

Professor Robert Van de Noort,
Acting Vice-Chancellor,
The University of Reading

11 February 2019

Dear Robert,

I am writing in response to the article in *The Guardian*, Saturday 9 February 2019 'University of Reading investigates £121 million black hole in its finances'. The situation raised by this article is serious enough, yet the press release issued by the University that day fails to acknowledge that this is by far the most serious crisis that the University has faced in its history, a crisis that has been caused entirely by poor governance at the University, and instead seeks to blame the situation on external factors. Staff are understandably very concerned about this situation, not least as, yet again, they have had to hear about a major problem with their employer through the media and not from the University.

As a consequence I, on behalf of Reading UCU, request that the following actions take place forthwith.

1. A full disclosure to staff about the events in question, i.e. the sale of land belonging to and management of, the National Institute for Research in Dairying Trust. This should include a time-line of the events in question, and the procedures by which this land sale was agreed. This should also include details of the committees involved and the governance procedures used.
2. The University has admitted that its actions did not meet the standards of governance expected. How has the governance system been changed to ensure that 'appropriate governance arrangements are now in place'?
3. We remain concerned about the financial management of other Trusts that the University manages, including that involved with the building of the new Science Park. Have the financial situation and governance of these trusts been similarly investigated and overhauled?
4. We are very concerned that the, at the very least, irregular treatment of the assets of the NIRD Trust, and the effective creation of an off-the-books loan will cause concern to the University's other lenders. At the time subsequent loans were being arranged were the providers informed of the nature of the NIRD 'loan', and if not what steps are being taking to mitigate action that these lenders might take now, such raising interest rates or foreclosure?
5. The Guardian article was repeated on news websites throughout the world within 24 hours. This will cause immense reputational damage to the University. For example, sites are already posting unhelpful

advice such as given here: <https://www.thestudentroom.co.uk/showthread.php?t=5799274>. How is this being mitigated?

6. We will absolutely not accept that that any financial shortfall arising from financial or governance mismanagement or reputational damage from these actions be paid for by job losses amongst staff not involved.

7. In its statement of 9 February, the University states 'We do not recognise this as an accurate representation of the University's finances'. To what part of the *Guardian* article does this refer? The treatment of the NIRD Trust, to which the university has admitted? The fact that Reading can not pay back this loan of £121 million (which is evident from the accounts)? That this would take its debts to £300 million (which is also evident from the accounts)? Or 'that it is struggling with large losses from an overseas venture, falling student numbers and operating deficits totalling more than £40 million over two years (which is evident from the accounts and the lectures you have been giving to Schools and Functions recently)?

Reading UCU will be holding an Emergency General Meeting at 1pm on Wednesday 13 February in the Van Emden lecture theatre, where we will discuss this situation with the members and together decide on further actions that we will require the University to take. It would be very useful if, by then, I could have your reply to the points that I raise above so that I can share them with the membership. In addition, I would like to extend an invitation to you to speak to these points at the meeting and discuss them with members.

Yours sincerely,

A handwritten signature in black ink that reads "Paul E. Hatcher". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Paul Hatcher,
President, Reading UCU