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Eich Cyf/Your

09 March 2015

Huw Lewis AM
Minister of Education and Skills
Welsh Assembly Government
Cardiff Bay
Cardiff
CF99 1NA

Dear Minister

This letter has two purposes.

1. To provide you with a report on the outcome of the special meeting of the Glyndŵr Board on 5 March; and
2. To seek an urgent meeting with you at which the Vice-Chancellor and I can spell out the very serious consequences for the University and all other parties to this matter if an agreement cannot be reached with HEFCW on how the University is to resolve the temporary cash flow problems it anticipates.

I called the special meeting of the Glyndŵr Board so that Governors could be briefed on their responsibilities under Company and Charity [redacted under s43 of the Freedom of Information Act]. The meeting was also called to consider how we should respond to Huw Morris's letter to me which I received on 18 February in which he invited the Board to participate in the Joint Working Group which you had already established to consider Higher Education in North East Wales.

In addition to the letter from Huw Morris, we had expected to have before us

- your reply to my letter of 24 February in which, on behalf of the Board, I had sought clarification on a number of important matters relating to the formation of the Working Group and its role, and
- two letters from HEFCW, one about transitional funding, [redacted under s43 of the Freedom of Information Act].

Disappointingly, we received none of these latter three letters in advance of the meeting. This meant that we were unable to make as much progress as I would have liked on the matters we had before us. The day after the meeting we did receive two letters from HEFCW. One of these sought to reopen the terms under which we had agreed, in line with your telephone call to me on 20 November 2014, about the removal of the former Vice-Chancellor. [redacted under s43 of the Freedom of Information Act].

Context

Before summarising the outcome of our meeting, I think it would be helpful if I describe the significantly improved position in which the University now finds itself.

- Following the departure of the previous Vice-Chancellor, the Board moved very quickly to appoint a successor, and he in turn is moving quickly to strengthen the University's senior management team in accordance with agreements we had reached with HEFCW.
- The UKVI conducted their further audit of our systems and procedures for managing our non EU international students in January. They have now reported that they are satisfied that these are all in order. As a consequence the threat that our highly trusted status licence would be revoked has been removed. In addition, we have been told that we are now permitted to teach out our remaining London students, albeit at a different campus, and that we can continue to recruit international students into Wrexham. This means that an enormous cloud of uncertainty and substantial financial risk have been lifted from the University. As a result we can now plan with confidence for our sustainable future.
- In parallel with all this much has been accomplished over recent weeks and months to enhance our financial management systems and our financial position has continued to improve. We are now confident the University will move back into a surplus in the next academic year, and that this will be sustained in future years. We expect further improvements in the present forecasts as a result of the potential cost savings that our new Vice-Chancellor has identified. Our balance sheet remains strong with net assets of nearly £40million and we are one of the few universities in Wales, or the United Kingdom as a whole for that matter, which has no long term debt on the balance sheet.
- In summary, we are well on the way to stabilising the University's finances and, on behalf of the Board, I am pleased to be able to reassure you that we are confident that the University can continue to provide high quality education and continue to do its existing exemplary work meeting the needs of those students from poorer and more disadvantaged backgrounds in North East Wales. The Board is also confident that the University continues to have the capacity to operate as an independent and free standing University, should that be considered to be in the best interests of its students and the region.

[redacted under s43 of the Freedom of Information Act]

At the Board meeting last week Governors received specialist legal advice on their responsibilities under both Company and Charity Law. [redacted under s43 of the Freedom of Information Act].

For clarity there are two problems for the Board –

[redacted under s43 of the Freedom of Information Act], the Board resolved that the Vice-Chancellor and I should seek an urgent meeting with you so that we can clarify the implications not just for the University but for HEFCW and for the Welsh Government and then hopefully [redacted under s43 of the Freedom of Information Act] , with written agreements in place, [redacted under s43 of the Freedom of Information Act].

Joint Working Group

At its meeting there was a constructive discussion by the Board about involvement in the Joint Working Group. However, the Board was not able, as I had hoped, to reach a fully concluded view on the nature and terms of its engagement with the Joint Working Group you are establishing due to the absence of a reply from you to my letter of 24 February. I had sought clarification on some key issues, in particular, the Board's responsibility for any final decision that will be made about the future direction of the University.

I am pleased to be able to tell you, however, that the Board made it clear that it wanted to be able to engage fully and constructively with the Group's work with the aim of securing an outcome which would be in the best interests of our students, local employers, and the local community. Such goals are entirely congruent with the University's present mission, so any outcome that would enable the University to deliver these better and in a financially more sustainable way in the future is something that in principle we would welcome.

The Board was in no doubt about the challenges that the Group would face. Since the original Webb report was established we have made several attempts to find partners with whom the University could work in order to enhance our sustainability and improve the range and quality of the education we provide. Amongst others, [redacted under s43 of the Freedom of Information Act]. Shortly before Christmas we thought we had laid the foundations for a strategic alliance with [redacted under s43 of the Freedom of Information Act] but we were prevented from progressing it at that time. The Board consider it essential that both you and the Working Group should understand the reason no progress has been made since the initial Webb Report was published has been because others, not Glyndŵr University, have prevented it from happening.

To summarise the main conclusions the Board reached on its participation in the Working Group:

- We have nominated Derek Griffin, our Vice-Chair, to be a member of the Group alongside Graham Upton. Both will attend in a personal capacity as neither is in a position formally to represent the views of the Board or to commit the Board to a particular course of action.
- We also endorsed the proposal from the Students' Guild that they should also be represented on the Group as they have a far closer interest in the outcome and a much better understanding of the issues for students than the proposed student representative. I understand you will be receiving a separate letter from the Guild President formally making this request.
- The Board requested responses to a number of points in my letter of 24th February.

We look forward to receiving your response before the first meeting of the working Group. In the meantime, the Board has clarified its position on some key points referred to in the letter. Consequently, engagement with the Joint Working Party is on the basis that:

- a) The Joint Working Group will evaluate all the options it considers against a base case of an independent Glyndŵr
- b) Non-public and confidential information will not be released to any party without the University's prior agreement
- c) The Glyndŵr Board is the lawful body for determining, by resolution, the future direction of the University

Finally, the Board emphasised that throughout the Joint Working Party considerations, the interests of the present and future students of the University should be paramount. It particularly wanted me to record their concern that the existence of the Working Group as well as its eventual conclusions once these are known, could affect prospective students' confidence in the University, and thus have a serious impact on future recruitment and therefore the University's revenue forecasts.

Yours sincerely

Sir Jon Shortridge
Chair of the Board of Governors