

Letter to all University Principals and COVID-19 co-ordinators 19 March 2020

Dear Principal and COVID-19 Co-ordinator

We are working through unprecedented times. Thank you for everything you are doing to respond to this rapidly shifting environment for students, staff, and the communities around us; and for identifying ways of further supporting our collective response to this national emergency.

For now, SFC's top priorities are:

- a) **Stability and continuity** – we will keep making payments to universities, and we will support you to keep paying staff and to do your best for students (particularly for vulnerable people).
- b) **Flexibility and reprioritisation** – we are looking rapidly at what really matters just now.
- c) **Intelligence and communication** – in times of crisis it is vitally important we keep channels open in order to help shape decisions and manage consistent messaging.

While there will be a need to focus on immediate issues, we are looking towards the next few months, the start of the academic year, and the longer term.

Sustainability and continuity

- We will maintain payments in line with our agreed payment profile.
- There was a virtual Finance Committee on Tuesday and there will be a virtual Board meeting on 2 April 2020 to approve the funding allocations for AY 2020-21 and we plan to announce the allocations after the Board meeting.
- We know you are shifting rapidly to on-line teaching; and providing learning and assessments for students where possible.
- Please work with us on your financial health. I know you'll be thinking about sustainability now and into the long term. In a world where cash is king, please contact us if you know you have an imminent cash flow challenge or if you are having problems with your lenders. Do tell us about changes in your credit facility and loan portfolio as you consider, with us, how we support short-term financial challenges. We are acutely aware of the pressing financial and reputational issue of refunds and the potential loss of international students in the coming academic year. We are undertaking scenario planning based on the information

you have given us already, and we will rapidly get into a more structured process jointly with you on financial sustainability. We will be working closely with government.

- We will obviously radically scale back routine engagements and will not take forward any new consultations or significant changes at this time.

Flexibility and reprioritisation

- We will keep our returns and reporting requirements to an absolute minimum.
- We will review what we really need to keep things legal. Where we need confirmation of an acceptance of grant, we would ask the University to send us a scanned signed copy, however we will accept a confirmation email from a Senior Officer of the University.
- We will review what processes we can simply stop. So, for example:
 - We have received near final Outcome Agreements from universities and will simply accept and work from the current versions for AY2020-21 (unless we have a problem and will get back to you on that).
 - We fully expect that there will be a shortfall against student places and we will take account of these exceptional circumstances. And we'll work with SG departments on controlled subjects in case there are moves to recover funds.
 - We will not recover funds for shortfalls against outcome agreement targets – where these are related to Covid 19 for AY 2019-20.
 - We know that some new initiatives, eg the upskilling fund, will not be fully developed or delivered and we will take this into account and you should contact us if you need to use those funds in different ways.

Intelligence and communication

- Thank you for the continued flow of intelligence and communication. Getting back to us quickly with vital updates has been very much appreciated. Please keep us up-to-date with changes in your circumstances, particularly through our mailbox covid19@sfc.ac.uk
- We will be reviewing our approaches and contingency planning – and will keep an open channel of communication with you.

- We will be joining up with partner organisations in Scotland and in the UK; and with the Scottish Government.

I know this communication will not have covered everything we need to work together on. But it is an important start to the reprioritisation and urgent rethinks underway. There are things you have already told us about that we don't have immediate answers to, but are under active consideration (for example, the impact of a loss of international and rUK student income; decisions about the NSS survey; contingency planning for the REF).

We have been liaising with Universities Scotland about the immediate financial risks in the sector over the short to medium term; and reflections on the administrative adjustments we can make that would be most helpful at this time. We will also maintain direct dialogue with individual institutions, as we recognise that, while there will be common issues across the sector, the pressure points will be specific to each institution.

This is a fast-moving environment. We aim to communicate allocations and further administrative changes as quickly as we can; and will work closely with you and government on the significant financial sustainability challenges we face.

Karen Watt
Chief Executive
Scottish Funding Council