



The
University
Of
Sheffield.

Office
Of The
President &
Vice-Chancellor.

The Senate, 20 March 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 25 February 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

- A first 'meaningful vote' in the Commons on the Withdrawal Agreement rejected it by a majority of 230 and no real consensus emerged after a further debate on 29 January. The PM is now in further discussions over the Irish backstop, but the EU has been clear the Withdrawal Agreement is not open to renegotiation (and neither is an alternative compromise certain to win approval in the Commons). Events may have moved on significantly by the time this report is discussed.
- A Department for Education [technical note](#) sets out that in a no deal Brexit scenario, only agreed and successful bids for Erasmus+ funding would be honoured in its underwrite guarantee, contingent on the UK continuing participation in Erasmus+. In response, Universities UK has launched a national *#SupportStudyAbroad* campaign, asking the Government to commit to continue funding study abroad opportunities for UK students.
- **TUoS interest:** the possibility of a no-deal Brexit raises the prospect of significant disruption to students and staff, in addition to issues of retention, research, legal compliance, and other practicalities.

1.2 ONS review of student loans

- ONS has [decided](#) to split the government's student loan between genuine government lending and government spending. The lending element will be calculated based on expected future repayments. The remainder, which is not expected to be repaid, will be treated as government spending. Under the old system, all student loans were treated as government lending.
- The Office for Budget Responsibility (OBR) has estimated this will add £12 billion to the deficit for this year, or 0.6% of GDP. The Government has said that this was an accounting decision that will not impact the outcome of the Post-18 Education and Funding Review (see 1.3, below). A useful explainer of the change the ONS has introduced can be found in this Wonkhe [blog](#).
- **TUoS interest:** There is no direct impact on University finances but the decision may affect Government decisions on the future financing of higher education.

1.3 Post-18 Education and Funding Review

- The Panel will now report in “early 2019” with the Government’s response to follow; final decisions on Review outcomes rest with the Government.
- The key themes arising so far include: scrutiny of the cost base, particularly with regard to efficiency and value for money in professional services; encouraging greater ‘modularity’ in HE, enabling learners to study more flexibly; and incentivising provision at Levels 4 and 5.
- Speculated outcomes include: an across the board fee cut; differential fees linked to either cost of teaching, Longitudinal Educational Outcomes data or TEF outcomes; restricting access to student loans to those achieving DDD+ at A level; and creating parity of esteem between HE and FE. A final decision on changes to higher education funding could be postponed due to the dominance of Brexit.
- The new Universities Minister, Chris Skidmore MP, [says](#) that he does not support minimum grade thresholds for access to higher education and expects any major funding change to go through a period of consultation and to be introduced gradually.
- **TUoS interest:** any change to the system of tuition fees and student loans would have implications for the University’s financial position, student recruitment, widening participation, and its learning and teaching offer. UEB has considered financial scenarios which would result from some of the speculated outcomes and these also inform sensitivity analysis in project appraisals, where relevant.

1.4 TEF

- Dame Shirley Pearce, who is leading the Independent Review of the Teaching Excellence and Student Outcomes Framework (TEF), has invited [views](#) on the TEF. The Government says the consultation will ensure that TEF is “robust, resilient, and fit for purpose”. The nine members of the Review Group supporting the Review [include Jonathan Nicholls](#). The Group will report to the Secretary of State for Education in 2019, and the recommendations will be considered by the Government before the implementation of subject-level TEF.
- **TUoS interest:** the University was awarded a Silver rating under TEF2 in 2016/17 and has resubmitted for TEF4 in 2018/19. TEF4 provides a final opportunity for the University to make an institutional-level submission before the move to subject-level TEF. University preparations for subject-level TEF are ongoing.

1.5 New Universities Minister

- In his first major [speech](#) in the role, new Minister of State for Universities, Science, Research and Innovation, [Chris Skidmore MP](#) set out his vision for the role and future of higher education. His priorities include supporting student mental health, widening access, making greater use of LEO data, and creating more choice through accelerated pathways and technical education. He also promised a change of approach and said he would not engage in “needless university bashing” and made remarks in strong support of arts and humanities, social sciences and subjects such as social care and nursing.
- **TUoS interest:** the President & Vice-Chancellor has met with the Minister, who is planning a visit to the University in the near future.

1.6 Immigration White Paper

- The Government has [published](#) an Immigration White Paper setting out its post-Brexit immigration plan. The new immigration and borders system will be implemented in a phased approach from 2021 following a 12-month consultation.
- Key aspects for HE include: undergraduate and postgraduate students will be granted six months to remain in the UK after completing a course of study

(currently four); and incorporation of a 12-month period into a PhD student's visa to allow PhD graduates to work in the UK, replacing the current Doctorate Extension Scheme.

- **TUoS interest:** The University has been at the forefront of setting out the benefits international students bring to the UK, through the *#WeAreInternational* campaign. TUoS has also participated in the Home Office pilot that enabled students commencing a Masters course at the University of 13 months or less to be granted six months to remain in the UK after completing their course. As part of the Russell Group and Universities UK, the University will continue to argue that the salary threshold of £30,000 for Tier 2 visas is damaging to the higher education sector and should be changed.

1.7 Accelerated Degrees

- Parliament has approved Government plans to expand two-year degree courses at universities in England. Universities will be able to charge £11,100 per year. A two-year accelerated degree condenses a 30 week per year course into a 45 week per year course.
- According to a BBC [analysis](#), several universities already offer these accelerated degrees but demand for them has been low. The Russell Group has commented it would be a mistake for students to rule out three-year degrees because they believe they cannot afford it.
- **TUoS interest:** the University will monitor closely the interest in and uptake of these accelerated degrees but has no plans to introduce them.

1.8 Unconditional offers

- The Office for Students (OfS) has published an [analysis](#) on the use of unconditional offers following UCAS data showing that use of such offers has increased considerably (see 1.11, below). It warns they could be akin to pressure selling and may be illegal, particularly if made conditional on prospective students selecting that university as their firm choice through UCAS. The OfS argues that contextual offer-making is a more effective tool for widening participation. A growing number of universities have announced that they will no longer be making unconditional offers.
- Coverage of unconditional offers has revived debate around post-qualification admissions (PQA). The University and College Union (UCU) has [called](#) for a PQA system which would involve universities making offers after students had received their exam results, with the first year of undergraduate study commencing in November. Introducing PQA has been ruled out previously due to the short timescale for processing and responding to student applications.
- **TUoS interest:** the University does not make unconditional pre-qualification offers and has no plans to introduce them.

1.9 Free speech

- The Equality and Human Rights Commission (EHRC), in collaboration with others, has [published](#) guidance on upholding freedom of expression, at the request of Government. This states that the starting point is that an event should go ahead and should only be cancelled if there are no reasonable options for running it.
- **TUoS interest:** the University values freedom of expression among its students and staff very highly, whether spoken or written, and including the right to peaceful protest. We will continue to ensure that our procedures are robust and that freedom of expression is protected, whilst creating a safe environment without fear of harassment or prejudice.

1.10 Tackling ethnic disparity

- The Government has [launched](#) new measures to tackle long-standing inequalities between ethnic groups in HE. All universities will have to publish data on admissions and attainment, by gender, ethnicity, and socio-economic group and will be held to account by the OfS on how they improve outcomes for underrepresented students through their Access and Participation Plans.
- As part of the OfS' [response](#) to its consultation on Access and Participation Plans it has [challenged](#) the higher education sector to eliminate gaps in access and student success over the next 20 years. The OfS targets are to eliminate the gaps in: entry rates at the most selective universities between the most and least represented groups; drop-out rates between the most and least represented groups; degree outcomes between white and BME students; and degree outcomes between disabled and non-disabled students.
- **TUoS interest:** the University will shortly be launching the BAME Strategy which Council discussed in October. TUoS is also undertaking a project to tackle attainment gaps that manifest in HE for students from black, minority ethnic backgrounds and lower socio-economic backgrounds compared to their peers.

1.11 UCAS End of Cycle Report

- The Report contains analysis and insight about who is applying and getting in to higher education and changing patterns of recruitment. The UCAS data demonstrates an ongoing gap between the most advantaged and the most disadvantaged in accessing the most selective universities. An overall [analysis](#) includes specific data for all higher education institutions.

1.12 Strategic projects and bids

- The University is developing a final bid, following a successful Expression of Interest, for funding from the Office for Students' new challenge competition to encourage universities and colleges, working with partners such as the NHS and mental health charities, to find new ways of combating the rise in student mental health issues. The bid, working with Sheffield Hallam University and other partners, focuses on using a model of 'social prescribing' (non-medical interventions) to support students (see also 2.3, below).

2. EDUCATION AND STUDENT EXPERIENCE

2.1 Annual Planning Round

- Faculties are in the process of setting targets for all student categories. Departments are setting student number targets and will also provide projections for research activity as part of the integrated planning, budget and resource allocation process. These projections will inform financial forecasting activities during Spring 2018.
- The Deputy Vice-Chancellor supported by the VPs for Research and Innovation and Education will also lead in-depth meetings with Professional Services to discuss future service provision and challenges to delivery. Faculty and Professional Services narratives will be discussed by UEB to identify points of commonality and aspiration before discussion and agreement of the actions and priorities for the year.

2.2 Student recruitment

- Registration numbers for new, full-time students as at 1 December were as follows:

Category	2018 Intake target (1 December 2018)	Intake registered at 1 December 2018	Variance between registrations and target
Home (UK/EU) undergraduate:	4729	4385	-344
Overseas undergraduate:	1065	1112	47
Home (UK/EU) taught postgraduate:	1809	1574	-235
Overseas taught postgraduate:	3431	3961	530
Home (UK/EU) research postgraduate:	423	422	-1
Overseas research postgraduate:	344	348	4

- The current applications position for 2019 entry as at 01 February is as follows:

Undergraduate applications remain in line with 2018 levels, with a slight drop in Home applications balanced by an increase in Overseas applications. We expect to maintain the improvements seen in quality of intake last year.

- Postgraduate taught course Overseas applications have again seen a significant increase in numbers. The University is piloting a Staged Admissions process to manage applications to oversubscribed courses, enabling offer making to a high quality and diverse cohort of applicants. This should support the Home application position, which is slightly below last year's position, although the bulk of applications are expected later in the year.
- Recruitment to postgraduate research courses has been part of an increased focus on the University of Sheffield research community over the past 12 months. It is early in the cycle for research applications; however, with both Home and Overseas applications down on 2018 numbers (due in part to funding pressures and uncertainty for the sector in this area), the ongoing work around postgraduate research recruitment is timely, with plans for further development of initiatives and support to follow throughout this cycle and beyond.

2.3 Student Support

- In conjunction with SHU and Porterbrook Medical Practice, collaboration is taking place with Sheffield Health & Social Care psychology services to deliver bespoke student workshops on campus at both TUOS and SHU, with topics including stress and anxiety management, improving mental wellbeing, and managing depression. Collaborative work is also ongoing with SHU and City partners to develop social prescribing models for students to combat isolation, support transition and address early stage anxiety. Staff in the University Health Service and Counselling Service are also being trained to deliver early intervention workshops for students with emerging personality disorder traits.

3. RESEARCH AND ITS IMPACT

3.1 Research awards

- New awards for the last 12 months to the end of January 2019 stand at £178.7m. This is an increase of £5.4m (3.1%) on the value of awards to January 2018 (£173.3m).
- Since the last report there have been 8 new awards for over £1m: awards for £1m, £1.3m, £1.5m & £2.5m from EPSRC, £1.3m & £1.6m from The Wellcome Trust, £1.2m from the European Commission, and a £4.1m award which is jointly funded by ERDF and Innovate UK.
- The value of new awards for the 12 months to January 2019 has risen in the EU Framework, Overseas, RCUK and Industry Sponsor Categories by £6.8m, £4.5m, £1.6m & £0.5m, respectively, compared to the 12 months to January 2018. The value of new awards for Charities, UK Government and Health sponsor categories has fallen by £5.5m, £1.7m and £0.9m between January 2018 and January 2019.
- New grants opened for the 12 months to the end of January 2019 have fallen by 28 (893 to 865) compared with last year. There were rises in the numbers of Charities, EU Framework and Overseas awards of 23, 19, & 6 respectively but falls in new RCUK and Health awards. The largest reduction (53) was in UK Government awards, due partly to the timing of the AMRC's Catapult funding; there were 35 fewer Catapult awards compared to the 12 months to January 2018.
- As at January 2019 the research grants Work In Progress (Research Order Book) stands at £273.3m (£257.2m excluding AMRC) which is an increase of £8.2m on January 2018 (£265.1m).

3.2 Research development

- **Post graduate research student matters**

The University has been awarded two Engineering and Physical Sciences Research Council (EPSRC) Centres for Doctoral Training (in Advanced Metallic Systems and Speech and Language Technologies) and is a partner on five more led by other UK HEIs. This is a significant investment for the EPSRC in training cohorts of PhD students in perceived skills gaps for UK Industry.

A consortium of Universities led by Liverpool with Sheffield, York and the Centre for Ecology and Hydrology has also successfully renewed its PhD training centre, *Adapting to the Challenges of a Changing Environment*, with the Natural Environment Research Council.

The Wellcome Trust has invited proposals for a PhD training centre in health sciences. The University has submitted three bids.

- **University Research Institutes:** We are working towards a public launch of the four URIs on 29 April, followed up by individual launches throughout the rest of 2019 with specific stakeholder groups for each URI.

- **Research Excellence Framework**

Research England has now published the final guidance for the Research Excellence Framework. The University has to draft, consult with staff, and submit a Code of Practice by early June for approval by the Funding Councils.

A stock-take exercise will be undertaken between March and the summer of 2019. We are focusing on delivering an agreed strategy for maximising the

University's outcome for the REF ahead of submission in Autumn 2020, supported by a REF Steering Group.

3.3 Impact, innovation and knowledge exchange

- **Knowledge Exchange:** Research England has issued a call for responses to the Knowledge Exchange Framework (KEF) proposals. The University will take part in the pilot exercise which concludes in April 2019. The Vice-President for Research and Innovation is overseeing the drafting of a consultation response, in line with the response being created by the Russell Group.
- **Public engagement:** Professor Shaun Quegan, from the School of Mathematics and Statistics, recently received the Natural Environment Research Council's (NERC) Economic Impact Award and a prize of £10K for his work on the European Space Agency's BIOMASS mission, which has paved the way for a £192 million contract for Airbus UK to build the innovative satellite. The Public Engagement team provided support to Professor Quegan to produce a film which enabled him to communicate his research to the public during a Natural History Museum 'Late' session.
- **Regional activity**

The new £50 million McLaren Composites Technology Centre (MCTC), next to the University of Sheffield's AMRC was officially opened in November 2018 by the Duke and Duchess of Cambridge. The AMRC's expertise in composites and lightweighting was a critical factor in McLaren's decision to locate their factory in Rotherham.

The first meeting of the Shadow Health & Care Partnership Board, chaired on an interim basis by Sir Andrew Cash, took place in December 2018. The Board will provide common leadership and make collective strategic decisions that support and deliver work programmes linking research and teaching in the region's HE sector to innovation and workforce training and development within the Health and Care system. The Partnership has been initially established between the University and SHU, and the Sheffield Teaching Hospitals.

The Sheffield City Region Mayor, Dan Jarvis, visited the University in January to build a relationship, and better understand joint priorities and opportunities.

4. STRATEGIC PARTNERS

4.1 AMRC Group Developments

- **AMRC North West:** 16 staff, including the two directors, have been recruited and the centre is operating from interim office and factory floor space provided by the University of Central Lancashire; initial applied research activities have begun. A ground-breaking ceremony and first advisory board meeting will take place in May 2019, following the receipt of construction contracts for the main facility in March. Capital funding has been allocated from Growth Deal 3 and the building is scheduled for completion in January 2021, with £5m additional capital equipment in March 2021. ESIF revenue funding will support costs until September 2020, which may be extended further.
- **AMRC Wales:** Progress is good, with the three directors now in post and operating from interim offices in Broughton and Deeside, at no cost, pending completion and hand over of the main Broughton facility in October 2019. The legal underpinning for the building between the three main parties, Welsh Government, Airbus and TUoS, is now complete. Staff recruitment will commence shortly and Catapult funding has been allocated for initial capital and first year running costs. The directors are working with the Aerospace Technology Institute to secure additional capital equipment funding, supported

by Welsh Government and activities are planned to develop a forward delivery plan.

- **Nuclear AMRC Midlands:** Phase one of the Midlands facility was formally launched on 13 February at Derby's Infinity Park, attended by around 150 regional manufacturers and stakeholders, and industry and government speakers. The planning phase for phase two, the new building, is underway based on attracting regional financial support. Subject to the success of phase one, any further approvals will be sought through normal University governance processes. Research is already underway at the centre, including that which cannot be accommodated in Sheffield.

4.2 Philanthropic Funds raised

- Cash Received and Funds Secured (new donations, including pledges) in the previous financial year 2017/2018 (with a comparison to 2016/17).

Cash Received	Value	Funds Secured	Value
01/08/17 to 31/07/18	£7,244,965	01/08/17 to 31/07/18	£8,280,522
01/08/16 to 31/07/17	£8,700,942	01/08/16 to 31/07/17	£11,869,882

- Cash Received and Funds Secured (new donations, including pledges) in the current financial year 2018/19 (with a comparison to 2017/18)

Cash Received	Value	Funds Secured	Value
01/08/18 to 01/02/19	£5,026,225	01/08/18 to 01/02/19	£2,657,111
01/08/17 to 01/02/18	£4,253,178	01/08/17 to 01/02/18	£2,953,014

4.3 Major gifts (individuals, trusts/foundations and legacies) over £50,000

- £660k from an estate, in memory of the late Dr Edward Ward. This will be used to support UG scholarships for Physics students.
- £200k from a donor who wishes to remain anonymous towards the MRI-PET Campaign. DARE knows their identity.
- A pledge of £50k in memory of Mrs Olga Bannister. £40,000 plus Gift Aid will go to SITraN and £10k will be used to support two PGT scholarships for 2019/20.
- A final distribution from the Estate of the Professor John Roach, for £49,750 (towards scholarships). The total legacy gift is over £800k.
- Rob Pulford (BA 1994) ran the Marathon du Médoc on 8th September 2018 and raised over £200,000 for the Sheffield Scanner MRI-PET Campaign.

4.4 Alumni Volunteering

	2018/19 (to date*)	2018/19 target	2017/18	2016/17
Alumni volunteers	424	950	979	1558
Volunteer hours	4,211	10,000	10,277	12,240
Volunteer instances	429	1,200	1,195	1,932
Philanthropic prospects engaged in volunteering	54	10%	141	117
Number of student beneficiaries	2,111	4,700	4,667	

*As of 01/02/2019

- Alumni volunteers have supported the following recent events: eMentoring; speed networking; the inaugural Northern City Connections event; Chemistry Careers Day; Revision support for Medics weekend; Global Engineering Challenge.

4.5 Events Held, November 2018 to January 2019

- Alumni Reception, hosted by Professor Tim Birkhead, to raise awareness of the Alfred Denny Museum and the Guillemot's campaign, which has now achieved its target of raising over £100,000.
- The Basil Hicks Lecture, with Sir Charles Montgomery, to commemorate the Centenary of the end of WW1 & Armistice Day.
- Elite Sport Performance Scheme Awards night.
- Major Gifts Dinner in London on the theme of Medicine, hosted by Professor Pamela Shaw.
- Graduation ceremony and VIP Lunch in Thessaloniki.
- Winter Graduation Ceremonies: nine ceremonies on each day, six honorary graduates, one distinguished alumni award and three VIP luncheons..6

5. OUR PLACE: LOCALLY AND GLOBALLY

5.1 Upcoming visits:

- The President & Vice-Chancellor will lead a University visit to China in February to strengthen and build upon existing relationships. The University will be represented on a Universities UK delegation to Mexico.

5.3 Inbound visits

- The University has recently hosted the Minister of Education for Malaysia and his delegation; representatives from Tsinghua University and from Shandong University, to discuss collaborative, strategic and other partnership opportunities.

5.4 Other Activities

- For the fourth year running, the University's Erasmus+ student and staff mobility programme has been rated 'very good' (the highest rating) by the National Agency, the British Council.

- The University has signed a seedcorn funding agreement with Tec de Monterrey to support partnership development and GCRF projects.
- The WUN Secretariat recently announced the results of the 2018 round of WUN Research Development Fund (RDF) applications. The University of Sheffield will be supporting one project as Principal Investigator and will also support three members of staff to participate as Co-Investigators on other RDF projects with the universities of Auckland, Alberta and UFMG (Brazil). Six academic colleagues will also be funded to participate in the WUN Research Mobility Programme (RMP).

6. PUBLIC RESPONSIBILITY

6.1 Reputation and communications

- The University received over 6,000 pieces of coverage in national and international media between 5 November 2018 and 7 February 2019.

6.2 Success and achievement

- The University has been ranked among the world's top 100 universities for teaching and research in clinical and health subjects by the Times Higher Education.
- The first Physician Associates – a career track which has been hailed as a possible solution to the staffing crisis in the NHS – have graduated from the University of Sheffield.
- The School of Nursing and Midwifery has started training Nursing Associate Apprentices as the partner education provider for Sheffield and Doncaster.
- The University has been recognised as a top employer for workplace equality in the UK by the leading LGBT+ charity Stonewall.
- The first documented use of penicillin as a therapy – carried out at the University of Sheffield – has been named as one of the UK's 100 best breakthroughs at UK universities by Universities UK.
- Staff and students from across the University commemorated the 100th anniversary of sport with 100 different sporting events.

7. CHALLENGE OF RESOURCE

7.1 Financial Results to 31 October 2018

The financial results for the quarter ending 31 October 2018 were circulated in December 2018.

Headlines – underlying activities

- Operating surplus to 31 October 2018 of £10.4m compared to a budgeted surplus of £2.5m, an improvement of £7.9m.
- Income of £167.4m compared to a budget of £167.1m, a positive difference of £0.3m (0.2%).
- Expenditure of £157.1m, compared to a budget of £164.6m, an underspend of £7.5m (4.5%).
- Cash generated from operations remains strong at £98.7m (October 2017: £85.9m); liquidity days are 74 (October 2017: 60)
- Capital expenditure for the year to date £22.4m (October 2017: £10.8m)

Year to date performance is ahead of budget mainly due to additional fee income within the ELTC and other income from patents/licences and donations, both of which have been offset by lower research income. The year to date results also

include underspends in Faculties (£0.5m), Professional Services (£0.9m), Shared costs (£0.6m) and research expenditure (£6.8m), which is linked to the shortfall in research income. These underspends have been partially offset by higher donation and Doctoral Research Account expenditure, which are both funded by additional income from these activities.

The results to 31 October do not include the estimated impact of 2018/19 student recruitment. By the end of the year fee income based on recruitment information at 19 November is expected to be £10.2m ahead of the budget. When the financial cushion of £5.9m is excluded, fee income is £4.3m above target. This is primarily attributable to overseas PGT recruitment. The position by Faculty is variable, with the benefit of additional PGT recruitment mainly seen in the Faculty of Social Sciences.

Outturn review – underlying results

Whilst fee income is forecast to be higher than budget, it may be offset by higher expenditure being forecast in Faculties and Shared costs. The latest forecasts indicate this may be £17.1m higher than budget. However, in recent years, expenditure has tended to be less than the in-year forecasts.

Residences income is expected to be c. £2.4m below budget due to low occupancy levels, primarily at the Student Village, reflecting the under recruitment of Home UG students- the principal market for this accommodation. Management action is being taken to restrict discretionary expenditure and to identify alternative income streams in order to reduce the financial impact. However, minimum occupancy levels within the contract mean that the scope to fully offset the income shortfall through expenditure savings are limited.

Future years – underlying activities

- The outturn income position for 2018/19 is positive, but as in 2017/18, this is largely attributable to one-year PGT courses, which is offsetting the underlying shortfall in Home undergraduates, which has a three-year impact. If the positive PGT recruitment trend is not continued, the shortfall in undergraduates will impact on future years' fee income estimates.
- The full year impact arising from the increase in employer USS pension contributions will increase cost pressures in future years.
- The HE environment contains a number of areas of uncertainty including the Post 18 Education and Funding Review (see 1.3, above), on-going USS pension negotiations (see 8.1, below) and Brexit (see 1.1, above).

8. POWER OF PEOPLE

8.1 Pensions – USS

- The dispute over the valuation of the USS pension scheme continues, though the UCU mandate for industrial action from 2018 has now expired and a new ballot would be required if they disagree with the outcome of the 2018 Valuation.
- The USS Trustee has concluded the 2017 Valuation which has resulted in future contribution rates rising in three stages from April 2019 to April 2020 when they will reach 35.6% in total (24.2% employer and 11.4% member). Current levels are 18% employer and 8% member. Each 1% increase in employer contributions equates to c£1.8m per year based on current membership numbers and salary levels.
- A further valuation exercise is now being undertaken by the USS Trustee effective 31 March 2018. This will enable consideration of the recommendations of the Joint Expert Panel which was convened in response to the industrial

action in 2018 to review the parameters of the current valuation and explore the valuation methodology for future valuations.

- The University USS Valuation Working Group continues to meet to developments and help prepare the University's consultation responses.

8.2 Pay Negotiations & Pay Dispute

- UCU, Unite and UNISON all remain in dispute at a national level over the 2018 pay negotiations. GMB accepted the offer. The University implemented the pay offer from August 2018. UCU's membership at the University is around 1,600 with around 1,100 of those members being academics, researchers or teachers, and the University was one of only eight out of 147 at which UCU obtained a mandate for industrial action following a disaggregated ballot. However, UCU did not call on members to take action and committed to re-ballot members on an aggregated national basis in early 2019.
- UCU opened a national aggregated ballot in January 2019 running until 22 February 2019, seeking a mandate for strike action and actions short of a strike, including a marking and assessment boycott. Any further information will be made available at the Council meeting on 25 February.
- The University has reconvened its Industrial Action Planning Group which is meeting regularly to prepare for and plan ways to mitigate the potential impacts of strike action on our students and operations of the University.
- UNISON will not ballot again regarding the 2018 pay negotiations but have made it clear they intend to seek a settlement in 2019 of at least RPI+ 3%.
- Unite have not called on their members to take action anywhere and have not indicated any intention to hold more ballots ahead of the 2019 pay negotiations.
- The University is also preparing to contribute to the consultation process amongst HE employers to feed into the national pay negotiations for 2019. The consultation three-part process culminates in March 2019, when the University will be asked to confirm its participation in the national bargaining process. HR and Finance colleagues will be engaging in the preparations for this, overseen by UEB. Negotiations normally commence around April or May until June or July. The outcome of the UCU ballot is likely to play a part in influencing the tone of the negotiations.

8.3 Staff Survey

- The 2018 Staff Survey was open between 22 October and 26 November 2018, with a final response rate of 69% (5,000 staff) which is above the sector benchmark. The overall impact of recent challenges, such as Brexit, pensions and leadership changes, is not as great as expected, both in response rate and positive engagement.
- The University KPIs for staff satisfaction, as measured through the 2018 Staff Survey are:
 - % of staff who are proud to work for the University: 92% (-2% 2016);
 - % of staff who report that their Faculty/Professional Services are well led: 74% (-7% 2016);
 - % of staff who would recommend the University as an excellent place to work: 83% (-6% 2016).
- Graduate Teaching Assistants (GTAs) and Casual Workers who have worked for the University over the past year were invited to participate in the survey for the first time. This generated over 450 responses and overall results for GTAs and

Casual Workers were positive, with the majority of questions having a response above the University benchmark.

- Key stakeholders are being engaged prior to wider communication of the responses to all staff and a University action plan will be developed. The Staff Survey is the University's stress risk assessment and HR is working with colleagues to consider the implications and future actions.

8.4 New senior appointments

- Professor Chee Hing Tan, Head of Department, Electronic and Electrical Engineering from 1 February 2019.
- Dr Emma Kelly, Programme Director at Nuclear AMRC from 1 January 2019.
- Andrew Silcox, Research Director at AMRC with Boeing from 7 January 2019.
- Jamie Butler, Deputy Director of Academic Programmes & Student Engagement, from 21 January 2019.

8.5 The Queen's New Year Honours List, 2019:

- The following alumni were honoured in the Queen's New Year's Honours List:
 - Mrs Anne Obey, OBE (BA English Literature, 1983) for services to Financial Reporting and Sustainable Energy.
 - Mr Paramdeep Singh Bhatia, MBE (MEng Mechanical Engineering, 2001) for voluntary service to Minority Communities.
 - Mrs Helen Louise Clarke, MBE (BA Business Studies, 1992) for services to Girlguiding.
 - Ms Anne-Louise Ferguson, MBE (LLB Law, 1977 for services to NHS Wales.
 - Mrs Margaret Ann Kitching, MBE (MMed Sci Nursing Practice, 2002) for services to Nursing.
 - Miss Stefanie Katherine Stead, MBE (MArch Architecture, 2006) for services to Architecture and the Construction Industry.
 - Dr Susan Margaret Whipps, MBE (PhD Pathology, 1980) for voluntary services to People Affected by Parkinson's Disease.
 - Sir Michael Edward Palin, CBE (Honorary Degree, 1992) for services to travel, culture and geography.

9. LEGAL AND REGULATORY MATTERS

9.1 Submission of statutory returns

- The University's annual Higher Education Students Early Statistics (HESES) return was submitted to HEFCE in December 2018. The Office for Students will use this data to update the teaching funding allocation for 2018-19 and provide the initial teaching funding allocation for 2019-20. The University has provided a satisfactory response to high level questions from the OfS about the data.
- The following returns have also been submitted:
 - Finance Record 2017/8 (submitted to HESA in December 2018).
 - Higher Education - Business and Community Interactions (HEBCI) survey (submitted to HESA in December 2018).
 - Annual monitoring return to the Office of Fair Access (OFFA) (submitted in January 2019).

9.2 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. One event has been notified to OfS since Council on 26 November in relation to the ending of the University's validation agreement with the College of the Resurrection.