



The  
University  
Of  
Sheffield.

Office  
Of The  
President &  
Vice-Chancellor.

## The Senate, 19 June 2019

### President & Vice-Chancellor's Report

#### EXECUTIVE SUMMARY

This paper presents a summary of key background information on recent developments, and is based on the President & Vice-Chancellor's report to Council on 29 April 2019.

The President & Vice-Chancellor will introduce the report at the meeting and will provide members of the Senate with the opportunity to raise questions on any aspect of the report.

#### 1. EXTERNAL ENVIRONMENT

##### 1.1 Brexit

- The UK and EU have [agreed](#) an extension to the Article 50 process to 31 October 2019 at the latest. The option remains for the UK to exit earlier if the House of Commons approved the Withdrawal Agreement. Theresa May has expressed her desire for this to happen by 22 May so a) the UK would not have to participate in the European Parliament elections (23-26 May); and b) that the UK would exit by 1 June. From the EU perspective if the UK does not participate in these elections and has not approved the Withdrawal Agreement the extension would end on 31 May 2019.
- There is no indication of when a further meaningful vote, or another form of vote, will take place in the Commons. The Commons is in recess until Tuesday 23 April.
- **TUoS interest:** The Risk Register and Brexit Co-ordination Group have overseen the University's no-deal planning. This process will be put on hold and be resurrected nearer the new exit date, or, if the risk presents itself, earlier. The University continues to communicate regularly with staff and students on Brexit (further information about support to staff is provided in the Power of People section of this report). TUoS has worked with UUK International to influence its lobbying on securing long-term guarantees for the Erasmus+ programme in the event of no deal.

##### 1.2 Post-18 Education and Funding Review

- The independent panel supporting the government review of Post-18 Education and Funding has published its findings. The panel, chaired by Dr Philip Augar, makes more than 50 recommendations for consideration by the government and the next prime minister.

Some of the headline recommendations of the review are:

- Home undergraduate tuition fees should be cut from £9,250 to £7,500 from the 2021–22 academic year. This fee cap should be frozen until 2022–23, then increase with inflation from 2023–24.
- Funding lost through tuition fee income should be replaced with increased government contribution to teaching costs, particularly for “high value and high cost” subjects.
- Maintenance grants for lower income students should be reintroduced.

- The average per-student resource should be frozen for three years from 2021–22, with inflation based increases being reintroduced from 2023–24.
  - The repayment threshold should be "effectively frozen", and the repayment period should be extended beyond the current 30 years to 40 years. However, students' in-study interest charges should be reduced and a cap placed on lifetime repayments.
  - Unless the sector has moved to address the problem of recruitment to courses with poor retention, poor graduate outcomes, and poor long-term earnings prospects by 2022–23, the government should intervene by setting minimum entry thresholds, a selective numbers cap, or some combination of both.
  - Financial support for foundation years should be withdrawn after an appropriate notice period, with exemptions for some specific courses granted by the Office for Students.
  - Funding for technical and vocational education should be increased, alongside a stronger maintenance offer, and a more coherent suite of higher technical and professional qualifications.
  - Cuts in adult skills provision should be reversed and greater use of part-time and later-life learning should be encouraged.
  - The Further Education college network should be refunded and reformed through an increased base rate of funding for high return courses and an additional £1bn of capital investment in the workforce to improve recruitment and retention.
  - The apprenticeship system should be improved by ensuring funding is targeted to those who do not already have a publicly-funded degree and by strengthening the role of Ofsted in assessing the quality of apprenticeship provision.
- **TUoS interest:** Developments are being monitored and the implications will be analysed.

### 1.3 International Education Strategy

- The Department for Education and Department for International Trade launched an [International Education Strategy on 16 March](#). The Strategy pledges to increase the number of international students coming to the UK to 600,000 and education exports to £35bn by 2030. This supersedes the 2013 International Education Strategy and the target to achieve education exports of £30bn by 2020.
- The new Strategy outlines measures to: appoint an International Education Champion; establish a cross-governmental International Education Steering Group; promote the Education is GREAT campaign; keep the immigration system under review; and improve the collation and understanding of education export data. The actions outlined in the Strategy cover all tiers of the education sector and transnational education.
- The Strategy was broadly welcomed by the sector, but received criticism for a lack of ownership from the Home Office and failing to equip the UK to keep pace with its competitors.
- The Higher Education Policy Institute (HEPI), jointly with Kaplan, released a report on 21 March detailing the economic impact of international students on the UK. The research suggests international students who stay and work in the UK after graduation contribute £3.2bn in extra tax revenues and do not take jobs from domestic graduates, largely because they obtain work in sectors that suffer

acute shortages. Sajid Javid MP has said if he were to become PM he would make Jo Johnson's amendment to the Immigration and Social Security Co-ordination (EU Withdrawal) Bill government policy. The amendment regarding post-study work visas would allow international students to stay and work in the UK for two years after graduating from a British university.

- **TUoS interest:** Prior to the publication of the International Education Strategy the President & Vice-Chancellor published an article outlining the issues that it should address. Times Higher Education has judged the University as one of the most international universities, ranking it 42nd out of 1,200 global institutions for the second year. TUoS recently co-authored the report 'A Sustainable Future for International Students in the UK' with the All Party Parliamentary Group for International Students. The Strategy broadly aligns with a number of the Report's recommendations

#### 1.4 Spring Statement

- The Chancellor, Philip Hammond MP, delivered the Spring Statement on 13 March. This responded to revised economic and public finance forecasts from the Office for Budget Responsibility (OBR), updates on progress made since the Autumn Budget 2018 and launched public consultations ahead of the 2019 Budget.
- The change in the way that the Office for National Statistics (ONS) accounts for student loans was not reflected in the OBR's March 2019 forecast. It will be incorporated once ONS has finalised its full methodology.
- Amended immigration rules will allow researchers conducting overseas fieldwork of up to 180 days to apply to settle in the UK without being penalised for their absence and, from Autumn 2019, PhD level employment vacancies will be exempt from the Tier 2 (General) cap. Changes to apprenticeship funding for both levy and non-levy paying companies will be brought forward to April 2019.
- The Sheffield City Region will receive £4.2m in funding from the Transforming Cities Fund for specific science and technology projects.
- **TUoS interest:** HR oversee immigration changes relating to the recruitment and retention of international staff and will adopt any necessary procedures and issue guidance once further details are confirmed.

#### 1.5 Office for Students

- The Department for Education has issued Strategic Guidance to the Office for Students (OfS) outlining priorities for the 2019-20 financial year. This is similar to the former HEFCE Grant Letter— and sets out Government's priorities for the OfS. It is the second strategic guidance letter to the OfS and notes that following the Government's conclusion of the Augar Review, "supplementary guidance" may be issued to confirm 2019-20 priorities.
- The OfS is asked to: further develop its role relating to countering financial mismanagement and fraud; carry out independent reviews of the effectiveness of management and governance at providers where issues with senior pay lead to concerns; and to use the new Longitudinal Education Outcomes (LEO) dataset. Before 1 August 2019 the OfS is asked to report on universities' financial sustainability and is also asked to publicly report on student protection plans. The Guidance also encourages the OfS to complete the process of registering providers "as soon as possible".
- The OfS issued guidance for institutions on the submission of 2020/21 access and participation plans, following consultation in Autumn 2018. The guidance prioritises a whole lifecycle approach to student disadvantage and under-

representation. Access and Participation Plans must take a five-year outlook and include: an assessment of performance; targets, aligned to OfS priorities and institutional challenges; and strategic measures to achieve ambition. There is no minimum expenditure commitment but significant reductions in spending on access or student financial support from previous plans must be justified.

- The OfS has issued a Notice setting out its requirements with respect to the ongoing registration requirement to publish and provide to the OfS Transparency Information.
- The OfS has launched its first funded Evidence and Impact Exchange (EIX) to be run by a consortium of King's College London, Nottingham Trent University and the Behavioural Insights Team.
- **TUoS interest:** The University has submitted its Access and Participation Plan to the OfS on 24 May 2019 and will publish the relevant application, offer and acceptance data by 22 August.

## 1.6 Civic Universities Commission

- The Civic University Commission set up by the University Partnerships Programme (UPP) Foundation and chaired by the former Head of the Civil Service, Lord Kerslake, has published its final [report](#). Over 30 universities signed a "[Civic University Agreement](#)" reaffirming their commitment to local communities by pledging to prioritise the economy and quality of life in their home towns and cities.
- **TUoS interest:** The University has signed the Agreement, reaffirming its historic commitment to bring the 'highest education' within the reach of all people. Commissioners for the Commission visited the University in July 2018 to learn about the University's impact on the city and wider community.

## 1.7 Strategic projects and bids

- A final report has been submitted to the OfS for the Catalyst Funded, one-year "**Cybersecurity and AI Skills Development**" project led by Professor John Clark (Computer Science). The project has successfully established a new MSc programme in AI and cyber-security, which recruited 11 students in its first year (2018/2019). The University has received 283 applications for 2019/2020 so far. Professor Clark has also secured industry buy-in and interest.
- The final external report of the **Empowering Students** project, "Empowering students to take an active role in the University community – combatting harassment, sexual violence and hate crime", will be published shortly. The Report shows the progress made in this area through the joint work of the University and Students' Union, and sets out our future plans to support students.
- The University submitted a joint funding bid with Sheffield Hallam University to the OfS Challenge Competition to create the **Sheffield Wellbeing Hub**; cross-city wellbeing infrastructure and service design to deliver a step change in student mental wellbeing, and to trial a model of social prescribing in Higher Education. The outcome of the bid is expected at the end of April.

## 1.8 Cyber Security

- On 4 April 2019 a report by the Higher Education Policy Institute was picked up by various media outlets who highlighted concerns about the cybersecurity threat from attackers and HEIs' ability to respond. The University believes that the threat and ability of HEIs to respond has been sensationalised by the media but recognises a real and growing cyber security threat. The University is taking positive action to tackle the issue, as evidenced

by the investment in the Cyber Security Programme approved by Council last year.

The University, with particular input from dedicated UEB sub-groups, the CiCS Information Security Team, and the Cyber Security Programme, is already considering each of the concerns highlighted in the report.

- The University faces a particular threat from phishing and the sector is currently facing at least 3 coordinated phishing campaigns that require daily attention. Improved account security (e.g. Multi-Factor Authentication) is a priority should greatly reduce the likelihood and impact of successful cyber attacks.

The HEPI report also highlights the need for Cyber Governance. CiCS are actively considering the adoption of BS31111 (i.e. cyber security governance for senior managers) as part of the Cyber Security Programme that can then be adopted into business as usual.

## **2. EDUCATION AND STUDENT EXPERIENCE**

### **2.1 Annual Planning Cycle and Student Recruitment**

- The Provost & Deputy Vice-Chancellor has led a series of meetings to discuss proposed Faculty and Professional Services plans for 2019/20. These have been discussed at UEB and a number of areas will be explored further in a UEB Away Day in early May. The agreed planning outcomes and actions for 2019/20 will be reported to Council in July.
- **Undergraduate applications:**  
UCAS data reflects stability in our overall (home and overseas) application position compared to last year. We have now passed the 31 March UCAS deadline and during May/June we will begin to look at expected intake based on responses to our offers. Current early acceptance is encouraging for both home and international offer holders.
- **Postgraduate taught applications:**  
PGT Home applications are similar to last year. International applications are up significantly compared to 2018, with our main markets driving most of this growth. The introduction of the staged admissions approach for some of our higher demand courses is supporting opportunities for greater diversity.
- **Post graduate research applications:**  
PGR applications continue to struggle with both home and international applications seeing a decline. Given the lack of clarity around funding in relation to Brexit, it is expected this trend will continue into the later stages of the cycle.

### **2.2 Student Number Forecasts**

- As part of the annual planning cycle, Faculties have been supported in developing departmental student recruitment targets for the financial forecast period, including intake targets for 2019 entry. The UEB Strategic Advisory Group, Student Numbers and Fees independently reviewed the resulting targets. Overall targets continue the trend noted last year of being lower, more realistic and more likely to protect intake quality but with an associated impact on projected fee income. UEB has considered the likely impact of proposed reductions by student category on the income forecast, and approved the proposed targets and forecast.

### **2.3 National University Performance Metrics / Tables**

- **HESA Performance Indicators**

These Indicators provide information designed to reflect the diversity of undergraduate students across the sector and include a benchmark. The latest figures reflect the 2017/18 academic year and show that Sheffield is consistently above the benchmark for entrants from state schools and colleges and young full-time first degree entrants from low participation neighbourhoods. The PIs suggest a slight increase in the proportion of mature full-time first degree entrants from under-represented groups. Sheffield continues to perform well against benchmark for non-continuation of young full-time first degree entrants.

- **QS World University Subject Rankings**

The QS World University Subject Rankings were published on 27th February 2019. The rankings are based on the results of academic and employer reputation surveys, and research impact. Overall performance across the 5 broad subject bands ranges from 82nd for Arts and Humanities to 175th for Social Sciences. Six subject areas are in the top 50 in 2019, compared with five in 2018, with 2019 (and 2018) rank:

Library and Information Studies – 2nd (1st)  
Architecture / Built Environment – 21st (30th)  
Development Studies - 39th (47th)  
Archaeology – 40th (25th)  
Geography – 43rd (37th)  
Engineering (Civil and Structural) – 44th (51-100)

## **2.4 Programme Level Approach**

- Departments will be reporting by mid-April on their progress against the three PLA priority actions for 2018/19 which are to:
  - Undertake a survey of current assessment (methods, volume, and content) across each programme, to improve the appropriateness, effectiveness, and efficiency of assessment practice, thereby reducing assessment burden.
  - Enact departmental plans developed last year for engaging students in the PLA process, including holding discussions with students to understand how they experience assessment and possible improvements.
  - Generate an overview of the distribution of assessments across the academic year for each programme and, where appropriate, improve the distribution and management of these.

## **2.5 Universities Mental Health Day**

- A campaign on Student Mental Health took place during March to coincide with Universities Mental Health Day. This included producing a video, 'Coping with Grief at University', which had over 6,500 views on social media platforms and featured student testimonials of how University services had supported them. Student bloggers were also featured on social media throughout the week dealing with topics such as body image, stress, anxiety and small steps to improve your wellbeing. A series of posters referred staff and students to support services, raising awareness of available services.

## **3. RESEARCH AND ITS IMPACT**

### **3.1 Research awards**

- New awards for the last 12 months to the end of February 2019 now stand at £173.5m. This is an increase of £7.4m (4.4%) on the value of awards to February 2018 (£166.1m).
- A £6.3m award from the EPSRC for the Future Electrical Machines Manufacturing Hub.
- The value of new awards for the 12 months to February 2019 has risen in the EU Framework, Overseas and RCUK sponsor categories by £2.9m, £13.1m and £7.7m respectively, compared to February 2018. There was a small reduction in the value of the Industry and Health (both £0.8m) and larger falls in Charities (£6.2m) and UK Government Sponsor Categories (£8.6m) between February 2018 and February 2019.
- There has been a fall in the number of new grants opened from 870 for the 12 months to the end of February 2018 to 835 for the 12 months to February 2019. The number of new awards has fallen in RCUK (-5), Industry (-11), Health (-12) and Government (-40) categories between February 2018 and February 2019, whilst there has been a rise in the number of Charity (+14), EU Framework (+10) and Overseas awards (+9). The main reason for the fall in the number of UK Government awards is that there were 35 fewer UK Government Catapult awards compared to 2018.
- As at February 2019 research grants Work In Progress (Research Order Book) stands at £273.4m (£259.3m excluding AMRC) - an increase of £7.9m on February 2018 (£265.5m).
- Professor Geraint Jewell, from Electrical and Electronic Engineering, has secured a £10M investment from the Engineering and Physical Sciences Research Council (EPSRC) for a Future Electrical Machines Manufacturing Hub with spokes at Newcastle and Strathclyde and working closely with Industry. The Hub aims to put UK manufacturing at the forefront of the electrification revolution by addressing key manufacturing challenges for the aerospace, energy, high value automotive and premium consumer sectors. Partners include Rolls-Royce, Siemens, GKN plc, Dyson Limited, Protean Electric Limited and Hoganas AB.

### 3.2 Research development

- **Postgraduate research student matters:** The Senate PGR Committee is sponsoring a significant programme of work to ensure the quality and attractiveness of PGR provision. Work is focused around: Recruitment; Expectations; Harmonisation of Process; Quality Assurance; and Wellbeing. Senate has agreed to a revised articulation of our expectations of PGRs that aims to improve submission rates. The appropriate funded duration is also under consideration by Senate; there is wide acceptance that 3 years is no longer sufficient to undertake a PhD, but the impact of change needs further consideration.
- **University Research Institutes – Flagships:** The four flagship Institutes will be launched on April 20th. They are: Sustainable Food; Neuroscience; Energy; and Healthy Lifespan. Following the launch, work will take place to agree how their respective contributions will be evaluated.
- **Research Excellence Framework:** Achieving a strong outcome in REF2021 is a key objective as it delivers both reputational and financial benefits. A 'road-map' for departments and faculties has been informed by the strategic direction agreed by the President & Vice-Chancellor, providing clarity to support operational delivery.

The University has to submit a Code of Practice by early June for approval by the Funding Councils. The draft has been discussed at Senate, with Campus Unions and through other committees and is available for comment by all staff. The process is proceeding collegially.

### 3.3 Impact, innovation and knowledge exchange

- **Knowledge Exchange:** The Vice-President (R&I) is overseeing a programme of work that will make recommendations for a new framework for the delivery of Knowledge Exchange. Recommendations will be in place by June 2019 for implementation in the 2019/20 financial year.
- **City Vibrancy:** The Mausoleum of the Giants exhibition by Sheffield artist Phlegm was organised by Sheffield Cultural Consortium (<https://www.sheffieldculture.co.uk/members/>) with the University overseeing event production. The installation attracted over 12,000 visitors and 60 people from partner organisations donated their time to invigilate the exhibition.
- **Public Engagement:** The University is working in partnership with Sheffield Museums to support their Leonardo Da Vinci exhibition at Millennium Gallery, including 10 free public talks and events throughout April and May.

## 4. STRATEGIC PARTNERS

### 4.1 Alumni Volunteering

- **Engineering You're Hired:** 56 Alumni supported Engineering You're Hired, a multidisciplinary project week for 2nd year Engineering students. Alumni acted as Industry Mentors and Assessors, sharing expertise and advice to support and assess the student projects.
- **Engineering Guest Speaker Series:** Alumni supported a 10-week seminar series for engineering students, as guest speakers on project management.
- **City Connections:** In March the University held its fifth City Connections event designed to inspire and inform Social Sciences WP students about career opportunities available to them in the City of London. The students visited businesses with alumni links, taking part in tours, workshops and presentations and attended a networking event with over 40 successful alumni now working in London.
- **Speed Networking:** Three Speed networking events have been held in the departments of Economics, Chemical and Biological Engineering and Politics, supported by 24 alumni and attended by 60 students.
- **An Evening of Celebration in Firth Hall:** In March the University held its annual event to thank the University's alumni and friends for their gifts of time and financial donations. 200 alumni and friends were able to network with students and staff during a drinks reception and campus tour.

## 5. OUR PLACE: LOCALLY AND GLOBALLY

### 5.1 Outbound visits:

- **China:** The President & Vice-Chancellor led a University visit to China in February to strengthen and build upon existing relationships with high profile partner universities. A Memorandum of Understanding was signed with Tsinghua. The President & Vice-Chancellor also hosted two alumni dinners in Beijing and Shanghai. A follow-up visit by the Vice-President for Research and



Innovation also included meetings with the China Scholarship Council and the British Council.

### 5.3 Inbound visits

- **University of Ghana:** The University has hosted a senior delegation to develop existing partnership arrangements and discuss collaborative opportunities, building on the signing of a seed funding agreement in October 2018. Several research funding proposals are already under discussion.

### 5.4 Other Activities

- **Strategic Staff Mobility Scheme:** This new scheme has been developed to contribute to the University's Internationalisation Strategy by engaging with select target partner institutions to develop joint research projects, education collaboration and professional service development activities. 20 members of staff have been selected to visit 16 different partners and will be supported with up to £2,000 per visit.
- **Russell Group International Forum:** Dr Malcolm Butler, Director Global Engagement, has been voted in as the Chair of the RG International Forum, which consists of the Vice-Presidents International and equivalents of all the member institutions.

## 6. PUBLIC RESPONSIBILITY

### 6.1 Communications

- The University received more than 4,000 pieces of national and international media coverage between 7 February 2019 and 9 April 2019. Examples include:
  - A Health Policy review, involving the University's School of Law, found all forms of Brexit will negatively impact the NHS but a no-deal Brexit would be the worst scenario.
  - Research from the University's Department of Music uncovered lost songs from Broadway musicals, which were then performed in Firth Hall.
  - The University received over £8m in funding to train the next generation of artificial intelligence scientist and engineers.

### 6.2 Success and achievement

- The President and Vice-Chancellor has been appointed as Chair of the Board of Trustees at UCAS.
- Academics from The White Rose University Consortium, including the University of Sheffield, showcased how their research can inform policy and offer solutions to tackle the global challenge of climate change during an event in the European Parliament.
- In March, the University celebrated 40 years of Korean Studies and hosted a Korea Day cultural event.
- Scientists from the University's Institute for Translational Neuroscience (SITraN) have identified a new discovery which could pave the way for new treatments.
- A next generation stratospheric telescope developed by science and engineering students will be the only telescope from Europe selected to be on NASA's High Altitude Student Platform (HASP).
- Professor Roger Lewis, Mechanical Engineering, was announced as railway engineering Research Chair by The Royal Academy of Engineering.
- Professor Simon Heller (Oncology and Metabolism) honoured by Diabetes UK for outstanding contribution to diabetes research.
- University research has informed the launch of a parliamentary inquiry into how funding policies affect equality and diversity in science, technology, engineering, mathematics and medicine (STEMM).

- A collaboration with Microsoft to create a predictor tool to help forecast the impact of climate change, population growth and energy use.

### 6.3 Events Held

- 'Modernising the Administration of Justice' Public Lecture and Q & A by The Lord Chief Justice of England and Wales, Lord Burnett.
- Alumni Reception at the House of Lords hosted by Lord Blunkett, with the Chancellor and President and Vice-Chancellor in attendance. 200 alumni and guests attended including from USA and Bermuda.
- The Roberts Lecture delivered by Professor Neil Rackham.
- Thank You Event for donors and volunteers.

## 7. CHALLENGE OF RESOURCE

**7.1 Financial Results to 31 January 2019:** The financial results for the six months ending 31 January 2019 were circulated on 22 March 2019.

### Headlines – underlying activities:

- Operating surplus to 31 January 2019 of £18.0m compared to a budgeted surplus of £3.0m, an improvement of £15.0m.
- Income of £346.7m compared to a budget of £338.6m, a positive difference of £8.1m (2.4%).
- Expenditure of £328.7m, compared to a budget of £335.6m, an underspend of £6.9 (2.0%).
- Cash generated from operations remains strong at £82.3m (January 2018: £72.6m); liquidity days are 51 (January 2018: 36)
- Capital expenditure for the year to date £48.5m (January 2018: £31.1m)

Year to date performance remains ahead of budget and is mainly due to additional tuition fee income and other income from patents and licences, NHS recharges and services rendered activities. The increase in other income has been partially offset by higher levels of related expenditure. Year to date underspends in Faculties, Professional Services and Shared costs are also contributing to the positive results.

The results include the estimated impact of 2018/19 recruitment, which indicates that tuition fee income may be £12.0m higher than the budget by the end of the year. Strong recruitment of overseas PGTs is offsetting below target recruitment of home UGTs, with variable results by Faculty.

The year to date results include a shortfall of £11.4m in research income compared to the profiled budget, broadly offset by a reduction in related expenditure. The shortfall is most notable in Engineering and the AMRC. Engineering are expecting this trend to continue to the end of the year, which reflects the timing of expenditure, as research awards remain healthy. Within the AMRC, the shortfall reflects delays in some large projects due to changes in scope and re-phasing, and slower than anticipated grant awards.

This year is particularly challenging for Residences, Catering and Conferences, which are adversely impacted by under occupancy in the Student Village. The results show a shortfall in income and higher expenditure, due to the minimum guaranteed occupancy levels within the Catalyst contract.

### Outturn review – underlying results

- The year-end tuition fee income is projected to be £12.0m higher than budget but the latest forecasts indicate this will be largely offset by Faculty overspends. The trend in recent years has been for actual expenditure to be less than the in-year forecasts and given the current monthly rate of expenditure the financial

results may be expected to be better than currently forecast. These areas will be subject to further review as the forecasts are prepared.

- Residences income is expected to be c. £2.0m below budget due to low occupancy levels, reflecting under recruitment of Home UG students- the principle market for this accommodation. Management action is being taken to restrict discretionary expenditure and to identify alternative income streams in order to reduce the short-term financial impact. However, minimum occupancy levels within the contract mean that the scope to fully offset the income shortfall through expenditure savings are limited and the year-end forecast is for an operating deficit of £2.9m.

#### **Future years – underlying activities**

- The first draft of the financial forecasts for 2018/19 – 2023/24 will be considered by UEB on 30 April 2019, as part of the annual forecasting cycle.

## **8. POWER OF PEOPLE**

### **8.1 EU Staff Support: Brexit**

- The University staff population comprises 664 non-UK EU staff (9.3%).
- The University's EU and international staff support provision includes financial, legal and practical support, information and guidance.
- In February UEB agreed to improve EU and international staff support by reducing financial barriers for international staff (including EU), focusing on the individual employee and ensuring parity and fairness for all staff.
- The University is actively supporting staff applications for the EU Settlement Scheme through one-to-one appointments. HR has provided 81 appointments, (12.2% of EU staff) and is aware of a total of 143 applications to date (21.5% of EU staff)
- The University committed to reimbursing the settled status application fee of £65 for the main applicant. Following the Home Office's more recent decision to reimburse, HR and Finance are now working together to ensure clarity around repayment.

### **8.2 Spring 2019 Immigration changes**

- The UKVI have issued a statement of changes from the 30 March 2019. The most notable is an increase to the minimum new entrant and experienced salary levels in the Standard Occupation Codes (SOC). The SOC affected are for Teaching and Research and Research. Changes to the Researcher SOC mean that we will be unable to appoint someone on an ongoing basis below grade 7.1. Communications will be shared with Departments.

### **8.3 USS Pension Scheme**

- On 1 April, the first planned USS contribution rate rises for both members (8.8%) and employers (19.5%) have been implemented, following sign off the 2017 valuation. The next increases are due on 1 October 2019 and then on 1 April 2020.
- USS are undertaking a further valuation at 31 March 2018, and it was hoped that the final contributions would be in line with what the Joint Expert Panel (JEP) expected (9.1% members, 20.1% employers, 29.2% total).
- The initial results of the 2018 valuation have suggested higher contribution rates for both members (10.7%) and employers (23%), 33.7% total – the “upper bookend”.
- If employers can provide sufficient contingent contributions, both member (9.3%) and employer (20.4%) contributions (29.7% total) could be reduced – the “lower bookend”.

- USS asked UUK to consult with employers on the assumptions of the 2018 valuation and the proposed contingent contributions. Following Council consideration at its last meeting the University submitted its final response to UUK, based on a recommendation from the University USS Valuation Working Group. The response can be found at: <https://www.sheffield.ac.uk/hr/thedeal/pensionupdates/ussvaluation>
- Following the employer consultation, UUK have submitted their response to USS.
- The USS Trustee Board met on 28 March to consider the consultation response and its response is expected by the end of April.
- The statutory deadline for USS to submit the 2018 valuation to The Pensions Regulator remains 30 June 2019, with the accounting provision to be finalised by the end of July, when it is hoped a new schedule of contributions should be available for signing by employers.
- The University USS Valuation Working Group continues to consider on-going developments and help prepare the University's response to the various consultation processes.

### **8.3 Pay Negotiations 2019-20**

- The University has confirmed its participation in the 2019-20 pay negotiations through UCEA, which have now commenced.
- The five HE Trade Unions submitted their joint claim ahead of the negotiation meetings which included:
  - An award of RPI plus 3% or a minimum increase of £3,349 (whichever is greater).
  - £10 per hour to be the minimum rate of pay for directly employed staff and Foundation Living Wage to be the lowest wage paid on campus (i.e. by contractors).
  - Restoration of the 3% differentials between spinal column points.
  - Action to close the gender pay gap, and to work on closing the ethnicity pay gap, taking account of the ways in which intersectionality affects pay and grading.
  - Agree a framework to eliminate precarious employment practices, including ending zero hours contracts and moving hourly paid staff onto fractional contracts; and directly employing staff who are currently out-sourced.
  - A nationally-agreed payment to recognise excessive workloads. UCEA to recommend the adoption and implementation of the Stress Management Standards approach (or suitable equivalent system) incorporating collaborative working with recognised trade unions on agreed action plans.
- UCEA opened the first negotiating with an award of 1.3%. The next two negotiation meetings are scheduled for April 2019.

### **8.4 New Key Appointments**

- Professor Sabur Mollah has been appointed as a Chair in Financial Management in the Management School with effect from 1 March 2019.

## **9. LEGAL AND REGULATORY MATTERS**

### **9.1 Reportable Events**

- In its role as principal regulator of HEIs, the OfS requires that serious incidents have been appropriately notified under registration condition F3(i). Reports are made on behalf of Council, and it is therefore appropriate that Council should be informed on a regular basis about incidents reported to the OfS. The OfS

defines a reportable event as 'any event or circumstance that, in the judgement of the OfS, materially affects or could materially affect the provider's legal form or business model, and/or its willingness or ability to comply with its conditions of registration'.

- Details of reportable events notified to the OfS will be notified to Council and, if necessary, will appear as a separate agenda item. No events have been notified to OfS since Council in February.
- The Compliance Register, assessing the University's position against the OfS ongoing registration conditions, will next be presented to Council in July.

