



CANTERBURY CHRIST CHURCH UNIVERSITY

MINUTES OF THE EXTRAORDINARY MEETING OF THE GOVERNING BODY HELD AT 9.00AM ON THURSDAY 25 FEBRUARY 2021 BY MICROSOFT TEAMS TELECONFERENCE

Present: Mr F Martin (Chair), Ms J Armitt (Deputy Chair), Sir I Johnston (Deputy Chair), Ms S Appleby, Mr S Brown, Dr A Eyden, Mr J Faber, Mr P Fletcher, Ms J Harding, Right Revd R Hudson-Wilkin Mrs P Jones, Ms C Nolan, Ms M Peachey, Professor R Thirunamachandran (Vice-Chancellor), Ms B Thomson.

In Attendance: Professor H James (Deputy Vice-Chancellor)
Mr D Leah (Director of Finance & Chief Financial Officer)
Ms A Sear (University Solicitor & Clerk to the Governing Body)
Professor M Weed (Pro Vice-Chancellor [Research & Enterprise])
Ms E Currie (Governance and Legal Services Assistant)

Mrs Pam Jones said an opening prayer.

108. Apologies for Absence [Item 1]

Apologies for absence had been received from Ms N Ahmed, and Revd R Stevenson.

109. Declarations of Interest [Item 2]

There were no declarations of interest. It was confirmed that there was no conflict of interest in relation to Ms C Nolan's local council position as previously notified to the Governing Body.

110. Chair Communication [Item 3]

The Chair thanked the Vice-Chancellor, the Chief Financial Officer and the University Solicitor and Clerk to the Governing Body for the incredible volume of work undertaken to negotiate a loan agreement that was acceptable to the University in the short and medium term. He also extended his thanks for the work of the pro-bono financial advisor who had supported the negotiations. He said that the work from SMT and all staff in response to the pandemic was excellent, and the positive recruitment numbers reflected this effort.

NOTED

RESTRICTED

END OF RESTRICTION

112. Report on the University's Financial Position for the Year Ended 31 July 2020 and Consolidated Financial Statements [Paper N75] [Item 5]

The Governing Body received the report on the University's financial position for the year ended 31 July 2020 and the Consolidated Financial Statements for the University and its subsidiary company, Medco. The Chief Financial Officer said that the consolidated financial statements would normally be considered by both the Audit Committee and the Finance and Resources Committee before being recommended to the Governing Body for approval. Both committees had reviewed the initial version of the statements in November, but due to scheduling constraints only the Audit Committee had scrutinised the final draft. The Audit Committee had resolved that the University's Financial Statements be recommended to the Governing Body for approval subject to:

- completion of a signed updated loan agreement with the banks on the basis of the covenants previously shared with the Governing Body; and
- receipt of a finalised letter of representation letter for signing by Governors.

The Chief Financial Officer reported that there had been £420k of movement within income and expenditure, when compared to the November version. This was due to:

- an increase of £100k in bad debt provision; and
- an increase in expenditure of £320k, due to a review of assets under construction and a decision for some KMMS to be expensed not being capitalised.

The Chief Financial Officer also noted an increase in the LGPS inflation assumption from 1.8% to 2.2%, which increased the pensions' liability on the balance sheet to £67.844M. He said that, at the Audit Committee meeting, the External Auditor had been asked if the pension deficit should be a concern. The External Auditor had confirmed that this was not a short-term concern, but that it was important that the University budgeted for its pension contributions. A report on the University's pensions' strategy would be taken to the June Finance and Resources Committee meeting.

The Chief Financial Officer highlighted the impact of Covid on the University's financial position, which was mitigated by savings in staff costs, and non-staff costs enabled during the campus shutdown.

The Chief Financial Officer said that the pensions' adjustment and the impairment of the Broadstairs Campus had meant that the total deficit for the year was £50M, compared to the reported deficit of £6.9M. Although the £50M figure may be a misleading and unhelpful representation of the University's financial performance, it was possible this could be picked up by the media. It was noted that other universities which were member of the LGPS or USS may experience a similar situation.

The Governing Body noted that the loan agreement would need to be signed and finalised before the Governing Body would be able to sign a letter representation to the External Auditor, which would enable the External Auditor to confirm a going concern opinion.

RESOLVED:

That the Consolidated Financial Statements be approved, subject to:

- completion of a signed updated loan agreement with the banks on the basis of the covenants previously shared with the Governing Body; and
- receipt of a finalised letter of representation letter for signing by Governors.

113. OfS Financial Forecasts [Item 6] [Oral update]

The Chief Financial Officer confirmed that the OfS Financial Forecasts had been submitted to the OfS. The OfS had agreed to an extension to the deadline for the receipt of final annual accountability returns while the University finalised the loan agreement.

NOTED**114. Any other Business [Item 7]**

The Vice-Chancellor reported that the recent Roadmap out of the Pandemic Government announcement had been positive. Subjects previously deemed essential by the Government had already been offered by on campus and blended teaching but they would be joined by practical and performance based subjects from 8 March. Certain subjects would continue to be taught online until at least Easter subject to further Government guidance. The University's priority remained the health and safety of students and staff, and resources would be increased as necessary to support a safe return to campus. The campus would, however, still be less busy than it had been in October and November of 2020. It was positive that infection rates in Canterbury were currently the lowest across Kent.

The UCAS deadline for applications had been extended from 15 to 29 January. Applications were 6.34% up on the same point last year. These figures did not include applications to the Kent and Medway Medical School. The Government had announced that the A-level results day would be 10 August which enabled the University to begin planning its confirmation and clearing activity; the Vice-Chancellor continued to Chair the Recruitment and Admissions Task Force.

A Governor asked if the University was exploiting all available opportunities in professional subjects. The Vice-Chancellor responded that the increase in interest in health subjects was welcome, but that the University was constrained by the availability of placements. The Dean of the Faculty of Health, Medicine and Social Care was working on ways to develop extra placement opportunities.

The Vice-Chancellor reported that recruitment to humanities subjects was not as high as the professional subjects, and recruitment to engineering was not yet as strong as had been expected. Advertising campaigns featuring the Building 2 STEHM facilities were being developed to respond to this. The Deputy Vice-Chancellor said that the investment in technology subjects was crucial, and that the University had an important role to play in influencing the digital transformation of the local area. In response to a Governor query, the Vice-Chancellor confirmed that industry contacts were being used to promote Building 2, specifically members of the Industry Advisory Board.

A Staff Governor remarked that whilst she welcomed the ending of the Temporary Collective Agreement this had been announced to staff at short notice; and that they felt that staff had not been given adequate time to adjust, especially those in health industries who had made commitments to work in health settings. The Vice-Chancellor said that all staff had been given the option to remain at 80% or 90% working until July, if that was their preference. 36 members of staff had elected to do so.

The Vice-Chancellor thanked the SMT and the Governing Body for their hard work and support. It was hoped that it might be possible to hold the June Governing Body meeting on campus.

115. Items to be kept confidential [Item 8]

Due to the ongoing nature of negotiations, item 4 be kept confidential in its entirety.

116. Date of next meeting [Item 9]

The next Governing Body meeting would take place on 23 March 2021.

The meeting closed at 10.30am.