATER BELFAST DEVELOPMENT (C/18/32R)

Mrs Lamond, assisted by Mr Hope, Ms O'Higgins and Mr Robinson, presented the Greater Belfast Development paper. Council were updated on the affordability and funding of the project, construction and supply chain and legal, procurement and heads of terms issues. Members were also reminded that they received the three major options for progressing the Greater Belfast Development to a satisfactory conclusion. The additional costs of the project would be afforded within the projects borrowing limits. Council noted that procurement was now an elevated risk with the project.

The Vice-Chancellor agreed that owing to the public money being used to fund the project, it would be important to have a clear audit trail of the decision making process and how the University had been guided by achieving value for money.

Members were assured that lessons learned with the project would be taken forward and the completed project would have the latest technological advances.

Following a full discussion of the issues comprehensively addressed in the paper, Council approved an additional sum of £88m, making a total of £181.5m to complete the project, subject to full agreement with Somague/Sacyr and the finalisation of negotiations with government over additional resources.

The Chairman wished Mrs Lamond and her team well for the complex negotiations ahead.