

Council

24/67 A meeting of the Council was held on Thursday 26 September 2024 at 10am in Room 201 Carrington Building, Whiteknights.

Present: The President (in the Chair)
 The Vice Presidents (Mr K. Corrigan and Mrs K. Owen)
 The Vice-Chancellor
 The Deputy-Vice-Chancellor
 The Pro-Vice-Chancellor (Dr C Baylon)
 The Pro-Vice-Chancellor (Professor E. McCrum)
 The Pro-Vice-Chancellor (Professor D. Zaum)

Mr S. Alexander	Mr P. Milhofer
Professor E. Beleska -Spasova	Mr P. Milner
Mrs P. Egan	Mrs S. Plank
Professor R. Frazier	Mrs S. Peck
Mr S. Ghandi	Dr C. Shaw
Mr J Haxell	Professor K. Strohfeldt
Mr J. Jack	Dr J. Young
Mr A. McCallum	

In attendance:

The Chief Strategy Officer and University Secretary
The Director of Finance
Mrs E Murphy-Boyce (minute secretary)
The Director of Estates (for 24/74 only)

Apologies had been received from Mr S. Ali, Professor J. Gibbins and Mrs S. Maple

24/68 President's opening remarks

The President:

- Welcomed Mrs Peck and Mr Milner to Council as new lay members and thanked them for their valuable contribution to the Council Sub-Committees they had recently attended. The President noted that Mr Lee would be joining as a further lay member in January 2025, and would be attending the November Council.
- Offered her sincere condolences to the family of Robin Evans, a former member of the Council who had passed away recently aged 70. The President acknowledged that Mr Evans had provided an outstanding contribution to the

University of Reading, graduating from the University in 1975 before returning to Reading as a Council member between 2009-2020. The President noted that Mr Evans had been a member of the Strategy and Finance Committee and chaired the Investments Committee during his time on Council, as well as being Vice-President, and that he had always been a very supportive colleague.

- Thanked members of Council and University colleagues who had been involved in the summer Graduation Ceremonies, noting that an enormous amount of work goes on behind the scenes in order to make the events run smoothly.
- Noted the fantastic news that the University had been ranked joint 24th and ‘Sustainable University of the Year 2025’ in the Times and Sunday Times Good University Guide.
- Thanked the Vice-Chancellor for the all-staff talk which had been held on Monday 23rd September, to provide colleagues with an update on the University’s financial position. The President noted that the all-staff briefings were helpful. The President reminded Council that the decisions that they would take during the meeting regarding the University’s financial position would feed into plans for the Autumn and beyond.
- Explained that the morning session would be used to take a ‘deep-dive’ into the main topic of discussion for the Council; the University’s financial situation. She explained that a lot of time would be taken before lunch discussing student numbers and the resulting financial impact in order to ensure Council had a solid understanding of the situation.
- Reminded Council that it would be required to take bold decisions that would have a long lasting impact, and so it was vital for all members to understand fully the relevant context and data so that they would be well placed to make the challenging decisions that needed to be made.
- Reminded Council that it was important to foster an environment of high challenge and high support in order to make balanced and helpful decisions. She noted that it was Council’s job to provide challenge to the proposals it would hear during the meeting, and that members should use their skills to do so.
- Noted the practical issue for the University of an imbalance between income and expenditure and the difficult questions that would need to be asked about the desired quality of its core business (teaching and research) versus the affordability of providing this.

24/69 Vice-Chancellors opening remarks

The Vice-Chancellor:

- Expressed his surprise at the student recruitment outcome, explaining that there were no indicators that the University would miss its student number targets by such an extent, and that even at the end of the Thursday of Clearing week, it

seemed as though everything was on track. The data that had been used to make the student number predictions for the 2024/25 academic year was of high quality and extensive. He confirmed that all data sets predicted that the University would have seen significant growth, but acknowledged that the data was not put sufficiently into a political context, and that the University had to become more agile in taking into account potential behaviour of its competitors.

- Noted that the University was doing very well in quality indicators such as rankings and league tables (such as the Times and Sunday Times Good University Guide), with external organisations recognising the significant improvement in Reading's offerings. The Vice-Chancellor noted that the University was now in the top 30 for student experience, which was a vastly improved position from when he became Vice-Chancellor.
- Noted that there were other 'good news stories' that would like to share with Council:
 - At Earley Gate, the old TOB Buildings had been demolished ahead of the construction of the headquarters for ECMWF, which would result in the largest collection of Climate Scientists in the world working at the University
 - The work on the road to give access to the new Natural History Museum is about to start
- Asked Council for an explicit steer back to the University Executive Board on the following questions:
 - Are the levels of mitigation proposed in the Council papers the right level of mitigation for this academic year (2024/25)
 - What are you expecting from the University Executive Board in terms of more major and long-lasting changes that can be made from 2025/26 onwards
- Informed Council that in November they would be asked to make a decision on how the return from the University's Investment Fund should be used. He noted that the University was not currently using all the available funds and UEB expected to bring proposals to Council as to how best use the resource of £8-9 million.
- Noted that the all-staff briefing that he had given on Monday 23rd September had been attended by 1300 staff with the expectation that a further 200 staff would view the recording of the talk once uploaded onto the Staff Portal; this equated to around half the staff who worked at the University.
- Recognised the importance of staff wellbeing and reiterated that line managers should be the first port of call for colleagues who have concerns or who are struggling. He also acknowledged the sector wide concern over the mental health of students and was clear that the University must support both groups.
- Recognised that the University had received and been asked to respond to a Prevention of Future Deaths Report from the Area Coroner for the coroner area of Berkshire, following the tragic death of a student, Ben Faux, in 2023.

- Invited Professor Elizabeth McCrum, Pro-Vice Chancellor (Education and Student Experience) to speak about student wellbeing at the University.

Professor McCrum gave a short account to the Council regarding the University's approach to student wellbeing, which she confirmed was a 'whole institution' approach. She stated that wellbeing encapsulated a lot of different components including keeping well, mental health, and diagnosed conditions. She spoke about the Student Minds Mental Health Charter which is a research led framework that provides a set of evidence-informed principles to support universities across the UK in making mental health a priority. In 2022 colleagues across the University worked on a reflective submission and took part in a panel event where the charter accreditors met with University stakeholders to look at the whole University approach to mental health. Professor McCrum reflected that the experience had helped the University to identify good practice and what it could prioritise in order to do better in this area.

Professor McCrum spoke about some of the improvements made, including to transition arrangements, supporting students pre-arrival and during Welcome. She also explained that there was peer-mentoring available and "Life-Tools" and "Study Smart" Programmes which could be accessed by students. These programmes were designed to build resilience in students and help with exam related stress.

Professor McCrum explained that as part of the Portfolio Review Project mental health and wellbeing had been built into the curriculum and into assessment. Work was being done on making students feel a sense of belonging and part of a community during their time at the University and beyond. In terms of assessment, the change to academic year structure meant that student would be assessed closer to when they were taught than previously. The changes also include a compulsory first semester to build strong academic and pastoral foundations for each student. Further all students now have an academic tutor who in turn has access to a Specific Toolkit on student wellbeing. The Welfare Officer role works alongside Counselling and Wellbeing, the Disability Advisory Service, the University Medical Practice, Student Financial Support and the Chaplaincy to support students in a multitude of ways.

Professor McCrum acknowledged that despite all the support available, there will be times when there is risk to the welfare of students. She confirmed that in these situations colleagues can use the "Notification of Concern" process to report concerns to those in the University best placed to provide support. Professor McCrum returned to the work done by the University following the death of Ben Faux, and explained that it had followed the UUK Suicide-Safer Universities guidance and as a result developed the "Trusted Contacts" process for students.

Professor McCrum concluded by saying that the University has professionalised the role of Hall Wardens and worked hard to create a safe physical environment for students, with positive feedback from students that the presence of security on campus made students feel safe. The University was also undertaking work on the impact of the cost of living crisis on students in order to provide support for those struggling.

Following Professor McCrum's comments, questions were invited from Council.

In response to questions from Council Members on the Student Minds Mental Health Charter, it was agreed that further information on the Charter, including the University's submission, would be shared with Council members.

Action: [Professor McCrum] to circulate information about the Student Minds Mental Health Charter, including the University's response to Council members ahead of the November meeting.

Members of Council noted the many types of support provided to students and asked whether there were similar levels of support in place for staff. In response the Vice-Chancellor and Professor McCrum informed Council that the support was intentionally not the same for staff as for students. Although wellbeing support was available for staff it came in form of self help resources, a peer support network, line manager support and the University's Employee Assistance Programme which was a free support service available to colleagues any time of the day or night, 365 days a year. The Services could be accessed via phone or email. Dr Messer, in his role as Chair of the University's People and Culture Committee, advised that it had at its most recent meeting reviewed the University's offerings to support staff mental and physical health, and had agreed a number of actions to improve co-ordination of its offerings. In response to the answers from the Vice-Chancellor and Professor McCrum, Council asked that on its behalf the People and Remuneration Committee look at staff well-being more closely, not least owing to the impacts of the potential mitigations Council was being asked to look at later in the session.

Council members also noted that the issue of staff and student wellbeing and mental health was something that should be looked at in as strategic a way as possible, noting the volume of student mental health issues within universities generally. It was noted that mental and physical health are not currently on the University's corporate risk register and it was questioned as to whether it should be.

Action: Professor Zaum in his capacity as Chair to discuss at the Risk Management Group.

Council members noted that the work undertaken by the University in this area was very positive and was a potential differentiator for students, from other similar universities. The Vice-Chancellor confirmed that the University had been ranked highly in terms of the mental health support that it provides for students but that it was not something that it used to advertise itself. Instead the University prefers to tell applicants and offer holders about all self-help and support available to them at the University, for example Life Tools. It was confirmed that while the University takes mental health very seriously, it is not seeking to get a competitive advantage out of it.

- Invited Dr Caroline Baylon Pro-Vice Chancellor (International) to give a short presentation providing a "Global Policy Update" to Council.

Dr Baylon explained that she would give Council a short summary of the global picture. The presentation would be circulated to Council members after the meeting. Dr Baylon mentioned that links were embedded within the presentation, should Council members wish to look at the information in more detail, following the meeting. Dr Baylon split her presentation into two parts, the first covering traditional competitor countries and the second key markets.

Action: University Secretary to provide presentation with relevant links to Council Members

Dr Baylon covered Canada, Australia, the USA and Europe in the first part of her presentation. For each country she set out key information about each country's higher education strategy and wider political context, setting out how they were expected to behave in the coming years and how this may impact on students choosing the UK as a destination for Higher Education.

For the second part of the presentation, Dr Baylon focussed on the University's existing market presence in China, Southeast Asia, India and the Middle East and North Africa (MENA). She provided an overview of the current position and some policy context to help Council members understand whether there was further opportunity for the University in these areas, or whether there were changes coming that meant growth may be restricted.

Dr Baylon invited questions from Council following her presentation.

Council members were interested in whether a tightening of Canadian visa requirements for students could mean further opportunity for UK universities. Dr Baylon explained that as another English-speaking country there was potential; however, she reiterated that the UK was not an easy country to get into and that currently there were lots of barriers in place for international students. [Redacted, section 43].

Council members noted that the whole model of Higher Education was being impacted and potentially changed by the huge investment in the sector by Saudi Arabia and China. Council members questioned whether the current model for recruiting international students needed to change in order not to lose the international opportunity, and whether as a result of further investments from countries like Saudi Arabia, the international market was shrinking. [Redacted, section 43].

Council Members queried whether the University was positioning itself as a "Global University" or a "UK University with satellites." [Redacted, section 43].

Council Members were keen that the meaning of "International Students" was clarified. It was noted that the lay view was that when talking about international students, the University meant that it had a UK campus full of students from overseas; however, the reality was that a large number of the students included in this category were delivered through Transnational Education (TNE) or international partnerships. Council Members questioned the benefits of pushing TNE over recruiting international students to our UK

campuses, so as to avoid the impact of the negative rhetoric pushed by the previous government. [Redacted, section 43].

- Invited Professor Elena Beleska-Spasova to give a short presentation on the activities of Henley Business School's branch campus in South Africa.

Professor Beleska-Spasova provided some political background on South Africa for Council. She informed Council that following a change in government the country was experiencing more stability and a more inclusive society but that there were still high rates of crime and unreliable infrastructure.

Professor Beleska-Spasova set out the educational context of the country, including that currently only 6% of High School graduates in South Africa get a place in Higher Education, comparing that to the 50% of school leavers in the UK who get a place in HE per year. Dr Beleska-Spasova explained that Henley Business School does not currently offer undergraduate degrees through the branch campus but offers the Flexible MBA (with candidates not needing a first degree in order to enrol on the MBA programme) as well as a certificate diploma which is open to those individuals in employment. Professor Beleska-Spasova explained that the Business School was tailoring the education offered to the local needs and that this approach was very successful with Henley Business School South Africa being ranked No.1 Business School in South Africa six years in a row and also winning the British Lions South Africa Excellence in Management award in the Large Corporation Category.

Professor Beleska-Spasova concluded her presentation by informing Council that the Business School branch campus in South Africa was making a difference to students' lives and that the University gets a lot from the students in return, with a loyal Alumni network. [Redacted, section 43].

Dr Baylon clarified that the data used in her presentation referred to FTE whereas Professor Beleska-Spasova was using headcount. [Redacted, section 43]. Council members asked that when they were being asked to make decisions later down the line, the metrics used in data sets was the same throughout, and were defined, so that it was clear and comparable.

Council members thanked Professor Beleska-Spasova for her presentation and acknowledged the positive impact the branch campus was having on the University's reputation. Council members were interested to hear how the strategy used in South Africa could be used by the University elsewhere, and questioned whether it was something that could be replicated in Malaysia. In response to this Dr Baylon explained that HBS already had a presence in Malaysia as part of the UoRM branch campus, and that the offerings of the branch campus in South Africa were deliberately tailored for the market there, with many students needing flexible and part-time study options. She further explained that in Malaysia the market was much more interested in traditional full-time undergraduate degrees.

Council members requested further clarification on the low participation rates in HE from individuals in South Africa, and whether the University could do more to help improve this. Dr Beleska-Spasova confirmed that the low participation rates were a capacity issue, in that there simply were not enough places for all those who wanted to go into Higher Education. She explained that currently, the country did not have the ability to build new campuses or provide the academics to deliver the teaching. She confirmed that in order to deliver education through the branch campus, lecturers were still having to be flown in as there was not enough talent on the ground to be able to fill vacancies locally.

Council were interested in further information on whether models such as that used in South Africa were scalable or whether it was something that could only effectively be used at a local level. They questioned whether further similar branch campuses could be opened in South Africa or elsewhere.

Professor Beleska-Spasova confirmed that the University had opened a second Henley Africa campus in Cape Town and that the model was scalable locally and nationally depending on what the University wanted to offer; [Redacted, section 43].

The Vice-Chancellor resumed his remarks in relation to the cause of the financial issues.

- Explained that the £9250 home tuition fee was supposed to be index linked but has not increased since 2017, and further that the teaching grant has been frozen since 2012. This represented a 30% reduction in real terms income for the University. The Vice-Chancellor explained that alongside this, research grants were also declining in value meaning that the University was unable to pay for the full cost of research through grants which was therefore having an economic impact.
- Noted the factors that had affected the levels of international students coming to the UK, including anti-immigrant rhetoric from the previous government, increasing visa costs, increase in the cost of the NHS Health Surcharge, new rules brought in by the previous government preventing international students from bringing dependents to the UK, and finally the riots that occurred in the UK in August 2024.
- Informed Council about a change in competitor behaviour that had occurred during the 2024/25 admissions cycle. The Vice-Chancellor explained that the Russell Group universities were large research intensive institutions many of whom were currently experiencing financial challenges due to the known funding issues with the full economic funding of research across. Many of them had survived previously by off-setting the shortfall in research with international student fees. Due to the lack of international students coming to the UK currently, it was believed that the Russell Group had taken the decision to massively grow their proportion of home students. He went on to say that it appeared that many universities in the Russell Group had abandoned their 'high-tariff' approach in order to offset the deficit in research funding and lack of

international students. The Vice-Chancellor noted that this was a very significant change in competitor behaviour that had affected many other universities.

- Noted that there had been a genuine change in the market and that ‘plates had shifted’ in the sector. Due to this the data available to the University in terms of setting targets needed to be rethought. Council would need to consider how the University was going to position itself in future years, given that many high tariff universities were now accepting applicants with results below what the University would ordinarily accept.
- Noted that the UUK annual conference had been hosted by the University and that the Vice-Chancellor had the opportunity to speak to Jacqui Smith at the event. He informed council that although the rhetoric of the new government was largely positive towards HE, it was important to note that no practical action had been taken to help HE since the Labour Government had come into power.

Council members were interested in the Vice-Chancellor’s view on whether the Labour Government were likely to make changes or proposals imminently to help universities. The Vice-Chancellor set out that he understood that some universities were ‘close to a cliff edge’ and that if there was a real likelihood of a large university becoming insolvent, he expected that the government would feel the need to intervene. He explained that several proposals had recently been published, including the UUK blueprint, some of these suggested linking fees to inflation and increasing the current teaching grant. This seemed to be the most straightforward of the proposals due to not needing primary legislation to increase either the fees or the grant. Council members were keen to note that any rise in tuition fees would require further student support from the Government, for example, by way of increased maintenance loans.

Council members noted that even if the Government decided to raise the highest possible tuition fee chargeable by universities, the University would not have to charge that much – the University could choose to charge any amount up-to the maximum fee. The Vice-Chancellor agreed in principle but noted that when the fee changed to £9250 in 2017, all but one or two universities put their fees up to the maximum level. He noted that the perception of students was potentially that those universities charging less were second rate which UoR clearly wanted to avoid.

Council members noted that Higher Education seemed to be fairly low on the new Government’s priority list and that even if the Government decided to make a change to funding tomorrow it would not make an immediate difference to the University’s current financial position. It was also noted that an increase in fees alone would not solve the University’s deficit. Members noted that they would be having a more in-depth discussion about what the University’s next steps should be later in the meeting.

- Provided some updates to Council on the local picture. The Vice-Chancellor informed Council that Wokingham Council had endorsed Loddon Garden Village (LGV) as part of the Local Plan, which was positive news.

- Noted that Local Authorities were taking note of Higher Education ‘cold spots’ within their areas. While many LA’s were not in a financial position to open new universities, many were seeking opportunities to partner with existing universities close by to create ‘university centres’. [Redacted, section 43].

24/70 Update on Student Recruitment

The Pro-Vice-Chancellor (Academic Planning and Resource) Professor D. Zaum gave a presentation to Council Members on Student Recruitment and Financial implications.

UG Recruitment

Professor Zaum explained that there had been a significant shortfall against targets for UG recruitment [Redacted, section 43]. He set out that the University believed there were two main reasons for this:

1. Insurance Candidates - In the 2024/25 admissions cycle, [Redacted, section 43] of the University’s insurance candidates were declined by their first choice institution, and became available for consideration by Reading. This was down from a figure of [Redacted, section 43] in previous years, reflecting that Russell Group institutions recruited to a lower tariff this year, [Redacted, section 43].
2. ‘Decline my place’ function – This is a UCAS function that allows student to self-release from their ‘firm choice’. Applicants choosing to use this function resulted in the University losing [Redacted, section 43] students, which was higher than last year, and reflected that Russell Group institutions stayed in Clearing much longer.

Professor Zaum explained that while other universities had significantly lowered the tariffs that they had accepted, UoR had held their agreed tariffs where they were, [Redacted, section 43].

International recruitment

Professor Zaum explained that in terms of international students, the University’s market share had increased both with regard to the sector as a whole and compared to mid-tariff universities. It was noted that while the Russell Group name and reputation was important to home students, international students appeared to be more influenced by league tables.

PGT Recruitment

Professor Zaum noted that across the sector there had been a 16-17% decrease in visa applications from international applicants compared to 2023-24, owing potential to changes to UK visa requirements and costs, economic challenges in key markets and the riots that took place in the UK in summer 2024. Professor Zaum confirmed that the University had experienced a forecast shortfall of between [Redacted, section 43] PGT students against target, but expected to recruit similar numbers to 2023-24.

Professor Zaum explained that while a number of schools within the University had experienced growth in last 12 months, there were also a number that had experienced significant decline and that Council would need to factor this in to its long-term thinking about how to overcome the current challenges.

Financial implications

Professor Zaum set out a summary of the financial implications of the lower than planned student numbers. He confirmed that, compared to the approved budget for 2024-25, the University was likely to be facing a £18.5 million shortfall in the best case scenario and £25 million shortfall in the worst case scenario. It was explained that the University would not be able to confirm the exact position until the postgraduate recruitment picture was clear.

Future Student Recruitment

Professor Zaum set out that in light of the recruitment experience this year, the University had reconsidered its previous assumptions around student number growth. Despite continued demographic growth over the next five years, cost of living pressures and the expectation of similar recruitment approaches by the Russell Group universities as in this year, the University does not assume that it can grow home student numbers on its existing programmes over the coming years. While there have been no substantial changes so far to the visa policies of the previous government, the more positive language from the new government about international students, and the investments that the University is making in strengthening its international recruitment operation should support modest international student growth.

Professor Zaum invited questions and discussion from Council Members.

Council were interested in understanding the numbers of 18 year olds potentially going to University over the coming years and whether a traditional UG University education would still be attractive to prospective students. Council members stressed the importance of the University understanding what its customers want. Professor Zaum noted that although there was a lot of talk about alternative provision, apprenticeships still made up a very small proportion of the market, and further that completion rates for apprenticeships were low compared to traditional 3 year UG degrees. It was noted that although the size of potential cohorts would be increasing in the near future, it was not a guarantee that those potential students would want to or be able to go to University.

Council members noted that it had been told that the macro environment (i.e. financial context, and anti-immigrant rhetoric) were partially responsible for the current lack in student numbers and resulting financial issues; however, this seemed to contradict information provided that stated that other factors such as being part of the Russell Group or rankings in league tables were key for students when choosing a University.

Dr Baylon confirmed that the relevant factors would be different in different markets and that the macro-environmental factors as described would be very relevant for some markets, and less for others. Dr Beleska-Spasova added that employability was also a

big factors for many potential students – how likely are they to be employed following their degree, can they stay in their chosen county and for how long. She further stated that league tables such as the QS rankings were relevant were looking for a job, in some markets employers use University rankings to sift job candidates and so employability and rankings were linked. Council noted that macro-environmental factors would have impacted everyone in the sector, and that UoR had therefore maintained its international market share on reputation alone and without drastically lowering its tariff – this should be considered a positive result.

Council commented on the change in behaviour of many universities in lowering tariff in order to grow home student numbers. They noted that the change in behaviour seemed dramatic and had clearly had a huge impact on the sector as a whole. They noted that the University could not remain passive to this tactic in the future and would need to consider strategy on the basis of previously high tariff universities behaving the same again in future years.

Council noted the importance of the University deciding where it was comfortable in terms of growth and financial sustainability. [Redacted, section 43].

Council noted the impact of the cost of living crisis generally and the cost of accommodation specifically on the behaviour of some students. It was noted that the cost of accommodation at the University had risen over the past few years and that it was likely that in some instances cost of accommodation fed into decision making about where to attend university. Professor Zaum noted the concerns and confirmed that consideration of the cost of living crisis generally would need to form part of the new strategy.

[Redacted, section 43]. Council noted that while lots of comparison had been made between the University and Russell Group universities during the meeting, ordinarily the University would only be compared to similar mid-tariff institutions. Professor Zaum confirmed that the University was generally in line with the mid-tariff group in terms of student numbers this year.

To finish off the morning session, the President of Council invited Council Members to discuss the following on their tables:

1. What has been most surprising information provided during the morning session
2. What should be the most important issue for the University to address, noting that this would be taken though into discussions during the afternoon session.

24/71 The President of Council gave a short reminder on business to be discussed during the afternoon. She reminded Council members that the afternoon session would focus largely on details of the current financial position. She further reminded Council members that they were being asked to focus on the current academic year 2024/25 during this meeting, and that they would be considering longer term plans for beyond the 2024/25 academic year in November.

The President informed members that they would receive a presentation from the Director of Finance on the proposed mitigations for the 2024/25 academic year, where the mitigations and the implications of not agreeing would be explained.

24/72 Feedback on questions posed by President of Council

Council had the following feedback to the two questions raised by the President of Council

- They noted the magnitude of the shortfall in particular schools, which was surprising in some areas where Council had thought the University was strong.
- They noted that the University needed a definitive shift in strategy
- They were surprised by the actions of the Russell Group universities in terms of the significant lowering of grades for home students and noted that this behaviour was likely to continue and that the next round of UCAS applications would likely be impacted in a similar way.
 - They noted that there were opportunities for the University in long term
 - They noted that there were a lot of factors outside the direct control of the University and so it was important to focus on what could be controlled. They noted that although there was a ‘black hole’ to fill, the University mustn’t ‘throw the baby out with the bathwater’
 - They noted that the University was reputationally strong [Redacted, section 43].
 - They noted that there was a distinction between breaking even on an operating basis and investing for the future of the University

24/73 Presentation on 2024/25 budget and cashflow

The President of Council reminded members that today they were being asked whether in preparing the recommendations for November’s meeting, the University Executive Board’s suggested level of mitigations for 2024-25 was the right order of magnitude noting that more major and lasting change would be expected from 2025/26.

The Director of Finance gave a presentation on the financial impact of the shortfall in student recruitment for academic year 2024/25. He noted that:

- The recruitment situation was still fluid, as PGT numbers were not yet firm. The latest estimated impact was an income loss in 2024/25 of [Redacted, section 43].
- In term of cashflow – [Redacted, section 43]. He confirmed that due to the moving picture a firm proposal would be presented formally at the November Council meeting. [Redacted, section 43].
- In terms of the 2024/25 deficit – The University had assessed what it could do on top of the significant cost reductions already inked in to budgets. The Director of Finance confirmed that deferring the pay award for University was the single largest value mitigation that could be put in place.

- In terms of impact into future years – the Director of Finance confirmed that there would be a ripple effect due to the Undergraduate 2024 intake being lower than planned (an impact of [Redacted, section 43] in 2024/25). He confirmed that an updated medium-term financial projection and cashflow view would be presented to Council in November.
- The Director of Finance provided a slide depicting a summary of size and contribution made by each School. He confirmed that at School level and within Schools, the University had information that would inform its thinking around decision making.

In terms of options and levers open to the University in order to manage cashflow and/or reduce the 2024/25 deficit, the Director of Finance set out the following:

1. Reduce operational expenditure this year – which was the only option that would impact both the University’s deficit and cashflow.
2. Constrain capital programme expenditure.
3. Use of Investment fund assets via sales to support operational cash.
4. Additional debt.

Council Members noted that previously the University had taken an ‘invest to grow’ position, and questioned whether it would be possible to sell some of the investment portfolio in a way that would not adversely affect the strategy. [Redacted, section 43]. The Vice-Chancellor noted that there were some capital projects on-going, including the work on the URS building on campus, that Council would be asked to make a decision on whether to continue with in either November or January. In response Council members noted that in some cases, capital project spend would result in savings overall and so careful thought should be given to decisions to stop projects already started. Council considered that it would be helpful to understand any potential capital spend that was required to enhance the student experience or to solve known problems.

[Redacted, section 43].

[Redacted, section 43].

The President of Council noted the points made by Council members on this issue, but reminded members that there were two issues for Council to make decisions on, one that required a short-term plan for improving and preserving cash-flow so that University operations were not impacted, and tackled the increased deficit during the 2024/25 academic year; and the second which required a longer-term plan to tackle the deficit which had been impacted by the shortfall in student numbers. The President reminded Council that more in-depth plans related to the deficit would be brought to Council in November.

The Director of Finance talked Council members through the ideas that the University Executive Board (UEB) were bringing to Council in order to reduce the 2024/25 deficit. The UEB had agreed possible mitigations totalling £11million, as follows:

- Pay Award £5.5m
- Additional School savings £2m
- Research & Innovation and Digital Technology Services (DTS) savings £0.275m
- Additional Directorate savings of £0.75m
- Removing posts to support growth £2.5m
- UREPF savings £0.6m

The Director of Finance provided further detail on the proposed mitigations as follows:

- (a) A deferral of the implementation of the pay award. A full 11-month deferral is estimated to save around £5.5m (based on an assumption of a 2.5% pay award). A more nuanced deferral, which might mitigate some of the negative effects of this decision, would be to defer all of the two stage pay award to the second stage in March 2025. That is estimated to save £3.9m. Any deferral will require appropriate consultation with UCU and the Staff Forum, which has started.
- (b) Identification of Schools for which there is a significant shortfall to target and where student/staff ratio is unaffordably high, and an adjustment in staffing budget to meet an acceptable Student Staff Ratio. This would be achieved in the first instance by reviewing approved posts currently out to recruitment and posts approved in planning, along with consequent non-replacement of posts through staff turnover. Where required, the use of voluntary redundancy will be considered and details are being discussed with Human Resources. A savings estimate of £2m is suggested. This would be in addition to the planned academic savings of £4.4m for 2024/25.
- (c) Requiring Research and Innovation and DTS to meet the savings over and above budget that they identified as part of their savings submission. Saving estimate is £273K.
- (d) Additional savings level to be set for Heads of Directorates, to be achieved through changes in service provision and/or restructuring brought forward from 2025/26. Saving estimate is £750K (which is approximately a 3rd of the additional 2025/26 on 2024/25 £2.2m increase). This would be in addition to the planned savings of £2.6m for 2024/25.
- (e) Removing posts that were to support growth £2.5m. This is comprised of removing the Academic Posts circa 35 FTE that were provisionally approved to

support student numbers in Schools that were identified as having the potential to significantly grow.

- (f) UREPF – The most recent valuation now signed delivers an annual cost saving of £600k p.a. as we are no longer contributing to the scheme expenses.

Council Members asked questions about various elements of the proposed mitigation total. In regard to the pay settlement deferral, they discussed what effect it would have on staff morale, and the alternative options available. They discussed whether investment assets could be sold or whether more debt could be taken on. They noted that, previously, Council had decided not to use investment assets to offset the deficit and that they had preferred the strategy with its balance of operational savings and growth. They also recognised the risks of taking on more debt. The Vice-Chancellor advised Council that the University was currently undertaking meaningful negotiation with UCU and the Staff Forum over the deferral of the pay award, and that he was committed to reviewing the decision (if it were taken) with UCU and the Staff Forum at regular points during the academic year.

Council members questioned the removal of posts created to support growth and asked whether the posts would be entirely removed from the picture or whether they would appear again in planning for the next academic year. Professor Zaum confirmed that the posts were included in the annual 5 year planning round and so the posts could easily be removed once and for all in low-growth areas.

Council Members asked about the possibility of voluntary redundancy programmes. The Director of Finance confirmed that this approach was not off the table but that in terms of making in-year savings to be realised in 2024/25 academic year, this would not be an effective measure as most staff would be unlikely to leave until late in the academic year.

The Director of Finance gave further information on the University's cash flow position.

He informed Council that before the further worsening of the University's position, the base case presented to Council with the 2024/25 budget was already tight, [Redacted, section 43].

The Director of Finance set out the plans for ensuring cash flow for the 2024/25 academic year in terms of:

1. Capital

The University would complete a full capital programme review for 2024/25 at the same time as the 2024/25 student recruitment numbers firm up. [Redacted, section 43]. The exact value mix proposed to mitigate the income loss would be reported to Council at the November meeting.

2. Debt

[Redacted, section 43].

[Redacted, section 43].

3. NIRD

[Redacted, section 43].

[Redacted, section 43].

[Redacted, section 43].

The Director of Finance confirmed that he would be coming back to the Council in November with the following:

- A final proposal to revise the 2024/25 budget, [Redacted, section 43].
- A full 5 year projection that factors in up to date student number forecasts [Redacted, section 43] and a look at some possible future scenarios based now on 2024/25 as a start point. The projection would also review the trend of staff cost as a % of income. This projection would be used as the basis of the OfS Annual financial return that must be submitted on 1st December 2024, [Redacted, section 43].
- A Comparison of the current 2024/25 recruitment against the scenarios examined by Council in summer 2024 when the budget was agreed.
- Cashflow – Council will be asked to take some decisions on capital restraint and use of Investment Fund assets (if needed) to secure the University's cash position over the next 12 -18 months
- Projection of the Investment Fund for next 5 – 10 years and likely in /out flows. [Redacted, section 43].

Council Members asked for further clarity on international activity as the data they had received showed the activity embedded in normal school data, making it hard to identify.

Council Members discussed the need for longer term strategy to decide what the University would look like in the future, and how these plans may affect that. It was noted that in terms of capital expenditure, the University should be careful not to incur abortive expenditure. It was noted that the URS project would be the most expensive capital expenditure project that Council would be asked to decide on, and that proposed would be coming to Council in November or January.

Council Members discussed the level of deficit proposed by the Director of Finance and whether they considered it to be the correct level. There was discussion about whether the University should set itself a smaller deficit position or alternatively a more relaxed deficit position for this year that may alleviate the need to defer the pay award.

Members noted that it was their responsibility to determine the appropriate levels of deficit, and therefore how much needed to be saved through mitigations. Members

discussed whether a longer deficit period could be agreed long term to avoid implementing the deferral of the pay award in the short term.

[Redacted, section 43].

1. [Redacted, section 43].
2. [Redacted, section 43].
3. [Redacted, section 43].

It was confirmed that UEB would bring a full proposal for solving the cash flow issue and further plan for tackling the deficit to Council in November.

Resolved:

1. That, in preparing the recommendations for November's meeting, the University Executive Board's suggested level of mitigations for 2024-25 is the right order of magnitude, and that more major and lasting change will be expected from 2025/26

The President of Council clarified that in accepting the potential mitigations, Council were understanding that the deferral of the pay award remained a lever open to UEB in reducing the deficit, but that review points would be built in during the year.

Resolved:

2. [Redacted, section 43].

24/74 Loddon Garden Village (LGV)

The President of Council informed Council that Loddon Garden Village plans were now at a critical stage of development, and that she hoped members had taken the opportunity to read through the detail in the background reading papers.

She noted that Council were being asked to approve four items, in short that that the Regulation 19 Submission could proceed on the basis of narrowing the disposal options to three. The President informed Council that the Director of Estates, Andrew Casselden would be attending Council during this item in order to provide any further information required and answer any questions Council had.

The Vice-Chancellor provided some background information on LGV, informing Council that the University had been negotiating with Wokingham Borough Council for the past four years in terms of updating their local plan, which included plans for the development of LGV in order to provide housing. The Vice-Chancellor confirmed that Wokingham Borough Council had recently voted in favour of the updated local plan, and that there would now be a six week statutory consultation period followed by the formal examination of the plan. The consultation was only in terms of the deliverability of the

plan, rather than to reconsider options – essentially the purpose of the consultation would be to ensure that the plan could be delivered and that it would meet the required housing targets. The Vice-Chancellor noted that Wokingham Borough Council were keen to move quickly with the implementation of the plan under the existing regulations and targets.

[Redacted, section 43]. Further Loddon Valley would be developed into park land as it was not suitable for housing development. No financial information had been provided to Council as yet, and it could not at this point be determined whether this part of the initiative would be cost-neutral, better or worse.

The Director of Estates noted that there was a lot of information on the LGV proposition included in the background reading papers, and that he hoped members had had the opportunity to read and understand them. He asked Council to recognise that following initial work there were now three potential disposal options open to the University, as set out in the papers. He noted that there would be further work undertaken before November to decide and make a recommendation about which option would be best for the University.

Comments and questions were invited from Council members.

Council members noted that the NIRD Trust Committee had reviewed the proposals and determined that it would support them. The Committee was content with the three options set out in the relevant paper in terms of moving forward.

Council members noted that it was helpful to have the relevant minutes from other committees included in the Council papers so as to see what questions had been asked and considered by the committees prior to Council.

The Director of Estates took the opportunity to confirm that Savills had been appointed to do the initial phase of work related to LGV for the University in an open and transparent manner, and in compliance with procurement rules.

Council members questioned why the University was pursuing full planning permission for the site prior to procuring a development partner. The Director of Estates confirmed that in terms of the disposal options open to the University, all would require the University to gain planning consent and so it was sensible for the University to start the process. The Director of Estates also confirmed that there were a number of reserved matters linked to the proposal which would be brought back to Council at a later date.

The President of Council noted that members discussions had brought out a desire for further scrutiny around the LGV proposals and that it was suggested that a Council subgroup might be the vehicle for such scrutiny, as had been used to good effect for University of Reading Malaysia. The President and Secretary confirmed that they would give this some thought and determine the most practical way to ensure further oversight.

The President of Council directed members to the relevant page of the papers which set out the options Council were being asked to agree.

Resolved:

1. “That the University proceeds with the response to the Regulation 19 submission based on Savills three disposal options recommended for further consideration.
2. That the response to the Regulation 19 submission be signed off by the Vice-Chancellor, advised by a Planning Barrister/Kings Council.
3. That Savills be appointed as an agent to identify a preferred master developer/Joint Venture partner subject to agreeing the brief of duties including any governance requirements.
4. That work should progress with the planning application in accordance with Savills Planning Application Strategy”

24/75 Reading University Malaysia (RUMAL)

The President of Council noted that following discussions that took place at the March 2024 Council meeting, a small sub-group of lay members had been looking at proposals for RUMAL. In addition, Dr Baylon would be providing a short oral update on the work of the sub-group and looking for Council to note the update and approve the recommendations made during the meeting.

Dr Baylon informed Council that she had been working with the subgroup who had provided feedback on proposals for RUMAL , which had been very useful. Following engagement from the group, the proposals had been reshaped and were now supported by those lay members. As a result Dr Baylon was bringing an oral report of the proposals to Council. [Redacted, section 43].

Dr Baylon confirmed that some important operational changes had been made at RUMAL, and that she was in the process of recruiting for a new Provost. Dr Baylon confirmed that she was seeking confirmation from Council that it was still on board with the proposals for RUMAL before interviews for the Provost role commenced.

[Redacted, section 43].

The President of Council reminded Council that it had made a decision on the future of RUMAL previously, and that in doing so had requested the sub-group be set up to test and challenge future proposals, and to explore RUMAL as a part of the SEA Hub. The group would continue to with its work and feed into reports back to Council. Council were not being asked to reconsider their previous agreement in this regard. The President noted that it was important for the incoming Provost to be aware and onboard with future plans.

In terms of next steps it was agreed that the amended proposals endorsed by the sub-group would be circulated to all Council members. Further Dr Baylon would provide regular updates to Council following continued engagement with the sub-group.

The President of Council sought agreement from members to the proposals, and thanked colleagues for their work in the sub-group. She wished Dr Baylon luck in the interviews for the new Provost.

Resolved:

1. “That the oral update on progress concerning a recommended option for UoRM’s future, made to the University Executive Board and to the sub group set by Council, be noted
2. That the aforementioned recommendation, for continuation and transformation, be considered by the sub group established by the Council; and, if the sub-group is supportive, be approved by the President of Council on the Council’s behalf, ahead of the interviews for the Provost of UoRM on 9 October 2024”

24/76 Report of the Vice-Chancellor

The Vice-Chancellor confirmed that he did not have any information to add to his written report but invited questions or comment on anything in the report.

Council members noted that there were lots of positive things happening within the University, including the roll out of the new volunteering policy. In response to questions, the Vice-Chancellor confirmed that the University intended to keep a record of charities that staff could view in order to find a cause to volunteer for.

Resolved:

1. “That the Report of the Vice-Chancellor, so submitted, be received”

24/77 Annual EDI report

The President of Council reminded members that the report was just for note at this stage, with the Council considering EDI in depth during the January 2025 meeting. She noted that the report clearly laid out all the targets the University was required to meet and demonstrated a continuous cycle of improvement.

The President of Council thanked Professor Yaqoob, Professor Laville and colleagues for their diligent work on the report.

Professor Yaqoob drew Council’s attention to the Advance HE Guidance for Councils on EDI, as a useful resource and confirmed that there would be further points for discussion in January.

Council members noted the very good progress made in the area of intersectionality and that the University had been shortlisted for a Times Higher Education Award for Outstanding Contribution to Equality, Diversity and Inclusion for its 'No one left behind' project.

Council members questioned whether EDI was also discussed at sub-groups of Council in order to assure itself that it was providing enough scrutiny in this area, as there was a feeling that issues could be more easily considered in smaller groups. Both the Student Experience Committee and the People and Remuneration Committee had EDI, of students and staff respectively, within their remits.

Resolved:

1. "That the Annual EDI report, so submitted, be received"

24/78 Suggested items for future Council meetings

It was noted that AI had fallen off the list of planned future topics, and that it should be added back in.

The President of Council noted that there was a decision to be made about the length of future Council meetings to ensure that meetings were efficient and that required business could adequately dealt with. Ordinarily meetings were half day but there was an argument that a full day would be needed in some circumstances.

Resolved:

1. "That the paper on suggested items for future Council meetings, so submitted, be received"

Items for note

24/79 Minutes (24/39-24/66) of the meeting held on 1 July 2024

Minutes (24/39 – 24/66) of the meeting held on 1 July 2024 were confirmed

24/80 Matters arising not elsewhere on the agenda, if any

There were no matters arising

24/81 Decisions taken by the President on behalf of the Council:

The Council noted that the President had made a number of decisions on behalf of the Council.

The Council was asked:

To note that on the recommendation of the Chair of the Appointments Committee, the President has approved the following appointments:

- Jackie Liu to the Student Experience Committee with effect from 1 January 2025
- Paul Milner to the Investment and Development Committee with effect from 1 August 2024
- Sally Peck to the Honorary Degrees Committee and the Student Experience Committee with effect from 1 August 2024

24/82 Matters of Governance

The Council noted the following:

- Responsibilities of Council members
- Membership & Terms of Reference
- Council Standing Orders
- Availability of Council papers
- Documents sealed and to be sealed

24/83 Any Other Business

There was no other business.

24/84 Dates of meetings of the Council for the Session 2024/25:

The remaining meetings of the Council for the Session 2024/25 had been scheduled for:

- Tuesday 19 November 2024 5.00pm and Wednesday 20 November 2024 10.00am
- Tuesday 21 January 2025 10.00am
- Monday 10 March 2025 currently 12.00 but may change to 10.00am
- Monday 30 June 2025 currently 12.00 but may change to 10.00am

24/85 President to lead on brief reflections on the meeting of Council that has just concluded.

Members reflected in small groups on the business and nature of the discussions of the meeting and whether the Council did justice to the major issues discussed.