

Ulster University

Council

01 May 2020

Minutes of a meeting of the Council of Ulster University held on Friday, 1 May 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), 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, Mrs F Kane, Mrs N Lamond, Mr E Mullan.

20.13 MINUTES OF MEETING HELD ON 14 FEBRUARY and SPECIAL MEETING HELD ON 30 MARCH 2020.

Noting that Mr Sloan had sent an apology for the meeting held on 30 March 2020, the minutes of the meetings held on 14 February and 30 March 2020 were approved.

20.14 MATTERS ARISING FROM THE MINUTES OF THE 14 FEBRUARY 2020 MEETING AND SPECIAL MEETING ON 30 MARCH 2020

14 February 2020

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.

b) Recommendations from the independent review of the IT decision (minute 20.02)

Members noted that a paper would be presented to the June meeting of Council.

c) Graduate Entry Medical School (minute 20.04)

This was covered in the interim Vice-Chancellors Report.

d) Balanced Scorecard Progress (minute 20.05)

Members noted that Mrs Rankin had circulated a summary of her presentation.

e) Effectiveness Review of Council (minute 20.09)

An implementation plan would be considered at the GNRC meeting of 7 May 2020.

30 March 2020

There were no items that do not appear on the agenda.

20.15 CHAIR'S COMMUNICATIONS

The Chair provided a summary of discussions at the recent virtual meeting of CUC, when members had received a presentation from Alistair Jarvis of UUK on key priorities. Admissions, she said, had been a key focus and that a code of practice was being developed and it was intended to achieve agreement across the sector. Some members considered that this was unlikely to be effective, however the interim Vice-Chancellor commented that he would pick up the point in his report. Other areas that had been covered was the need for more investment in research, clarity on the furlough scheme for the sector and priorities for the post lockdown period and particularly health and safety. She also commented that a package for the sector was likely to be announced within the week. Professor Bartholomew confirmed that this was also his information. Secretary of CUC, John Rushforth was collating actions taken across the sector during the pandemic.

The Chair informed members that she would discuss other matters raised in respect of the role of governing bodies during lockdown with the Chairs of Council and the Interim Vice-Chancellor.

The Chair also mentioned the following matters:

a) Joint meeting of Council and Senate on 18 March 2020

This would be rescheduled in due course.

b) Chairs of Council Committees meeting on 25 March 2020

This was held primarily to discuss the University's response to Covid-19, and the role of Council, in supporting the interim Vice-Chancellor and senior team during this period. Matters considered were subsequently discussed at the meeting of Council held on 30 March 2020 and it was agreed that the Chair, the interim Vice-Chancellor and the University Secretary would review the Delegated Authority Framework with a view to ensuring agility.

c) Students' Union invitation to their Learning and Teaching Awards ceremony

An alternative date had yet to be arranged.

d) Summer Graduation ceremonies

Members noted that these had been postponed but that it was hoped to hold them later on in the year.

e) Travel Claim forms

Members were reminded to submit claims within 3 months.

20.16 INTERIM VICE-CHANCELLOR'S REPORT (C/20/12)

The Interim Vice-Chancellor presented his report to Council, commenting that the items within his report were, to a greater or lesser extent, interrelated. He drew members' attention to the following key issues:

The Impact of COVID-19 pandemic; Political Engagement; City Deals; GBD; Graduate Entry Medical School; Location of Health Sciences; The appointment of two new interim Deans to backfill the responsibilities of the Deputy Vice-Chancellor whilst Professor Bartholomew fulfilled the responsibilities of Vice-Chancellor - Professor Brian Murphy has been appointed Dean of Academic Business Development and Professor Colin Turner has been appointed Dean of Learning Enhancement.

Professor Bartholomew drew members attention in particular to the issue of admissions as this is a particular area of concern for the new academic year. Ulster had liaised closely with QUB in order to promote a Northern Ireland specific response for this issue. A UK-wide response has the potential to disadvantage NI Higher Education Institutions given our very different system here.

He then briefed members on his attendance at the Economy Committee where he had been questioned on, inter alia, the sub regional agenda and the Health Sciences Consultation, where the message was that the University could have done better.

In terms of Internal Engagement, Professor Bartholomew provided Council with a briefing on relationship with the trades unions, commenting that a Covid-19 trade union/management cooperation forum has been established to discuss employment-related matters arising from the Covid-19 emergency. In relation to the National Industrial Disputes with UCU he confirmed that the disputes were ongoing.

The interim Vice-Chancellor then outlined some of the success and actions that had been taken by the University, in respect of supporting staff and fulfilling the University's civic responsibility, including final health sciences students completing early to join the health service and in excess of £100k being raised

by alumni to purchase equipment to increase coronavirus testing. Members also noted that Professor Tara Moore and Professor Jim McLaughlin have been appointed to a new Government led Rapid Test Consortium, via local company CIGA Healthcare.

Professor Bartholomew concluded by commenting that during this period, it was reassuring to know that expertise exists within Council for issues requiring urgent focus. The interim Vice-Chancellor said that he very much welcomed Council expertise, particularly around strategic financial planning, government influence and political lobbying. Members assured the interim Vice-Chancellor that he had their full support.

In response to a query from a member Professor Bartholomew commented, that in relation to NIGEMS he had met with the Permanent Secretary for Health, and that his view was that NIGEMS should be considered as a stand-alone matter and separate from the overall Magee development. In respect of City Deals he commented that there was a commitment to follow through but that there is a need to eliminate duplication and overlaps. Professor Gormley- Heenan commented that this did not mean that something like health could not appear in two projects.

Members commended the Vice-Chancellor on the comprehensive report and noted its contents.

20.17 SUSTAINABLE FINANCIAL STRATEGY (C/20/13)

The Chair introduced the paper, drawing members' attention to the communication from UCU that had been received the evening before and that no prior notice of its submission had been given. However, she said that the correspondence was helpful and that there were signs that UCU were trying to engage in a positive way. The correspondence raised points that would be considered and responded to, including the desirability of articulating the worst-case scenario. Ms Lamond commented that this would amount to a £64m deficit and was highly unlikely unless there was a collapse in the home undergraduate market.

Before members considered the detail of the paper, Professor Bartholomew at the Chair's request, provided the context for the draftin of the Executive Summary, referring to the expected audiences, with the paper having been prepared for the Department as a lender and as a funding partner.

The Interim Vice-Chancellor and the Chief Operating Officer then presented the strategy, commenting that strategy had been considered by the Resources Committee at its meeting on 24 April and comments from that meeting are reflected in the version before Council. The strategy included a post COVID-19 scenario and the strategy's acceptance by DfE was one of the pre-conditions of the drawdown of loan facility for GBD.

Following approval by Council the strategy will be submitted to DfE in May.

Ms Lamond informed members that the five-year strategy indicated that on the assumption that funding for universities will not change, the priority areas for the University will be student recruitment and retention, its staff, including pivoting the institution to deliver within the emergent context. The University, she said, will also focus on transformation and campus balance, the development and implementation of institutional transformation projects, driven by the Greater Belfast Development.

The University has been planning to operate a cash neutral budget and an EBITDA of £18m to facilitate investment for the delivery of the University's agreed strategy while recognising its challenging funding context.

The COVID-19 pandemic is creating uncertainty for all universities, the duration and intensity of the impacts of the pandemic are also uncertain and likely to affect the University and its stakeholders for the remainder of 2020. The short term (2019/20) impacts had initially been assessed at £12m but the figure has been reduced as a more in-depth assessment has been made. The University's rapid response to achieve in year savings such as travel, staff recruitment freeze and other efficiencies will offset the losses to some degree and it can operate within its available cash reserves.

She continued by saying that the key concerns in terms of cashflow will be meeting the demands of the GBD project from Summer 2020 when it will rely on externally funding (anticipated FTC loan). The impact of COVID-19 on GBD work and cashflow are being assessed and depend on the lockdown period in NI and in other countries which are important to the supply chain.

The medium term 2020/21 to 2021/22 impacts, she said are more uncertain and expected to be more significant and estimated to be £15m in 20/21 and £12m in 21/22. COVID-19 will impact heavily on the non-regulated markets. The University, however, is not as exposed to the impact of COVID-19 as many other UK universities as it has lower numbers of international students (4% compared to sector average of 11%), the University is also used to operating within tight financial constraints. The strategy also assumes that the demand will remain strong for full time undergraduate NI students. The University does not rely on a significant income from student residences and other commercial activities to sustain its core academic activities. Finally, as research grants and contracts are expected to grow as the University is well placed to benefit from the recent UK budget announcement of an immediate rise of £400m to build excellence in research.

In the long term, 2022/23 to 2024/25 a gradual recovery is anticipated with losses falling to a low level by 2023/24. There will also be a 13% increase in the number of 18 year olds in NI and the University is confident in maintaining its number of NI undergraduate students. The new Belfast campus will also improve competitiveness of the student proposition, as the University builds its international and non-regulated student numbers. The investment in global online education and commercial training partnerships will begin to deliver financial returns to the University.

The strategic risks associated with the strategy include:

- As a result of COVID-19 there will be severe short to midterm disruption to University activities due to the closing of campuses to students.
- Global recession during and following the COVID-19 pandemic and the impact on international student market and non-regulated markets and pension scheme deficits.
- Underfunding of £16m per year less than the rest of the UK universities.
- GBD completion is dependent on receiving the loan agreement for £126m and successful delivery of the all pre-conditions for drawdown.
- Reduction of overall staff baseline costs.
- Investment in infrastructure – limited funding to invest in digital and physical infrastructure. This may be relieved in future years by the sale of Jordanstown campus and other sites as well as the City Deals investments.
- Brexit and the funding and mobility issues associated with it.

Ms Lamond concluded by saying that, in line with current practice, the University will continue to account in its financial plans for strategic projects under consideration/ aspirational projects only in so far as the University has made financial commitments such as costs of producing business cases. Accordingly, only following the approval of funded business cases, are projects included in our financial forecasts.

Members thanked the Interim Vice-Chancellor and Ms Lamond for the detailed and transparent report and for the context. Members commented on the distinction that had been made in respect of the Departments separate role as funder and lender. Comments focussed on the need to align the financial strategy to the overall strategy for the development of the University, recognising that the University was structurally underfunded. Members urged the need for strategic conversations with the Department on how the University was to be supported to be the type of University Ulster is and to maintain its regional mission and multi-campus base in its role as funder and strategic partner. Members broadly concurred with UCU's point about including the 'worst case' scenario and urged the senior team to consider this. Whilst members found the contents of the paper challenging, Council broadly recognised that the ask of the Department was significant and that it was entitled to conduct due diligence and seek security. In short there was no choice but to proceed. Notwithstanding that, members agreed that there was a need to align proposals to the overall sustainability strategy and that there was a need for a strategy 'reset'.

The Chair confirmed with members that they were content to let SLT reflect and amend as appropriate without the need for another draft to Council

Council approved the University's Sustainable Financial Strategy for 2019/20 – 2024/25, subject to comments being taken into account, and its submission to DfE.

20.18 COVID-19 PROPOSAL FOR CASHFLOW SUPPORT FOR SACYR SOMAGUE (C/20/14)

The Chief Operating Officer presented the paper, which had been received by the Resources Committee on 24 April 2020 and highlights the request by Sacyr/Somague for cashflow support to offset cash it has to advance through the supply chain to maintain the programme.

Owing to the slowing down of work as a result of COVID-19 their cashflow constraints have become acute at a time when across their companies most projects are under cashflow pressures, although overall the company remained sound.

The sum requested is £9m over the next three months. Depending on the length of the current disruption and the possibility of a second wave there may be additional requests for financial assistance.

A set of five principles for the advance are set out in the paper.

Following discussion, the Council endorsed the intervention in the form of financial assistance and to agree the principles for the and subject to the EY report, short term cashflow support to the contractor. The Council is 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.

20.19 COMMITTEES OF THE COUNCIL

(a) Resources Committee (24 April 2020) (C/20/15)

Mr Clements presented, and the minutes were approved, subject to approval by the Resources Committee.

20.20 CALENDAR OF MEETINGS 2020/21 (C/20/16)

The University Secretary presented, commenting that this would be reviewed post lockdown.

20.21 RECOMMENDATION ON THE FUTURE LOCATION OF HEALTH SCIENCES (Verbal Report)

This item was covered in the Vice-Chancellor's report.

20.22 ANY OTHER BUSINESS

- i) Council note that Ronnie Millar would retire from the University prior to the next meeting of the Council. The Chair paid tribute to Ronnie's dedicated and professional service to the University over 38 years.
- ii) The Chair commended the Senior Leadership Team for their leadership during this period.