Confirmed

Minutes of the Board of Governors (Special Meeting)

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| 20-03-2025 | 4:00pm | The Boardroom, Maritime House, Llandaff Campus |

# Present:

## John Taylor CBE (Chair and Independent Governor)

## Kellie Beirne (Independent Governor) - *via Teams*

## Charlie Bull (Professional Services Staff Governor)

## Roisin Connolly (Independent Governor) – *via Teams*

## Kevin Coutinho (Independent Governor)

## Fergus Feeney (Independent Governor) – *via Teams*

## Daniel Flaherty Jr (Student Governor)

## Dr Clare Glennan (Academic Staff Governor)

## Dr Iva Gray (Independent Governor)

## Peter Kennedy (Independent Governor) – *via Teams*

## Professor Rachael Langford (President & Vice-Chancellor)

## Professor Helen Marshall OBE (Independent Governor)

## Paul Matthews (Independent Governor) *– via Teams*

## Menai Owen-Jones (Senior Independent Governor) – *via Teams*

## Matthew Tossell (Vice-Chair and Independent Governor)

## Rewathi Viswanatham (Student Governor)

## Scott Waddington (Independent Governor) – *via Teams*

## Dr Cathryn Withycombe (Academic Board Representative Governor)

# In attendance:

## Professor David Brooksbank (PVC Business, Global & Engagement)

## Stephen Forster (Chief Financial Officer) – *via Teams*

## Professor Sheldon Hanton (PVC Research & Innovation)

## Greg Lane (Acting University Secretary & Clerk to the Board)

## Emily Samphier (Senior Governance Officer)

## Lowri Williams (Director of People and Culture)

Author of Minutes: Greg Lane (Acting University Secretary & Clerk to the Board)

# Apologies & Preliminaries (agenda item 1)

## The Chair welcomed Board members and attendees to the Special Meeting of the Board of Governors that had been specifically convened to request the Board’s approval to initiate a collective consultation exercise with the Trade Unions which identified a limited number of roles at risk of redundancy.

## Apologies for absence were received from Karen Fiagbe and Dr Giri Shankar MBE (Both Independent Governors).

# Declarations of Interest (agenda item 2)

## There were no declarations of interest.

# Restructure Briefing and Approval (agenda item 3)

## The Chief People Officer introduced the report which provided an overview of University-Wide Recovery Plan related activities to date, the restructure outline to follow, and which sought the Board’s approval to proceed with a collective consultation with the Trade Unions and affected staff on a number of roles at risk of redundancy. The process would involve the serving of a notice to those staff at risk of redundancy (in accordance with section 188 of the Trade Union and Labour Relations Consolidation Act 1992). The report set out the following in some further detail: (i) Purpose and Background; (ii) Performance to Date; (iii) Strategy 2023 and the University Operating Model; (iv) Recovery Proposals for Consultation; (v) People Impact and Mitigations; (vi) Student Impact; (vii) Financial Assessment; (viii) Communications and Stakeholder Management; and (xi) Next Steps and related timeframes.

## The Chief People Officer advised the Board that the redundancies were being proposed as the last tranche of initial savings on staff costs to help achieve the University’s financial recovery. This was being proposed following the completion of three rounds of voluntary severance. The Chief People Officer informed the Board that the Trade Unions had worked constructively with the University on the process to date.

## Board members had a wide-ranging discussion on the proposals and the following points were covered:

## The Board noted that the University was working towards having a leaner structure – with directorate structures being 15 to 20% leaner in most areas when compared with April 2024.

## The Board noted that the documents used in the collective consultation exercise would be shared with Board members at an appropriate future point.

## The Board noted the number of academic staff and professional services staff that would be at potential risk of redundancy as part of the proposals. The Board noted the impact that the third round of voluntary severance had in reducing the number of staff at risk. The third round had approved thirty-six new staff exits which had reduced the number of posts at risk of redundancy by a further fifteen posts. This had identified an additional new savings of around £1m.

## The Board was advised that work to review ‘structures’ to achieve cost savings referred to programme delivery structures. It was not just management structures that were being reviewed.

## The Board was advised that the proposed redundancies were being put forward as part of work to reduce the £17m gap between income and expenditure in order for the University to meet its bank lending covenants in 2025-26 and beyond. The proposals were being put forward out of necessity. Further (additional) work would need to be undertaken over future years via the University’s transformation programme for the University to fully meet is Key Financial Indicators (Staff cost % below 60%; Cash generation of at least 10% of turnover) and achieve long term financial sustainability.

## The Board noted that work on financial recovery and transformation would need to continue – even in the event of an upturn in international recruitment. It was recognised that international recruitment was often potentially volatile and the University needed to ensure that it had the required finances in place and an appropriate operating model that was able to manage and/or withstand future shocks/volatility.

## The Board reflected on the underlying challenges presented by the current model of university funding. It was recognised that the UK and Welsh Governments would not be making changes to the model for the foreseeable future and that the University needed to take forward its work on financial recovery and transformation within this context.

## The Board noted that further work on income generation, diversification and growth would be undertaken after the more immediate and pressing work to achieve cost savings had been completed. This would include exploring further opportunities with employers/industry at a local, regional, and national level.

## The Board noted the communications work that had been undertaken internally and externally to ensure that the messaging on the University’s financial recovery (especially with regard to reductions in staff numbers) was accurately and appropriately conveyed. Communications with Welsh Government, Medr, and University staff was specifically referred to. The Board requested that the University Executive Group provide key messages on the collective consultation exercise that Board members could use to support them in responding to any queries from stakeholders.

## The Board noted that some specified University activities currently undertaken would cease. The rationale for this was explained in detail.

## The Board noted that the impact on students would be minimal. A limited number of single year master’s programmes would be phased out. Alternative programme opportunities would be offered for some programmes that attracted a low number of students.

## The Board sought clarification on whether the University’s cash reserves could be used to offset/reduce the number of proposed redundancies. For the avoidance of doubt, it was clarified that the University did not hold significant reserves. The University had only £43m in cash and equivalents in 2023-24 and this was forecast to reduce to £34m in 2024-25. This brought the University closer to the minimal level required for its banking covenants which was £24m. With only £10m outside of the covenants it was prudent not to reduce the reserves further. This would help secure the University against future shocks and provide some assurance of staying comfortably within the covenant agreements. The Board was advised that its banks could recall the full value of its loans if the University failed to stay within the limitations of its covenant agreements. The University would go bankrupt if this happened.

## The Board noted that whilst work on financial recovery needed to be prioritised it was important that work to define the University’s structure, shape and focus should be undertaken within a limited timeframe. It was highlighted that this work would help develop understanding and create a coherent vision of the University’s future would be. The University Executive Group committed to revert to the Board to discuss the development of proposals on the University’s future academic mission.

## The Board noted that the University Executive Group were confident that the £17m cost savings target would be achieved by the end of the current financial year. However, the University was significantly above the staff costs to income ratio of 60% of turnover. Further work would be needed to reduce the current ratio. Caution was however being exercised in being careful not to take out too much cost from the organisation that would potentially hinder future recovery.

## The Board noted a suggestion that an external/critical friend be invited to test the proposals from a risk perspective.

## The Board queried whether the University was potentially at risk of strike action by staff. The Board was advised that it was within the Trade Unions’ right to ballot its members on strike action and that the University would aim to ensure that arrangements were appropriately managed in the event that this should happen. The Board noted the approach taken by the University in constructively working with the Trade Unions and reducing staff costs via a gradual and phased approach. It was hoped that this would help significantly reduce the risk of potential strike action.

## The Board noted that the national pay negotiations for 2025-26 between UCEA and the Trade Unions was due to commence within a fortnight. It was anticipated that strike action would take place at some institutions. The importance of taking an honest, fair, and sensible approach with the need to ensure no surprises was emphasised.

## The Board sought assurances that the required equality impact assessments were in place in support of the proposals. Specific reference was made to the University’s pension provision and the differences between the three schemes (USS, TPS and LGPS).

## The Board reflected on the University’s stated cross-cutting mission of being Wales’s Sporting University. It was confirmed that the proposals would not impact on this and that the excellent outcomes for students (supported by relevant KPIs) would remain in place.

## The Board noted the Vice Chancellor’s view that the University would need to think carefully about five-year finance planning over and above the annual budget planning process. It was emphasised that longer term planning with better modelling and reporting would help secure the financial sustainability of the University.

## The Board Resolved:

## Tonote the University Executive Group update against the Recovery Programme.

## To endorse the headline principles and changes proposed by the organisational change due for consultation in late March 2025.

## To approve the University Executive Group intention to consult with Trade Unions towards the end of March, with a review restructure and a limited number of redundancies.

## To note the Next Steps and related timelines as detailed in the table below:

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| --- | --- |
| **Timeline** | **Activity** |
| 20.03.25 | Board of Governors Special Meeting to approve intention to consult with potential for Compulsory Redundancy |
| 02.04.25 | S188 notification and Collective Consultation launch to Trade Unions. HR1 to UK Govt.  Pre-consultation Staff Comms |
| 10.04.25 | Consultation launch to staff |
| 09.05.25 | Consultation period ends |
| 20.05.25 | Revised/confirmed proposals to Trade Unions |
| 21.05.25 | Individuals formally notified – Risk of Redundancy |
| 23.05.25 | All-staff comms |
| 27.05.25 to 24.06.25 | Individual consultation, slotting and matching activity |
| 25.06.25 | Formal notice of redundancy |

1. Any Other Business

## 4.1 There was no other business.

## Meeting concluded: 5:20pm

## **John Taylor CBE**

## **Chair of the Board of Governors**

## **Cardiff Metropolitan University**