

THE COUNCIL



Minutes of the meeting held on 3 February 2021

Present:

The Chair of Council
The Treasurer
The Vice-Chancellor
The Deputy Vice-Chancellor
The Pro Vice-Chancellor
Independent Members

Ms L McGillivray
Mr M Williams
Professor D Richardson
Professor N Ward
Professor F Lettice
Mr S Blease
Mr J Clayton
Mr M Davies
Miss G Maclean
Dr K Skoyles
Ms J Wheeler
Mr A Wood
Mr S Evans
Dr L Bohn
Professor R Chakraborty
Mrs D Mailey
Ms E Payne
Mr H Williams

Members appointed by Senate

Member appointed by the Support Staff
Student Representatives

With: The Chief Resource Officer and University Secretary (Mr I Callaghan), the Chief Operating Officer (Ms J Baxter), the Director of Finance, (Mr J Brown), the Assistant Registrar (Ms L Williams) and the Assistant Head of Corporate Communications (Mrs S Lawson).

In attendance: The Pro-Vice-Chancellors of Faculty (Professor S Barrow, Professor F Bowen, Professor D Edwards and Professor M Searcey), Pro-Vice-Chancellor for Student Experience and Education (Professor E. Sutton) and Director of Governance and Assurance (Dr A Blanchflower).

Apologies:

39. MINUTES & ACTIONS

Confirmed

the minutes of the Council meetings held on 27 November 2020 and 5 January 2021 and review the actions log.

Noted that Minute 32, bullet point 2 should read "Programme Director" for Bryan Thomas.

40. MATTERS ARISING

41. APOLOGIES

COU-M2
03.02.2021
Min. 42

42. STATEMENTS BY THE VICE-CHANCELLOR

References had been taken up from preferred candidate for Chair of council post and she will be written to tomorrow to confirm the appointment. Sally Hughes will join from 1 March 2021 as a member and take over Chair from 1 August 2021.

43. FINANCIAL UPDATE ON 2020/21 BUDGET AND RENT REBATE PROPOSAL

Considered

an update from the CRO covering:

- Impact of rent rebates and reduction in Commercial services income
- Banking covenant and headroom position
- Update on 2020/21 mitigations
- Spends against the COVID response budget

The CRO outlined that the financial forecasts submitted to Council in November reflected an approved position for 2020/21 of £12.5m deficit (versus an original budget position of £22.6m deficit). They also reference £8.7m covenant headroom. In January the forecast submitted suggested the following:

- An 8-week rebate could cost £5m and would deteriorate the forecast to a deficit of £17.5m (£3.7m headroom on the banking covenants);
- A 12-week rebate (broadly scenario one from the November paper) could deteriorate the position further to a deficit of £19.7m (£1.5m headroom on the banking covenants).

The VC outlined that now we have the actual data in respect of the 8-week rent rebates and this suggests that the position is significantly better than we had forecast and we anticipate that the impact of the 12-week rebate will actually be the same as the original forecast for an 8-week rebate. It should also be noted that the forecast headroom on our mitigation measures has increased to £1.3m and we anticipate more to be released as we process the month six (January 2021) month-end position.

VC went on to indicate he would communicate to staff and students in early Feb on the rest of the semester up to Easter vacation starting March 26th. Some exceptions for PSRB and Level 7 subjects in BIO, CHE, PHA. This means an additional 4 weeks of online learning. Given government guidance about not travelling, in line with decision in January, up to 4 weeks of rent rebate should be offered for those not able or willing to occupy their accommodation.

VC Consultations group (wider leadership of the university) were informed on Monday. VC met with SU yesterday and they concurred with the decision. Letters from the Minister arrived last night indicating no teaching until 8 March and indicating that universities should provide rent refunds. Some universities were dismayed at the tone of the letters and concerns around the autonomy of HEIs. But these letters add to the decision already made by the ET.

As the decision does come with additional financial costs, a decision by Council was required. A financial analysis was provided. The additional £5m already provided will partially cover the additional costs as accommodation only 2/3rd vacant. The analysis done suggests we will stay within our covenant position. VC outlined the plans for 4 weeks reduced accommodation for students in the summer.

Council asked if third party providers had offered refunds. Pablo Fanque and the other major student providers were refunding.

Gillian Maclean queried the Minister's letter re: hardship fund. Our allocation of the additional funds will be of the order of £10 per student.

Council queried the assumptions being made on revenues for next year. It was noted that applications for next year are down. £12m provision for next year 2021/22 and totalling £20m through to 2023. Numbers are cautious. UCAS Admissions data are the same as in 2018. The sense was that UEA not in a bad place financially. Prospective international students are seeing the vaccination scheme roll out at pace which could encourage applications to a safe place.

Noted that 31 January 2021 was end of month 6 and all budgets were looked at - £1.3m better than expected on mitigation plan. Additional fee revenue for February starters – allocation of £1.2m. Furlough refunds not yet factored in from Treasury. CRO outlined that while all the finance metrics are going in right direction, there were clearly still risks. Capital spend restricted to essential items only.

Noted that Treasurer supported the proposal although clearly potentially damaging to our financial position. He warned Council that this decision brings us closer to our financial covenants, so any failure to meet our agreed mitigations would have serious consequences.

Gillian Maclean suggested asking for details of additional costs incurred by students instead of offering a whole-sale rebate to all eligible students. VC outlined that this would be very difficult to administer and out of line with rest of the sector. If the student has no reason to use accommodation, then they should be refunded.

Stephen Evans indicated his support for the decision plus further government lobbying by the sector as university finances are so impacted by the pandemic. There needs to be a proper solution for the sector.

After discussion Council agreed

- (1) To acknowledge and endorse the recommendation of the Executive Team that the majority of teaching remains online until 26 March 2021;
- (2) To approve the recommendation of the Executive Team to extend the rent rebate to a maximum period of twelve weeks (which will be within the current approved forecast).

VC thanked council for support and indicated this decision would be communicated tomorrow.