



COUNCIL

Minutes of the special meeting held at 14:00 on 06 SEPTEMBER 2024, on Microsoft Teams

Present: Ms Meri Huws, Chair of Council (Chair); Professor Jon Timmis, Vice-Chancellor; Dr Paul Bevan; Ms Kate Eden; Professor Simon Green (until item 3.1); Ms Elaine Gwynedd, Welsh Culture Officer and UMCA President; Mr Yusuf Ibrahim, Ms Rhuanedd Richards; Mr Arwel Thomas; Mr Mark Tweed; Ms Jane Usherwood; Ms Claire Vaughan (until 3.2); Mr Bayanda Vundamina, AberSU President.

In attendance: Mr Simon Crick, Director of Finance and Planning; Mrs Jean Jones, Head of the Vice Chancellor's Office; Dr Gwawr Taylor, University Secretary and Director of Welsh Language.

Apologies for absence had been received from Mr Steve Thomas, Head of Communications and Public Affairs.

1. WELCOME AND APOLOGIES

The Chair welcomed members to a special meeting of Council, to discuss recruitment and enrolment, and the University's financial position.

2. RECRUITMENT AND ENROLMENT

RECEIVED

Presentation by Robin Halley, Director of Global Marketing and Student Recruitment.

NOTED

1. Undergraduate domestic markets had performed well, particularly compared to the sector.
2. An update was provided regarding an IT outage on the morning of Clearing. Staff responded positively, but it was extremely challenging and may have impacted the overall figures. The internal audit report on the matter should be considered by Audit, Risk and Assurance Committee initially, and Resources and Performance Committee should ensure that any subsequent actions and changes are considered.
3. Members discussed disaggregated targets for the September and January intake. This would assist with transparency of the figures, particularly as the targeted markets and student profile are slightly different for the January intake.
4. The changes in Higher Education policy in Australia was discussed, and the potential opportunities for the University.

RESOLVED

5. Members asked for a further discussion in Council on the breakdown of departmental performances, once the final numbers had been confirmed [**ACTION:** University

Secretary and Director of Welsh Language]. The strategy and the review of the portfolio would focus on areas of excellence, and the trends in recruitment would be reviewed to understand individual performances.

3. FINANCE UPDATES

RECEIVED

Report by Simon Crick, Director of Finance and Planning.

1. Savings: progress

RECEIVED

Report by Simon Crick, Director of Finance and Planning

NOTED

1. An outline of the savings identified; additional cost pressures that had occurred since the last meetings; and some of the mitigations and measures that have been put in place to reduce the cost base and support cashflow.
2. The main risks to the budget are delivery of agreed student numbers and delivery of savings. Currently there is significant risk on delivery of the required value of savings. In addition, delays to delivery create risk will have a negative impact on cashflow. Due to prolonged deficit trading positions, the university's liquidity cover reduced to 19 days on 30 April 2024.
3. To support delivery of the voluntary severance savings programme £3m of cash was loaned from the endowment funds as agreed with Investment Committee in June 2024. This will be repaid over 3 years from 25/26.
4. Phase 2 of the agreed asset disposal programme is nearly completed and factored into the figures. The Vice Chancellor has reviewed the remaining assets schedule, and officers are investigating further disposal options, but these are low value.
5. It was recommended at the Council meeting in July 2024 that further discussions are held with HEFCW regarding options for some longer-term cash support to alleviate trading challenges over the next 3 years. At this time no support has been agreed, beyond an advance made in August, of the September to November funds. Medr have indicated they would agree a similar arrangement, if requested.
6. A graph was shared with Council outlining the anticipated monthly cash positions. The forecast was based on recruitment and savings targets being met and the £3m operational deficit target being achieved. Members also noted the interdependencies and the need to meet banking covenants.
7. Overlaid on the operational risk is the continued pressure on cash balances on the Old College capital project. Contractor invoices in excess of £1m will be paid on a monthly basis with claims from funders submitted on a quarterly basis. Any delay to funding receipts with put other cash obligations under increased pressure.
8. Members discussed external auditors' going concern analysis. It was noted that the auditors would not assess the university to be a going concern unless something

changed. Alternative plans should be drafted, to ensure that if the savings were not delivered, assurance could be provided to external auditors and the bank.

9. Members discussed recurrent and non-recurrent savings and the level of confidence the Executive had to address the underlying deficit. It was noted that ensuring the university reduced its staff base was critical to deliver the savings required. The all-staff meeting outlined upcoming restructuring and business cases in the autumn. Processes require changes, as well as structures. Clear communication of the upcoming redundancies should ensure that staff who wish to leave before these processes commence, are given the opportunity to leave.
10. Over the short-term there are some mitigations that can be employed, such as maximising supplier credit terms and management of other non-working capital cash held. However, this is not sustainable over the medium and long term.
11. It was noted that no material asset sales are anticipated in the short term although these would be expedited, where possible and reasonable.
12. Members discussed commercial income and noted the potential of online learning and distance learning. Work is underway, but these plans are for the medium-term, although it will diversify income streams.
13. The future size and shape of the university should be considered alongside major savings programmes to ensure that the infrastructure and culture are fit for purpose. It was reported that initial programmes are in place to ensure the university is looking at alternative ways of working.

RESOLVED

14. Council requested additional information about the university's transformation programme in its upcoming strategy day [**ACTION:** University Secretary and Director of Welsh Language].
15. The report was noted, and the recommendations were supported. Council agreed that a short Voluntary Severance Scheme should be launched. The communications should emphasise the urgency of the situation, and clearly indicate the direction of travel to a restructuring programme in October 2024.

2. Cash Position

RECEIVED

Report by Simon Crick, Director of Finance and Planning

NOTED

1. The University has had conversations with KPMG as a part of the 2023/24 annual accounts audit planning. They have shared their tests for Going Concern and explained this would be carried out in October 2024 once the recruitment figures are clear, as this is the biggest risk. Based upon recent analysis, it is believed student numbers will be delivered within 1.2% (£700k) of the student income budget set. This adverse variance has been added to the revised savings target for the year.

2. It was suggested that conversation should be initiated with Medr as soon as possible in relation to any potential loans, due to the financial situation of the sector as a whole. Members noted the potential reputational impact following publication of the accounts.

RESOLVED

3. Members noted the report.

3. ANY OTHER BUSINESS

Members discussed whether face-to-face meetings were appropriate in the current financial climate. However, it was agreed that strong governance is required to ensure appropriate scrutiny and discussion. It was also noted that there would be several new members, and in-person meetings were critical to ensure Council worked collectively and collaboratively to support good governance and decision making. The Chair requested that Council members were considerate of costs, and encouraged members to share transport, where possible.