



University Council

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**Subject**

Reaction to consent on Budget Plan  
EUR 2021-2024

**Our reference**

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**Page**

1/3

**Enclosure**

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**Department**

Executive Board

**Visiting address**

Burgemeester Oudlaan 50  
Erasmus Building  
A2-01

**Postal address**

P.O. Box 1738  
3000 DR Rotterdam  
The Netherlands

**T** +31 10 408 1751

**E** cvb@eur.nl

**W** www.eur.nl/English

Dear members of the University Council,

The Executive Board is pleased to obtain consent from the University Council on the main elements of the Budget Plan 2021-2024. In this letter we would like to respond to your letter on December 10<sup>th</sup>, 2020 [UR/AnZ/38409].

1. The University Council would like to ask the Executive Board to discuss the new method with respect to strategic staff planning to address the development of the staff in relation to the student numbers and in view of the issue of work pressure.

In every bilo held in the autumn, the issue of staff planning and work pressure was addressed. This issue has the attention and is a concern of every school, supportive unit and the Executive Board. Especially, while student numbers are still growing and the pandemic continues to dominate how we carry out our activities.

The issue of planning of staff in relation to student numbers will be looked at in the first half year of 2021. Improvements can be found in the alignment of the estimate of student numbers within the schools. In the current situation, CPC estimates the expected student numbers based on a historical trend. The schools often accept this estimate, but generally do not adjust it based on their own expectations and ambitions. It is also the case that estimates of student numbers and staffing levels are insufficiently linked. In the run-up to the 2022 budget, we will examine, with the schools, how this can be improved.

In this way, improvements in planning can be used when the budget plan 2022 is drafted.

2. The University Council asks for a more detailed overview of the budgets that have already been or will be reserved for the Convergence EUR-EMC-TUD and where these budgets can be found in the Budget Plan 2021-2024. In addition, the University Council would like to be informed by the Executive Board as soon as more definite decisions have been taken concerning the (collective) funding of the Convergence and the amount that will be reserved for the 'Raamovereenkomst'.

The Convergence EUR-EMC-TUD is developing, content-wise and financially. Not all budgets that are needed are known yet. For the coming years, an average of EUR 3.2 million per year has been reserved for the Erasmus Initiatives and about EUR 0.7 million for the support of the programme.

Much of the work for Convergence has had an 'in kind' nature in that EUR staff have, in their regular working week, also performed work furthering Convergence but have not registered this input/time spent on Convergence issues, separately. This means that employees work for the Convergence without any financial compensation. This is not yet completely clear and will be inventoried in the coming period.

The plans for the three Convergence initiatives are worked out and the necessary budgets have been calculated. In consultation between the institutions, the calculation rules that can be applied are discussed. In Q1 2021 a better picture of the Convergence budget and how it is incorporated into the EUR budget can be given. As soon as this is available it will also be shared with the University Council.

3. The University Council would like to be kept informed by the Executive Board about (the outcomes of) the dialogue with Erasmus MC concerning the proposed scenarios and resulting targets.

The Executive Board will share the financial agreement with the University Council.

4. The University Council would like to be informed by the Executive Board about the outcomes resulting from the consultations that are being held with the organisational units regarding budget adjustments, and the actual consequences for the expected consolidated results and equity positions of these units.

The University Council will be informed about the outcomes in March 2021.

5. It has been agreed to schedule several meetings with the University Council to discuss the following topics: (1) the right of consent on the main elements of the budget plan, (2) the application of the method Duisenberg, (3) risk management. In addition to this the University Council would like to address the possibility to make a clearer distinction in the budget between research and education.

We will approach you to agree on a suitable date and delegation for this meeting. We still need some time to properly prepare for this meeting. In the Financial Taskforce it was agreed that these meetings will take place in the first quarter of 2021. So, they will be planned shortly.

6. The University Council would like to know what equity values are shown on p.16 of the 'Budget Plan 2021-2024 Main Text' and

how these relate to the values shown on p.25 of the concept version BP21-24.

The reserves shown are of different composition. On page 16, the reserve position of the organisational units is shown: the schools (including the Medical School), the supporting services and the private companies. The value of these reserves is about 320 mln in 2021.

On page 25 the reserves of the organisational units at Woudestein and the general reserve of the EUR are shown. So, in this case the equity of the Medical School is left out (ca 225 mln in 2021). Instead, the general reserve is included (ca. 105 mln in 2021). The general reserve consists mainly of equity that is related to the value of real estate at Campus Woudestein. This leads to an equity position of ca 200 mln. This is also the equity position that is shown in the annual report and is used to determine the solvency ratio of Erasmus University.

7. The University Council would like to know the extent of severity of the (negative) development of the equity position of several units and the fact that various faculties do not meet the equity standard. In addition, what measures will be taken to address this.

The equity position was part of the autumn bilo talks. As is stated in question 4, in the autumn bilos, additional arrangements were made that will affect the equity position as presented in the budget plan. Next to this, the reserves policy is being revised. The combination of those two measures will have to ensure a sustainable development of the equity-position of the organizational units individually and the university as a whole. The University Council will be informed about the equity positions together with the answer to question 4. When the reserve position is revised the University Council will also be informed. Decision making on the reserve policy is foreseen in Q1 2021.

8. The University Council would like to be kept informed about the development of the dashboard for assessing the progress towards the strategic goals.

The Executive Board will inform the University Council about the development of the dashboard.

The Executive Board appreciates and values the constructive and open dialogue with the University Council. We look forward to furthering this dialogue in the coming months.

The Executive Board of Erasmus University Rotterdam,



dr. Ellen van Schoten