

**Unconfirmed Minutes
Board Cobra Meeting
Meeting held on 9 April 2020**



Attending: Geoffrey Crossick (Chair), Lynne Williams, Vivienne Littlechild, Graham Packham, Maria Delgado, Katharine Lewis, Amy Grimes (Minutes)

1. Updates

City of London

- 1.1 City Governors felt confident that the City of London Corporation would help financially to ensure the School's future sustainability. Members would however want reassurance that the School was doing everything possible to mitigate losses.
- 1.2 A paper would be required setting out everything that had been done.
- 1.3 LW reported that she was in touch with Peter Lisle who was overseeing the City's Covid19 response and had discussed all major decisions taken by the School with him and City communications department. The situation had highlighted several issues around governance and delegation, particularly in relation to communications sign off where some delays had been experienced.
- 1.4 The Town Clerk's department had been asked to conduct an exercise assessing the City's critical functions. The School had been assessed as Amber: *the service is important but does not need full prioritisation. Staff could be reduced. The importance of this service may vary at different times.* LW had been in touch with Simon Latham with regard to this and the position of the School was now understood as continuing to deliver a full programme and therefore unable to allow staff to be redeployed to the City.

Office for Students (incl Governors' responsibilities)

- 1.5 KML reported four key areas in relation to Office for students
 - 1) Relaxation of reporting requirements, eg data returns
 - 2) Reportable events
 - 3) Access & Participation expectations
 - 4) Governor responsibilities
- 1.6 The Data returns still expected were Annual Accounts, Graduate outcomes survey contact details, unistats data, and Prevent
- 1.7 OfS had changed what now needed to be a reportable event – the School had been sending reportable events as events had unfolded. Under the new rules not all of these items would now be classed as a reportable event.
- 1.8 When delivery for final year students would be pushed into the next Academic year – which was a possibility in acting – this would be a reportable event.
- 1.9 A new reportable event was a forecast that an institution's liquidity might drop below 30 days. This, however, was not applicable to the Guildhall as it was part of the City.
- 1.10 There were issues around Access and Participation – many activities were now not able to happen but the School would honour commitments where ever possible. It was an absolute requirement from the OfS that institutions honoured any financial commitments to current students and the School expected to meet this requirement.
- 1.11 Particular governor responsibilities during the Covid-19 crisis were to protect the interests of students and ensure the effectiveness of the pastoral support. However, it was stressed by the Chair that governors needed to be particularly mindful of their usual responsibilities during this time.
- 1.12 For the next Board Meeting the School would bring an overview of all changes in programmes across the School as well as an overview of all pastoral support students have been receiving during the crisis.
- 1.13 The RISTA consultation had been substantially delayed.

- 1.14 MD reported that UUK had issued an embargoed document on achieving sustainability in Higher Education, which might mean an increase in funding for all HEIs – there is a specific mention of Small Specialists.

School Update

- 1.15 The School had been in Business Continuity mode since 2 March, with regular meetings of Gold, Silver and Bronze groups.
- 1.16 There had been a huge amount of work from all staff to move programmes online.
- 1.17 LW had sent a series of Friday emails to all communities including students, staff, parents, Islington, CAD etc.
- 1.18 By 17 April students would have received emails about what their programme/courses would like in the Summer term.
- 1.19 There were 12 students left in Sundial Court and they were receiving regular phone calls from student affairs staff.
- 1.20 The School was holding the line on refunds, intermittence and deferrals.
- 1.21 The School was confident that it would get most final year students through to completion of award by the end of the academic year . Graduation had been postponed to February 2021.

2. Current School Issues

Online teaching (incl. students' dissatisfaction & staff training)

- 2.1 Amount of student dissatisfaction was immense but things seemed to have moved on since then. There was a lack of expertise amongst the teaching staff to deliver online and the School was looking at mentorship of staff, and online resources.
- 2.2 Dissatisfaction from students was, in the main, about getting a refund – an email had gone out to self-funders in respect of delaying the fee payment deadline and to highlight the support which was being offered. Programme messages, which were due out today, should also quieten most of the dissatisfaction.
- 2.3 LW reported that production arts were on an even keel and had lots of work to be getting on with. Actors reported feeling most at risk of not having the experience they came for. PG in Performance was where most of the dissatisfaction lay – particularly International students who could not see how the online teaching would help them as they might not be able to come back in September.
- 2.4 For many staff delivering online was a steep learning curve. Guidance notes on working online had been developed and disseminated quickly. Equipment for online delivery was going out to staff but was taking a little time

Student Recruitment

- 2.5 It was reported that the recruitment cycle for 2020 entry was not yet closed. Music had finished, Production Arts interviews were being moved to skype and acting had moved to online auditions.
- 2.6 IELTS was a cause for concern which might impact on Tier 4 Visa new entrants. The School was looking at how it could expand its own English Language assessments.
- 2.7 LW reported that the School would take more Electronic Music students this time round which might offset some of the international students we might lose.
- 2.8 A recent survey by QS suggested that just 1 in 7 prospective international students who had accepted offers to start a course of study in the UK this summer were still planning to attend, with 4 having changed their plans and the other two yet to make up their minds. If this was replicated at the School, we would potentially see as few as 12-15 new international students joining the School in September as opposed to the 50-60 we would normally expect to join each year. Lost fees in that scenario would be approaching £1m, with a further £1.5m plus losses in the subsequent year for the proportion of that that related to students on courses that last for more than one year.
- 2.9 MD noted that the UUK had matched a number of scenarios and it might be useful to look at them to see what they would look like for Guildhall.
- 2.10 The largest number of International students resided in music – now was the time to look at home reserve students and put them in the mix if appropriate tThe offers/acceptances reality check in

March showed reserves in Jazz and electronic music and these were likely to be home students.–The School has not been inundated with withdrawals of acceptances but this would need to be monitored.

- 2.11 GC noted that it would be beneficial to see something on paper fairly soon re numbers and financial implications of different scenarios.

Financial issues (incl. income & expenditure 2019/20 & 2020/21)

- 2.12 LW noted that the likely impact of COVID-19 could be broken down into 4 categories:

- 1) one off cost of mitigation measures
- 2) loss of income from cancelled activities
- 3) loss of fundraising income
- 4) loss due to under recruitment for 2020/21 and potentially 21/22

- 2.13 At the Board meeting in February we projected a deficit for the financial year of £708k

- 2.14 Between the start of the Covid-19 crisis and the end of the Financial Year (31 March) the School incurred c£120k in additional expenditure as a result of Covid-19.

- 2.15 .16 We are currently anticipating in the region of £1.2million in additional costs and lost revenue over the final four months of the current Academic Year (to 31 July). The larger areas of focus here would be:

- Sundial Court, all students have been told they would be excused from their tenancy if they do not plan to stay in residence for the summer term. We would have expected c£460k in rent for the term but with only 8 students currently planning to stay that it would be more like £20k.
- Cancellation of short courses for Easter, evenings and Summer, along with the cancellation of West End Stage. Short courses normally generated a contribution of £250k over the summer, with West End Stage adding a further £130k.
- We have offered a 25% reduction in the fee for all provision to under 18s as a result of the inability to offer ensemble teaching online. We anticipate that up to £10% of parents might cancel rather than continue for the term. Taken together this would result in lost income of £295k. Again, we should save some teaching costs by not running ensemble teaching but this would be limited.
- Further incidental investment in equipment to support online teaching made during April (microphones, software licences, etc.) and the decision to honour contractual commitments to creatives on the Musical and Opera Makers accounts for the remainder.

Not counted in the above is potential lost revenue from Higher Education students in term. Some £925k is still owed by self-payers and many of these would normally rely on earning income to cover this.

We will use a code provide by the City to account for all costs we have incurred as a result and are hopeful that we can bid to the City for support via their Covid-19 mitigation fund (the repurposed Brexit mitigation fund). Based on the strict criteria they have applied; the School would anticipate a bid for support from the School of in the region of £100 to £150k. As it stands the City have said that they would not replace lost income, though it was important to continue to track it as closely as possible so that we could report on the extent to which Covid-19 has led to an increased deficit not only in the current financial year but also in subsequent years.

- 2.16 It was noted that a £2m deficit would be tough for the School to carry and a programme for reduction of deficit would be required – this would impact on how the School looked at its own financial forecasts over the next few years.

- 2.17 LW reported that should meet with Chamberlain/J Newton/Niki Cornwell to discuss what the School would need but there were concerns that the City would enforce use of the reserves for which there were existing plans.

AGREED:

To hear a report on the meeting with Chamberlain at next Cobra meeting

Cobra meeting to consider a number of financial scenarios prior to next Board meeting

Reopening of School & Extension of Programme Delivery

- 2.18 The plan was to reopen Mid-September at the usual time, but if restrictions were lifted earlier than this then could have buildings open for staff and students prior to this.
- 2.19 We would be running the usual term 1 activities but also running some activity, particularly experiential activity, leftover from term 3.
- 2.20 Now unlikely to get into the insurance building until January 2021.
- 2.21 MD noted that reopening could be a sector wide decision. National Theatre were not planning anything until next Spring. The School should keep an eye on the Industry and Creative Arts sector. The Sector wide recommendations from UUK would also be important in this.

3. AOB

- 3.1 MD reported that she had met with GuildHE and spoken about issues for Small Specialists Institutions and advised on increasing QR funding.