

I want to return to the emerging cost of living crisis. Last night, I set out the steps we can take immediately to support our colleagues. Tonight, I want to talk about our students.

Our student body is heterogeneous. Generalisations will not apply equally. But I think we can all agree that most of our students will be unable to increase their income sufficiently from loans, grants, scholarships, and family contributions to keep pace with inflation. And the impact of that shortfall will make it harder for them to make the most of the opportunity they have to invest in the intellectual capital that will help build their careers. For some, it may obliterate that opportunity altogether. We know the biggest single reason students withdraw from their studies is worry about money.

Building on the three principles I set out last night, it is important we take immediate steps to help our students navigate the very difficult period ahead.

Let me explain then:

- what resources we have available and how we have budgeted for them;
- what steps we can take immediately to support our students; and,
- what you can do, through the conduct of your daily work, to help make a difference.

In last night's message, I set out our budgetary constraints in detail. We do not have infinite resources, and, within any budget year, our flexibility for additional spending, beyond that which has been planned, is limited. It is also difficult for us to anticipate how difficult the cost of living crisis may become, the extent of the impact on our students, or if external help from the government may be forthcoming. But we believe that acting now is necessary to help build student confidence. So, we have agreed, to set aside our full 1.5% budgetary contingency to mitigate student hardship. This is £3.4m. There are risks in using our contingency, because it could leave us exposed to other threats we cannot yet foresee. But, because our loans are fixed; we have hedged the majority of our energy costs, reducing our short term exposure to changes in the energy market; and, we have made prudent assumptions about other commodity costs, we believe risks we can foresee have been addressed.

If the global and national situation deteriorates still further, then there are steps we could take, but they would involve suspending planned investment in the learning experience, and take us into deficit. We believe the approach we are taking will therefore help ensure our university remains solvent and sustainable and does not compromise our support for colleagues.

We have to make sure we target our resources carefully. So the package we have drawn up is based on consultation with our senior management group, our students' union, and colleagues in our library and student services team. Our intention is to try to help contain the costs that students will inevitably incur. They are as follows:

- **Rent.** We have absorbed 80% of the increase in rental costs of those students living in halls of residence for whom we act as the de facto landlord. Our lease arrangements contain indexation provisions so that rents rise in line with the retail price index. This year, this pushed the increase in rents by 12.3%. We have

increased our students' rents by 2.4% and have absorbed the rest of the increase in costs which adds up to £800k.

- **Food.** One of the concerns expressed by most agencies, is that with rising food and energy costs, students may find it difficult to maintain a healthy and nourishing diet. We have therefore committed from next month to increase our food subsidy from £700k per year to £1m, so that every day we can provide a hot meal every lunchtime for £2. This will be available to colleagues as well as to our students.
- **Course costs.** We have asked Deans to review unavoidable additional course costs on the programmes they oversee. Where these costs cannot be driven out, we will seek to provide a subsidy so that they can be removed at source, or reduced. We expect to be able to set aside around £500k for this purpose.
- **Travel.** We will provide free transport between campuses to students and to colleagues. We will also promote the new "Mayor's fares" which make travel by bus £2 per journey.
- **Hardship funds.** Hardship funds should be a last resort. Our aim is to try to "mainstream" support to reduce the very considerable emotional barriers students face when having to ask for help. But demand on our current funds is high, and will inevitably increase this year. So we have doubled the fund from £1.5m to £3m per year.
- **Graduation.** We all understand how important a rite of passage our graduation ceremonies can be for so many of our students. But it is possible this may become a luxury that many feel they can no longer afford. With this in mind, we will provide gowns to graduates free of charge, and offer two free tickets to families to attend the graduation ceremonies. This will cost us £300k.

We must accept that we cannot, single handedly, overcome a national crisis through these actions, but we can help make a difference, and one that may help our students stay on track.

Finally, what can we all do to help? This is not about money, but our attitude. Today the Office of the Independent Adjudicator for Higher Education (OIA) asked universities to consider the impact of the crisis on students when we make decisions and judgements about them. They raised two particular issues. First, students will, almost inevitably, be more reliant on earnings from part-time work to sustain themselves. But to work, they need to plan around their studies, and for those plans to be consistent from one week to the next. So we must stick to the timetables we have produced and not make them subject to last minute change. This applies, in my mind, to students who try to balance their costs by studying more from home. Do they need to come in for one session? Is it possible, with their consent, to be more flexible about hybrid teaching? We are working through a process to annualise our timetable which will help embed these considerations and offer more certainty for students and colleagues. We are also considering how we can create more opportunities for our students to take on paid work with us, which will also help boost their graduate skills and work readiness.

The second issue raised by the OIA, is about the way the cost of living crisis may impact on students' ability to give of their best. And it asks that we make more nuanced judgements (as we did in the pandemic) about rigid submission dates and times. But of course, the way we approach the months ahead is much more than this. It's about showing compassion. A kind

word, a thoughtful gesture, going the extra mile to help our students, as so many of you do every day, will make a huge difference. Feeling part of a caring community will help build resilience and commitment.

Please take good care.

Peter

Professor Peter Slee, Vice Chancellor