



University of Exeter

COUNCIL

MINUTES AND ACTIONS – APPROVED BY COUNCIL

31 October 2024

09.30am-14.35pm

Council Chamber, Northcote House

NB text in BLACK for publication; text in BLUE will be redacted for publication

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Attendees:

MEMBERS PRESENT

Quentin Woodley	Pro-Chancellor and Chair
Professor Lisa Roberts	President and Vice-Chancellor
Professor Tim Quine	Deputy Vice-Chancellor (Education and Student Experience)
Professor Dan Charman	Senior Vice-President and Provost
Richard Atkins	Pro-Chancellor and Deputy Chair of Council
Sally Cabrini	Pro-Chancellor and Senior Independent Governor

Damaris Anderson-Supple	Independent Member
Nicholas Cheffings	Independent Member
Andrew Greenway	Independent Member
Karime Hassan	Independent Member
Salam Katbi	Independent Member
Professor Malcom Skingle	Independent Member
Sarah Matthews-DeMers	Independent Member
Alison Reed	Independent Member
Tim Weller	Independent Member
Glenn Woodcock	Independent Member
Dr Sarah Hodge	Senate Representative
Professor Sue Prince	Senate Representative
Professor Karen Knapp	Senate Representative
Elaine Cordy	Professional Services Representative
Connie Chilcott	President Exeter, Falmouth and Exeter Students' Union
Alex Martin	Guild President, Exeter Students' Guild

SECRETARY

Mike Shore-Nye	Senior Vice-President and Registrar & Secretary
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APOLOGIES

Rebecca Boomer-Clark	Independent Member
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STANDING ATTENDEES

Adrian Harris	Chief Medical Officer (Royal Devon University Healthcare NHS Foundation Trust)
Imelda Rogers	Executive Divisional Director of Human Resources
Dave Stacey	Chief Financial Officer (CFO) and Executive Divisional Director of Finance, Infrastructure and Commercial Services
Dr Jeremy Diaper	Assistant Director, Governance (minutes)
Alison Chambers	Chief Executive Officer, University of Exeter Guild of Students

IN ATTENDANCE FOR INDIVIDUAL AGENDA ITEMS**Minute Item 17 – TNE Partnerships Outline Business Case: Egypt**

Professor Richard Follet	Vice-President and Deputy Vice-Chancellor, Global Engagement
Peter Clack	Director of Global Engagement

Minute Item 18 – TNE Partnerships Outline Business Case: China

Professor Richard Follet	Vice-President and Deputy Vice-Chancellor, Global Engagement
Peter Clack	Director of Global Engagement

Minute Item 19 – Admissions Update Report

Alicia O’Grady

Professor Richard Follet

Executive Divisional Director (External Engagement and Global)

Vice-President and Deputy Vice-Chancellor, Global Engagement

10. Chair’s Welcome and Declarations of Interest

10.1 the Chair welcomed Council members to the meeting and invited any declarations of interest. There were no new declarations of interest in relation to items on the agenda.

10.2 the Chair noted that Rebecca Boomer-Clark would be dialling into the meeting online and had been unable to attend in person due to a pre-existing engagement prior to her appointment as an Independent member of Council.

11. Minutes from the Meetings held on 11 July 2024 (CNL/17/24-25 and CNL/17a/24-25 Strictly Confidential)

11.1 Council **APPROVED** the minutes of the meetings of 11 July 2024.

12. Action Log (CNL/18/24-25 and CNL/18a/24-25 Strictly Confidential)

12.1 Council received the Action Log for information which had been updated to incorporate the most recent actions from the Council meeting on 11 July 2024. The current status of the actions were noted.

13. Chair’s Business and Matters Arising

13.1 the Chair provided an update on the following Matters Arising:

a) Accelerating Data Science and Artificial Intelligence (ADA) Innovation Centre: Capital Change Request

13.2 following endorsement by the President and Vice-Chancellor, Senior Vice-President and Provost, and the Senior Vice-President and Registrar & Secretary, the Chair of Council confirmed that he had approved (via the procedure for utilising delegated emergency powers during the summer recess) a capital change request and additional investment on the ADA Innovation Centre Project;

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13.4 owing to the “live” building environment this had necessitated a very quick turn around and emergency powers were therefore utilised. The Pro-Chancellor and Deputy Chair of Council and Pro-Chancellor and Senior Independent Governor had also been notified via email;

b) Expressions of Interest for the role of Pro-Chancellor and Deputy Chair of Council

13.5 the Chair of Council noted that with Sir Richard Atkins stepping down from Council on 31st July 2025, there would be an opening for the role of Pro-Chancellor and Deputy Chair of Council (Class I). Expressions of Interest were invited for this role and interested members of

Council were invited to contact the Chair of Council, Registrar and Secretary and Senior Vice-President, and Assistant Director (Governance) via email;

14. Council Business Schedule 2024-25 (CNL/19/24-25 Confidential and CNL/19a/24-25 Confidential)

14.1 Council received for information the Business Schedule for the Academic Year 2024-25;

14.2 a new programme of pre-dinner speakers would be developed for the Academic Year 2024-25 to provide Council members with an opportunity to hear from the University's leading researchers at forthcoming Council dinners in October, February and May.

15. President and Vice-Chancellor's Report (CNL/20/24-25 Strictly Confidential)

15.1 the President and Vice-Chancellor noted that Linda Peka (Executive Divisional Director of Education & Academic Services and Deputy Registrar) would be retiring from the University in December 2024 at the end of the current academic term after an incredible contribution to the University spanning 19 years. After a rigorous internal recruitment process, Clare Wydell (currently the Director of Faculty Operations for ESE) had been appointed as the new Divisional Director of Education and Academic Services from 1 January 2025. Whilst the new Divisional Director was not a formal member of the University Executive Board they would be a standing attendee at meetings;

15.2 as a result of a critical need to enhance the University's strategic planning capability and to find ever more agile and innovative ways to respond to the challenges facing the University sector, it had decided to dissolve University Corporate Services (UCS) which would also help to ensure greater synergy between constituent parts and address the need for improved relationships and connections between divisions and delivery;

15.3 a new division of Strategic Planning and Delivery had been created and would be led by a new UEB-level position of Chief Strategic Planning and Delivery Officer. This position had a shared reporting line to the Senior Vice-President and Provost and Senior Vice-President and Registrar & Secretary, with a dotted line to the Chief Financial Officer;

15.4 a recruitment campaign had been launched for the new Chief Strategic and Planning Delivery Officer with support from the Executive search firm Odgers Berndtson. The new post would be the Professional Services lead in developing, supporting and delivering Exeter's Strategy 2030, and would be responsible for providing high-level advice, support and guidance to enhance strategic planning, delivery and business planning capabilities and provide insight and analysis into strategic opportunities and threats facing the University;

15.5 following a competitive external recruitment search, Professor Steve Wood (formerly Dean of Surrey Business School) had been appointed as the Deputy Pro-Vice-Chancellor and Dean of the Business School and would commence the role on 1st January 2025;

15.6 the government had launched a Green Paper, 'Invest 2035', which set out a vision for a modern Industrial Strategy and a 10-year plan. The Industrial Strategy was intended to focus on the sectors which offered the highest growth opportunity for the economy and business and eight growth-driving sectors had been identified. Consultation responses were open until Monday 25 November 2024 and the final industrial strategy was scheduled to be published in spring 2025;

15.7 in relation to the Autumn Budget 2024:

- 15.7.1 the Chancellor of the Exchequer had presented her Autumn Budget 2024 to Parliament on Wednesday 30 October 2024. The increase in Employer National Insurance Contributions (NICs) from April 2025 would result in second earnings threshold falling from £9,100 to £5,000 and the main rate at which NICs would be paid rising from 13.8 to 15 per cent. As there was no specific funding allocated to Universities to cover these additional costs, the rise in National Insurance costs and additional costs resulting from the increase in the living wage could result in an annual recurrent impact in the region of c. £4m-£6m. Further financial analysis and modelling would be undertaken to determine the precise financial impact;
- 15.7.2 it was anticipated that c. 300-400 staff on grades B and C would be impacted by the living wage change and it would result in some overlap between the top of grade C and the bottom of grade D;
- 15.7.3 an increase to UK home tuition fees were under active consideration by the government but there had been no specific commitments on Higher Education funding within the budget announced on 30th October 2024;
- 15.7.4 the Chancellor had announced the highest ever level of government investment into UK R&D to drive economic growth, including fully funding association to Horizon Europe research programme.

16. Update on the Voluntary Severance Scheme (CNL/21/24-25 Strictly Confidential and Commercial in Confidence, presentation tabled on the day and filed with the record of the meeting)

- 16.1 Council received an update on the implementation of the Voluntary Severance Scheme from the Senior-Vice-President and Provost and Senior Vice-President and Registrar & Secretary. It was noted that the core delivery activities had been protected and negative impacts on operations had been avoided as a result of business continuity mitigations;

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17. TNE Partnerships Outline Business Case: Egypt (CNL/22/24-25 Strictly Confidential)

The Chair invited Professor Richard Follett (Vice-President and Deputy Vice-Chancellor, Global Engagement) and Peter Clack (Director of Global Engagement) to join the meeting and briefly introduce the Outline Business Case.

- 17.1 in contrast to most Russell Group Universities, Exeter currently had no large-scale Transnational Education Partnership and there was a strategic imperative to develop TNE proposals to enhance the global reputation, brand and reach of the University. Establishing a Teaching Institute ('Branch Campus') in Egypt would enable the University to recruit students from Egypt and across Sub-Sahara Africa, the Middle-East and North Africa. It would also enable the University to be sector-leaders in TNE in continental Africa and engage in opportunities for research and business engagement;
- 17.2 the proposals had been reviewed and scrutinized by Finance and Investment Committee and a deep-dive on geopolitical risks had also been undertaken at Audit and Risk Committee. Council recognised that were a number of reputational and financial risks associated with the TNE project but that the partnership approach was the TNE model used by most UK

universities and would help to lower risk and leverage reputation of both institutions. It was also noted that Senate would have an opportunity to review and discuss the academic elements of the proposal;

17.3 the initiative had been developed in consultation with the Minister of Higher Education in Egypt and scoped by the TNE steering group prior to review and endorsement by UEB and the Finance and Investment Committee;

17.4 following careful review, scrutiny and endorsement by UEB and Finance and Investment Committee, Council were strongly supportive and enthusiastic of progressing the project and proceeding with negotiations to establish a Heads of Term Agreement with the Egyptian government for establishment of a major teaching institute and noted it was a fantastic opportunity to enhance global reputation and gain a first mover advantage through a TNE partnership with a highly reputable institution;

17.5 in the course of detailed discussion Council noted the following:

17.5.1 as a key strategic driver of the proposal was to enhance global brand recognition and the University's QS league table position it would be important to develop a more nuanced understanding of the extent to which the project would enhance our reputation. It was noted that a presence in the region would enable the University to forge detailed engagement with senior government and business stakeholders and improve academic and employer engagement surveys which impacted on the QS league table position;

17.5.2 the proposed 'branch campus' was in close proximity to the business innovation district which would provide a unique opportunity to access research, commercial and knowledge exchange opportunities with funders and industry partners at scale in alignment with the greener, healthier and fairer strategy of the University. It would also provide a strategic opportunity to engage more widely with Sub-saharan Africa and develop a global presence and reach into emerging economies;

17.5.3 a working group with representation from each Professional Services division had been established to reflect on required mix of Professional Services support, optimal balance of central vs remote support, and potential economies of scale. It was anticipated that there would be a requirement for some Professional services colleagues to be based in country and to provide campus support;

17.5.4 the student number model and projections has been prudent and based on lowest estimates and most cautious assumptions;

17.5.5 University regulations in Egypt were overseen by the Minister of Education and the supreme court of Egyptian Universities. Under the terms of Egypt's TNE policy, the University of Exeter's teaching quality assurance policies would apply and students would be awarded Exeter degrees which would still be overseen by the OfS regulatory framework and conditions of registration;

- 17.5.6 that there were a number of mitigations which could be embedded through contractual joint agreements with other joint partners. Framework agreements could be utilised to significantly minimize the overarching risks and advice had been sought from Legal Services and research collaboration teams on specific provisions typically included within TNE contracts to ensure UK law was specified as pre-eminent in contract regulations. It was recognised that there were exit causes which could be incorporated and specific provisions to outline confines within which joint partnerships operated.

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APPROVED: proceeding with negotiations to establish a Heads of Term Agreement with the Egyptian government for establishment of a major Teaching Institute ('Branch Campus').

AGREED: that a Full Business Case and the final Heads of Terms would be scheduled for approval by Council in February 2025.

AGREED: that the Full Business Case would include a more detailed brand and marketing plan to demonstrate how the TNE Partnership would help enhance the University's global brand and reputation, including improvements in the QS league table.

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18. TNE Partnerships Outline Business Case: China (CNL/23/24-25 Strictly Confidential)

The Chair invited Professor Richard Follett (Vice-President and Deputy Vice-Chancellor, Global Engagement) and Peter Clack (Director of Global Engagement) to briefly introduce the Outline Business Case.

- 18.1 the TNE Partnership proposal to establish a Joint Education Institute would enable the University to develop its global education footprint in China (the UK's largest student recruitment market), contributing to reputation enhancement and brand recognition, income diversification and recruitment opportunities, increased engagement in research and business partnerships, and strengthened financial resilience;
- 18.2 the proposal would contribute to increasing the University's visibility in China and help to enhance the University's position in the QS World University rankings by growing brand visibility and driving increased engagement in academic and employer reputation survey nominations which were key metrics in QS league table rankings. In the surveys informing the 2025 QS rankings, Exeter received only 2.2% of total academic nominations and c. 1% of total employer nominations from China. It was recognised that it would be difficult to predict the precise impact or timeframes for improvement in the QS league table rankings, but a number of UK universities with JEs and TNE initiatives had seen increases in their QS ranking positions which was considered attributable to their TNE activities;
- 18.3 the Russell Group currently had 12 members with a China Joint Education Institute, and in 9 of these there was substantial engagement with several additional partnerships;
- 18.4 whilst the University had had historically been conservative in engaging with TNE activities in China, there was now greater clarity surrounding the strategic benefits, the type of preferred partner and an opportunity to benefit from the established operational models and wealth of

wider sector experience, including the UK-China JEI alliance;

18.5 whilst there were inherent risks involved in engaging in TNE partnership activity which could never be fully mitigated against, the major risks would be mitigated through careful planning, contractual clauses, staff training and monitoring. Major geopolitical risk leading to market exit would also be mitigated with multiple exit clauses, third-party resolution, and teach-out agreement. The external feasibility study and legal advice commissioned by the University had highlighted contractual and operational mitigations that could be implemented;

18.6 following careful review, scrutiny and prior endorsement by UEB and Finance and Investment Committee, Council were strongly supportive of the proposal and recognised that there was a risk the University would fall behind competitors if it did not embark on this strategic opportunity to prepare a submission to the Chinese Ministry of Education to establish a Joint Education Institute.

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APPROVED: proceeding with the preparation of a submission to the Chinese Ministry of Education to establish a Joint Education Institute with the selected institute detailed in the paper.

AGREED: that the Full Business Case would be scheduled for Council approval in February 2025.

AGREED: that the Full Business Case would include a more detailed brand and marketing plan to demonstrate how the TNE Partnership would help enhance the University's global brand and reputation, including improvements in the QS league table.

AGREED: to proceed to sign a Memorandum of Agreement and Programme Fee agreements to affirm the proposed TNE Partnership, subject to review by specialised legal Counsel.

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The Chair thanked Peter Clack (Director of Global Engagement) for his contribution to the meeting and invited him to leave.

19. Admissions Update Report (CNL/24/24-25 Strictly Confidential)

The Chair welcomed Alicia O'Grady (Executive Divisional Director for External Engagement and Global) and invited her to briefly introduce the admissions update report.

19.1 Council were provided with an update on the admissions for the 2024 cycle, including both undergraduate (UG) and postgraduate taught (PGT) programmes, with a focus on performance relative to sector trends and institutional targets;

19.2 Council noted the outcomes and challenges identified along with the mitigation strategies in place to address the emerging risks;

19.3 the University had performed well in undergraduate and postgraduate taught admissions despite challenges in the international market and outperformed many UK universities. It remained in a relatively strong position in comparison to other institutions in the sector;

19.4 the following was noted:

- 19.4.1 Undergraduate home admissions had exceeded target by 110% which had compensated for shortfalls in international recruitment;
- 19.4.2 the University had met the target for Postgraduate Taught Home Admissions (102% of target);
- 19.4.3 international undergraduate and postgraduate taught admissions had fallen below target. The sector-wide challenges in international postgraduate taught enrolments continued, with many UK universities with enrolments widely reported to be between -15 and -40% on 2023 entrant numbers;
- 19.5 the sector-wide decline in international student recruitment was being driven by a number of factors, including: ongoing geopolitical and economic challenges such as currency devaluation (particularly in India, Thailand, Nigeria and China); cost of living pressures and perception of the UK as a high-cost country; and increasing international competition for students;
- 19.6 in relation to Widening Participation and State School recruitment the following was noted in discussion:
- 19.6.1 a number of tactics were being deployed in an effort to enhance state school and Widening Participation, including opening up contextual offers to a wider range of schools in areas of socioeconomic deprivation, including Wales, Midlands and the North. These increased efforts had resulted in the University now being the largest Russell Group provider for students in South Wales, with the exception of Cardiff University;
- 19.6.2 up until 2030 the number of 18 year olds was projected to continue to increase, but would then drop off after this which was anticipated to result in the proportion of students applying to University reducing. Coupled with the current cost-of-living crisis this would make improving state school recruitment increasingly difficult for the short to medium term;
- 19.6.3 that more proactive communications were required to highlight the benefit of a University education to students from disadvantaged backgrounds and to highlight the Value for Money in the context of a cost-of living crisis. It was reinforced that improving institutional performance in Widening Participation would require continued levels of investment and sustained focus;
- 19.6.4 since May 2024 approximately 15,000 prospective students had attended an open day on the University campus which was up by c. 20% on the previous year. It was hoped that the increased volume in prospective applicants would widen the diversity of potential students;
- 19.6.5 in light of the geographic location of the University it was challenging to recruit students from disadvantage backgrounds;
- 19.6.6 the increased collaboration with industry to deliver Degree Apprenticeships had been a strategic institutional decision designed to help enhance educational provision for under-represented student groups;

19.6.7 the enhancements as part of the Curriculum for Change programme were designed to improve graduate outcomes (as reflected in graduate engagement in further study and highly-skilled employment) and address inequality of opportunity with respect to extra- and co-curricular opportunities;

19.6.8 it was noted that an increasing proportion of University graduates were struggling to find graduate-level employment and it therefore increasingly critical that the University provided students with skills to succeed in the workplace;

19.7 in relation to the challenges relating to international student recruitment:

19.7.1 that the sector-wide global market declines had been particularly pronounced in India and China. The substantive drop in Chinese international student recruitment was predominantly due to students either choosing to study at their home University or TNE provision;

19.7.2 there were currently good levels of applications for January starts, but was too early to accurately indicate the scale of forecast enrolments;

Closed minute – Strictly Confidential and Commercial in Confidence:

ACTION: that future admissions reports would include a hyperlink to previous admissions reports for background context and incorporate a 5-year trend analysis of previous recruitment numbers to provide a clearer sense of longer-term trends and contextualise the current volatility in the international student recruitment market.

AGREED: to schedule a strategic briefing session at Council in May 2025 on graduate employability, including challenges facing recent graduates in the job market and how AI may shape future graduate careers.

The Chair thanked Alicia O’Grady (Executive Divisional Director for External Engagement and Global) and Professor Richard Follet (Vice-President and Deputy Vice-Chancellor, Global Engagement) for their contribution to the meeting and invited them to leave.

20. Financial 2023-24 Outturn Report (Subject to External Audit) (CNL/25/24-25 Confidential)

20.1 the Operating Surplus (EBIT) was £22.5m, which represented c. 3.6% of income;

20.2 that of the £22.5m EBIT, £13.5m was from interest receivable on cash balances, and £1.5m was the share of INTO LLP’s forecast surplus (which was not wholly recurrent in nature);

20.3 the financial outturn was considered a strong performance in the context of lower than planned international student recruitment and had been achieved through considerable management action and institutional focus on managing budgets to ensure effective cost control across both pay and non-pay;

20.4 the main driver of improved financial performance against the final forecast was a result of teaching income (+£3.4m), which included additional teaching grants linked to Degree

Apprenticeships, increased PGR income and lower student attrition than modelled;

- 20.5 Capital expenditure had been £40.5m (c. £5.7m below the final forecast) as a result of changes in business case timings and adjustment of capital expenditure to operating costs (eg Penryn 2.0 and Workspace 2030) and a series of project underspends;
- 20.6 the cash balances stood at £200m as of 31 July 2024, which was up £14.9m year-on-year;
- 20.7 the efficiency and transformation plans under development and implementation for the Academic Year 2024-25 would be critical to securing medium-term financial sustainability in light of continued sector-wider uncertainty regarding international student recruitment;
- 20.8 the Audit and Risk Committee had undertaken a deep dive on financial sustainability at the recent meeting on 30 September 2024, which had affirmed that the University had a good track record of financial delivery and managing covenant risk alongside the overall delivery of the financial plan. The University continued to engage in open and transparent discussions with lenders and maintained a constructive relationship with them;
- 20.9 Council noted that the University would likely be an outlier in the sector in securing a surplus in the academic year 2023-24 and acknowledged the strong financial outturn and performance in the context of lower than planned international student recruitment. It was recognised that this had been achieved through considerable management action and sustained institutional focus on managing budgets to ensure effective cost control across both pay and non-pay.

21. Financial Projections to 2028/29 to inform OfS Submission (CNL/26/24-25 Strictly Confidential)

- 21.1 Council discussed the final projections to 2028/29 that would inform the OfS submission and noted that the paper provided a range of 5-year financial forecasts to 2028/28 to inform the annual financial return, which was a regulatory requirement and would need to be submitted to the Office for Students (OfS) by January 2025;
- 21.2 the financial 5 year projection to 2028/29 was required to be submitted to the OfS to enable them to assess the financial viability and sustainability of individual providers and make a judgement regarding financial risks. The data was required to reflect the providers agreed strategy and provide a plausible base case that was considered a reasonable and achievable plan, but was distinct from the University's agreed budget and committed financial plans and did not replace the full planning process;
- 21.3 the previously planned growth was now considered unlikely given the latest recruitment figures and market insights;

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ENDORSED: the scenario as a reasonable basis for preparing the Office for Students (OfS) submission and informing business planning, subject to further data analysis and modelling to incorporate the implications of the increase in Employer National Insurance Contributions.

AGREED: that a revised and updated version of the Financial Projections to 2024/29 would be endorsed by Finance and Investment Committee (22 November 2024) prior to approval by Council (10 December 2024).

Secretary's note: following the announcement from the UK government on 4 November 2024 that UK tuition fees would increase by 3.1% to £9,535 from the start of the 2025 to 2026 academic year, additional financial modelling was undertaken which confirmed that the OfS five year financial projections would remain in alignment with the paper presented to Council once the tuition fee increase and national increase had been taken into account. It was therefore agreed in consultation with the Chair of Council, the Senior Vice-President and Registrar and Secretary and the Chief Financial Officer that there was no requirement for the paper to be reconsidered either by Council or the Finance and Investment Committee as it had already been endorsed and approved.

22. Final Budget 2024-25 (CNL/27/24-25 Strictly Confidential)

- 22.1 the Final Budget incorporated proposed mitigations for non-pay savings and workforce planning and other initiatives in order to achieve the targeted 1% EBIT (c. £6.2m for 2024/25) and summarised the actions taken, remaining challenges and adjustments to secure a balanced budget;
- 22.2 the unmitigated financial gap for 2024/25 was currently c. £5.7m which would need to be addressed in order to achieve the 1% EBIT (£6.2m target). A number of the mitigations that would be deployed this year to ensure a balanced budget were non-recurrent in nature;
- 22.3 it was noted that in light of the sector-wide challenges experienced in relation to international student recruitment the student growth trajectories had been reshaped and that there remained significant financial gaps to mitigate in the outer years of the 5 Year Plan as a result. Significant work was being undertaken to develop plans to address the recurrent cost based and bring this back into alignment with budget;
- 22.4 UEB had good oversight and understanding of the key drivers and had considered initial plans at the UEB residential in October 2024, but further work was being undertaken on these to ensure the size and shape reviews and workforce planning was sufficiently robust. It was recognised that that c. 5% international growth year on year would not be sufficient to balance the financial position, and the current cost base was therefore being reviewed in detail;
- 22.5 the Enabling 2030 Group (co-chaired by the Senior Vice-President and Provost and the Senior Vice-President and Registrar & Secretary) had responsibility on behalf of UEB to oversee and support delivery of financial efficiencies across Faculties and Professional Services in the 5 key workstreams, including: Research, Teaching, Non-Pay; Professional Services Redesign and Digital; and Workforce Planning.

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APPROVED: the Final Budget to Council for approval on 31st October 2024, in order to achieve a 1% EBIT in 2024/25.

22. Verbal Update from the Chair of Audit and Risk Committee

- 22.1 the Chair of Audit and Risk Committee provided a verbal update on key issues discussed and considered at the meeting on 30 September 2024.
- 22.2 the Committee had reflected on its effectiveness against its Terms of Reference and a gap analysis against the CUC Audit Committee Code of Practice. It was noted that there continued to be a high-level of compliance against the Code and that further work had been undertaken to improve the effectiveness of the committee over the course of the Academic Year 2023-24;
- 22.3 good progress was being made in delivering the 2023-24 internal audit plan. As part of the Supplementary materials provided by PwC, the Committee briefly considered the Good Growth for Cities report (published in September 2024) which emphasized the importance of devolution in addressing economic priorities of UK communities. The Committee recognised it would be helpful to reflect more widely at Council on the longer-term strategic implications of the recently approved Devon and Torbay Combined County Authority and the University's potential strategic response and implications for delivery of Strategy 2030 and the research and innovation agenda;
- 22.4 the following key themes from consideration of the internal audit 2023/24 reports:
- a) Financial Planning and Budgeting*
- 22.4.1 the Committee affirmed the importance of the continued focus on the development of a more efficient, sophisticated and consistent process for performing sensitivity analysis across student number planning and financial forecasting processes in the challenging external environment;
- b) Future Structures Programme Implementation*
- 22.4.2 the Committee agreed it would be important to ensure the key lessons learned from the Implementation of the Future Structure Programme was embedded in any future large scale institutional change and reorganisation;
- c) Risk Management Culture*
- 22.4.3 that there was more work required to strengthen the risk management culture and ensure there was collective understanding and shared responsibility across the institution;
- 22.4.4 that further work would be undertaken on the development of an institutional risk appetite statement and scheduled for further input and discussion from Audit and Risk Committee and Council;
- 22.4.5 an update on the implementation of the digital risk management system was received along with assurance that lessons learned had been actively considered;
- d) Widening Access and Participation*

22.4.6 Audit and Risk Committee recognised that the University had established good controls to govern the delivery of the new Access and Participation Plan for the next academic year 2024- and appropriate mechanisms to maintain central strategic and operational oversight. However it was recognised the audit had been singularly focused on process and implementation arrangements and it was affirmed that significant work was still required to improve intuitional performance in outcomes.

22.4.6 the Committee held two deep dives on Geopolitical Risks (CR44) and Financial Sustainability (CR20).

22.4.7 the Committee agreed that further consideration would be given to the possibility of adopting a more efficient approach to committee endorsement of the Annual Report and Financial Statements, including the possibility of scheduling a Joint Meeting of Audit and Risk Committee and Finance and Investment Committee. This was being actively reflected on as part of the development of the new academic calendar and schedule of committee dates for the Academic Year 2024-25;

22.4.8 in relation to Insurance arrangements, there was a particular focus on exploring opportunities for value for money and efficiencies through an overall audit of insurance programme and potential retendering for new insurance broker at the end of next year;

22.4.9 the Committee welcomed and support the enhanced approach to maintaining levels of compliance with mandatory training, but noted Faculties were still lagging behind Professional Services staff in completion rates.

23. Chair's Closing Remarks

23.1 the Chair thanked members for their contribution to the meetings on 30th and 31st October 2024 and advised that the next meeting would be held on 10 December 2024.

24. Part II – Items (For Decision) approved by Council

24.1 the Chair confirmed that the following papers had been approved by Council within Part II (For Decision):

24.1.1 Prevent Monitoring Accountability and Data Return (CNL/28/24-25)

24.1.2 Statement of Primary Responsibilities and Council Code of Conduct (CNL/29/24-25)

24.1.3 Council Standing Orders (CNL/30/24-25)

25. Part II – Items (For Information)

Governance

25.1: *the following items were received by Council for information:*

25.1.1 Register of Interests for Council Members 2024-25 (CNL/31/24-25)

25.1.2 Information Annual Assurance Report – Information Governance (CNL/32/24-25)

25.1.3 Assurance Affixing the Seal (CNL/33/24-25)

Financial Documentation

25.1.4 Costing Insights Paper 2022-23 (CNL/34/24-25)

TNE Supplementary Materials

25.1.5 Costing Insights Paper 2022-23 (CNL/34/24-25)

25.1.6 TNE Supplementary Materials Appendix 7 - Mills and Reeve Legal Advice Note (Outline Business Case) (CNL/23b/24-25)

Minutes and Reports

25.1.7 Audit and Risk Committee Minutes - 28 June 2024 (CNL/35/24-25)

25.1.8 Strategic Investment Committee Report (CNL/36/24-25)