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**CONFIRMED**

**UNIVERSITY OF EAST LONDON HIGHER EDUCATION CORPORATION**

**BOARD OF GOVERNORS**

**Minutes of the Board of Governors held on Tuesday 31 March 2020 via Teams**

**Present:** Anulika Ajufo (Chair), Ismail Amla, Amanda Broderick (Vice-Chancellor & President), Jackie Craissati, John Garwood, Bindi Karia, Mottie Kessler, Tommy MacDonnell, Ismail Mohammed, Tony Mullee, Michael Nartey, Gary Stewart and Janette Withey

**In attendance:** Dean Curtis (DVC/Chief Finance Officer) andRex Knight (Interim University Secretary)

**Officers:** Jane Thomas (Governance Manager)

**19/70 SECURITISATION**

**70/01 RECEIVED:** report from DVC/Chief Finance Officer in relation to the securitisation options and recommended execution.

**70/02 NOTED that:**

1. at the Board meeting held on 24 March 2020 three scenarios were discussed ranging from the worst case to the best-case scenario. It was requested that a report be prepared which looked at the impact of the three options against the scenarios for consideration by the Finance and Resources Committee (FRC). The requested report had been prepared and considered at an exceptional meeting of the FRC and a full discussion had taken place regarding the current priorities and whether they remained consistent given the current situation. It was recognised that there was a possibility that the priorities may change given the impact of the current situation, however, any proposed investments would be considered by FRC before being presented to the Board.
2. there were a number of options presented in relation to the securitisation project. Option A represented the securitisation of the West Village at £30.8m, Option B represented the securitisation of the East Village at £71.9m of the East Village and Option C represented the securitisation of both villages. It was noted that Option C had been discounted. It was noted that the cost of carry had changed and had become more expensive as a result of interest rates currently being near to 0%. It had also been identified that the higher the level of securitisation, the more expensive the carrying cost was to the University.
3. the resources provided by Option B delivered the resources to invest, to ensure that the end of the year cash balances were in a good place and, with the restoration of trading activities and the alignment of expenditure to new income levels, the position would be made good very quickly. It was noted that there were no covenants related to this transaction.
4. having considered the options outlined against the potential scenarios, FRC recommended to the Board Option B which would release the sum of £71.9m. It was noted that this had been a unanimous decision by FRC. It was also noted that the securitisation monies would be strictly for investment purposes.
5. it would be necessary for the DVC/Chief Finance Officer to advise Aberdeen Standard of the decision of the Board. Aberdeen Standard would then need to take the proposal back to their investment committee before the legal documentation was finalised and conditions precedent met. As a result, it was possible that the deal could take up to two months to finalise.
6. the Board agreed to approve the securitisation of the East Village, releasing a sum of £71.9m. Concern was raised on whether investments made using the funds from the securitisation project would ultimately benefit the students and there was also concern regarding potential investments in real estate. However, it was confirmed that the Board were only approving the securitisation project and any investment proposals would be fully considered by FRC, with larger projects being considered by the Board, to ensure that the investments resulted in benefits which would make a difference both to our competitive ability and to the quality of the experience of the students. However, it was noted that the planned investments would have a greater impact on the medium to long term.

**70/03 AGREED:** to approve the securitisation of the East Village, releasing a sum of £71.9m

**SIGNED: …………………………………………………………………………………………………………………………**

 **CHAIR OF THE BOARD OF GOVERNORS**

**DATED: …………………………………………………………………………………………………………………………**