



The
University
Of
Sheffield.

University
Secretary's
Office.

Minutes Meeting of Council

Date: 25 April 2016

Present: Mr Pedder, Pro-Chancellor (in the Chair for items 2-23);
Mrs Harkness, Pro-Chancellor (in the Chair for item 1);
Mr Young, Treasurer; Professor Sir Keith Burnett, Vice-Chancellor;
Professor West, Deputy-Vice-Chancellor;
Professor Labbe, Pro-Vice-Chancellor;
Mr Bagley, Mr Belton, Dr Eden, Ms Hague, Mr Kelly, Mrs Legg, Mr
McMorrow, Professor Phillips, Ms Prout, Mr Sykes, Professor Vincent

Secretary: Dr West

In attendance: Mr Dodman, Mr Lilley, Mr Rabone, Ms Stephens;
Mrs Ditchburn and Ms Griffiths (Pinsent Masons LLP)

Apologies: Mr Mayson

WELCOME

The Chair welcomed Mr Keith Lilley (Director of Estates & Facilities Management), who was attending for discussion of the Estates Strategy. Also welcomed were Mrs Gayle Ditchburn and Ms Nia Griffiths of Pinsent Masons LLP, who were attending as observers following Council's earlier approval of the appointment of Pinsent Masons to support the forthcoming Council Effectiveness Review (see Minute 11 below).

AGENDA

1. ADDITIONAL AGENDA ITEM: CHAIR OF COUNCIL

Ms Harkness reported that, following consultation with Council members, the Council Nominations Committee had agreed to recommend that Tony Pedder be reappointed as Chair of Council and Pro-Chancellor for the period 1 August 2017 to 31 July 2021. Council approved the recommendation and extended congratulations to Mr Pedder.

2. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

3. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 22 February 2016, having been circulated, were approved and signed.

4. MATTERS ARISING ON THE MINUTES

Matters arising on the Minutes were noted as follows:

- (a) Minute 3(a), Senior executive structure: As previously notified to Council, Professor Nigel Clarke, currently Head of the Department of Physics & Astronomy, would take up the position of Pro-Vice-Chancellor for the Faculty of Science in June 2016.
- (b) Minute 4(d), Student recruitment: It was noted that an update on student recruitment for 2016 was provided in Section 2 of the Vice-Chancellor's Report.
- (c) Minute 4(f), UK referendum on EU membership: The University's Crick Centre had hosted a well-attended public debate on the implications of the referendum for Sheffield and the region on 20 April 2016. It was also noted that Universities UK (UUK) was leading a 'Universities for Europe' campaign to demonstrate the value of EU membership to universities and the UK.

5. VICE-CHANCELLOR'S REPORT

Council received and discussed the Vice-Chancellor's report, in which he provided information on key current and forthcoming developments across a range of areas. Points noted in particular included the following:

- (a) EU referendum: Council had previously noted the legal limitations on charities' ability to campaign on political issues and the guidance issued by the Charity Commission. Accordingly, the University was seeking to facilitate debate and promote public awareness, for example through a recent event hosted by the Crick Centre (see Minute 4(c) above), and further events in the weeks immediately preceding the referendum. A number of actions were taking place in collaboration with the Students' Union to maximise student voter registration.
- (b) Higher Education funding: The University had received its annual grant letter from HEFCE, embargoed until 6 May. The position with respect to funding for teaching and research was broadly as anticipated, and the announcement that knowledge exchange funding (HEIF) would continue was welcome. However, what was essentially a further flat cash settlement represented a growing concern in the context of factors including upward pressure on costs and an increasingly competitive market for student recruitment.
- (c) Higher Education Bill: The Queen's Speech on 18 May was expected to include the announcement of a Higher Education Bill. Major anticipated changes in the HE landscape included the implementation of the Teaching Excellence Framework and the likely reorganisation of the Research Councils following a review led by Professor Sir Paul Nurse. On a related matter, attention was drawn to recent changes to HE governance in Scotland, following the Scottish Parliament's vote in favour of the Higher Education Governance Bill.
- (d) Prevent duty: A presentation following the previous meeting of Council had provided a useful opportunity for discussion, and periodic reports on the University's implementation of its agreed procedures would be made to Council. It was noted that the Student Union's policy on safe spaces had recently been confirmed by a vote of the student body.

- (e) Student recruitment: The position with respect to recruitment in 2015 and applications for 2016 was noted. More broadly, the Vice-Chancellor drew attention to the mutually enforcing effect of growth in student recruitment and institutional ranking, with the former supporting investment in facilities and research. However, it was noted that achieving this 'virtuous circle' was dependent on maintaining an appropriate balance, for example through careful monitoring of the marginal costs associated with growth in research activity and the impact of student number growth on the quality of student intake, the student experience and the institution's research capacity. Attention was drawn to the differential position across faculties. In Science, for example, high-cost research and more limited opportunities for growing student numbers mitigated against the 'virtuous circle' effect, while student numbers in Medicine were subject to external constraint. Engineering, on the other hand, had been able to increase both research income and student numbers. In some areas, the targeted use of scholarships and bursaries was important in offsetting the impact of higher tuition fees. Consideration of the future size and shape of the University would take careful note of the relationship between academic strategy, student recruitment and financial sustainability, not overlooking major opportunities – such as the AMRC – that lay outside core faculty activity, as well as the scope for increasing non-standard provision, including CPD and distance learning, in response to changes in the nature of work and career paths, as well as demographic trends. The issue of price sensitivity in relation to tuition fees was noted, and was the subject of ongoing scrutiny, informed by detailed benchmarking and market research.

Noting the complexity and significance of this aspect of the University's operation, Council agreed that further discussion would be desirable, perhaps as an away day topic. Similarly, Council would benefit from a greater understanding of the considerations underpinning capital expenditure in faculties.

- (f) Financial results: The half-year results had been circulated and confidence could reasonably be placed in the outcome for the current year. However, the financial forecasts currently in development reflected an increasingly challenging environment in terms of some areas of core business, such as lower income growth, competitive student recruitment, as well as the expected upward pressure on costs, for example through pay and pensions.
- (g) Student Systems Project: The process of procuring a new integrated student system was well underway, with the aim of identifying a preferred supplier later in the summer, and with the conclusion of procurement envisaged in late autumn. As previously agreed by Council, a small sub-group had been established under the chairmanship of Adrian Belton to have oversight of the project. An update would be provided as part of the Council away day on 14 June.
- (h) Staff Survey: The Staff Survey for 2016 had been launched on 18 April and would close on 16 May. The majority of questions remained the same as those in the 2014 survey to allow for benchmarking. Some new questions had been included to reflect the current emphasis on talent attraction and building diverse teams. University-level results were expected in late May, and departmental level results in late June.

6. PEOPLE STRATEGY

The Director of Human Resources provided a presentation on the University's new People Strategy for the period 2016-21, which was currently in development. Entitled The Power of People, the Strategy built on its predecessor, Talent First, and had been considered in draft by the University Executive Board and by the Human Resources Committee. Aligned to the University's Strategic Plan, and mirroring it in tone, look and ambition, The Power of People was structured around the interconnected themes of: talent attraction; engagement; rewarding and recognising excellence; wellbeing; diversity and inclusion; leadership and management; and performance, development and growth. The Strategy set out the vision for each theme, together with the actions necessary to achieve it. Next steps would include further discussion with internal and external stakeholders, and the development of measurements of success. The Human Resources Committee would receive a final draft in June, taking into account comments from Council. As a primarily internally-facing document, a relatively 'soft' launch would follow final approval.

Points raised in discussion, or on which clarification was provided, included:

- a) National pay negotiation framework: Changes and challenges in the sector, including UCU's response to national collective bargaining, suggested that it would be helpful for the Human Resources Committee to be fully briefed on the options.
- b) Staff Survey results: Headline results would be available in late May and could therefore be taken into account in the final draft of the Strategy.
- c) Terminology: It was suggested that further consideration might be given to terminology. For example, a more enabling and supportive term than 'retention' might be found, and 'colleagues' might be preferable to 'staff'.

7. ESTATES STRATEGY

Council received and considered the draft Estates Strategy for the period 2016-21, noting that this had already been subject to extensive consultation, had been considered by the Estates Committee and would be presented for final approval at Council's meeting on 11 July 2016. Like The Power of People, the Estates Strategy would be clearly aligned to the University's Strategic Plan, while meeting the Funding Council's reporting requirements. In an accompanying presentation, the Director of Estates & Facilities Management drew attention to the progress made during the lifetime of the current Estates Strategy, as well as to the size and scale of the University's estate, of which the development of the AMRC formed a significant and growing element to the east of the main city campus. The draft Strategy identified five key themes to support the University's academic strategy: efficiency and effectiveness; carbon management; energy; space and utilisation; and maintenance and enhancement. In addition, careful consideration had been given to the academic priorities of the faculties, to the future development of the AMRC, and to the underpinning professional services and infrastructure requirements necessary to support them. Council noted a proposed list of capital projects for the period covered by the Strategy, together with an indicative cash flow forecast.

Points raised in discussion, or on which clarification was provided, included:

- a) Audience and communication: It was suggested that consideration should be given to how the Strategy might be presented to different audiences, notably

applicants. For example, greater emphasis might be placed on the provision of space dedicated to learning, rather than simply to teaching. It was noted that the forthcoming publication of estates usage data would be helpful in this respect. More generally, the importance of the rationale set out in the Strategy in terms of wider communication was noted, with capital expenditure seen as integral to investing for the future and responding to the challenges currently facing Higher Education.

- b) Capital expenditure: It was noted that all individual cases for capital expenditure would be subject to the threshold based governance process previously approved by Council, and that this included, for expenditure above an agreed level, provision for scrutiny of full business cases by Council. More detailed consideration of the proposed capital projects in terms of priority and funding would be undertaken by the Finance Committee.
- c) Specific developments: It was confirmed that any plan to relocate the Nursery would be subject to consideration of a full business case, including the suitability of the proposed location.

8. CLOSED MINUTE AND PAPER

9. CAPITAL PROGRAMME:

9.1 Faculty of Engineering business cases

Council approved the business cases and associated budgets for the following projects, noting that these had previously been reviewed and supported by the Finance Committee and Estates Committee:

- Structural Dynamics Laboratory for Verification and Validation;
- Integrated Civil and Infrastructure Research Centre;
- Royce Translational Centre.

9.2 Closed Minute and Paper

10. RESIDENTIAL ACCOMMODATION STRATEGY

Council received an update on the development of the Residential Accommodation Strategy. This followed Council's earlier (October 2014) approval of the principles underpinning the Strategy and subsequent (October 2015) endorsement of the proposed direction of travel. The final Strategy would be presented to Council for approval in July, alongside the wider Estates Strategy, following further consultation and taking into account student recruitment and property market changes.

11. COUNCIL EFFECTIVENESS REVIEW

Council approved arrangements for the forthcoming Effectiveness Review, having previously given on-line approval for the appointment of Pinsent Masons LLP to support the Review. Thanks were expressed to Alison Legg for undertaking to chair the small group being established to have oversight of the Review, and it was noted that David Young had kindly agreed to join the group.

12. COMPLIANCE WITH THE HIGHER EDUCATION CODE OF GOVERNANCE

Council received an update on compliance with the Committee of University Chairs' Higher Education Code of Governance, noting that this followed a detailed preliminary assessment presented to Council in February 2015. An independent review of Compliance with the Code would form one of the strands of the Effectiveness Review.

With respect to Primary Element 6 of the Code, relating to the governing body's promotion of equality and diversity, it was reported that the future membership of Council remained under discussion by the Nominations Committee, which would report to Council in July. The challenge of recruiting Council members from a broad spectrum while meeting the need for particular skills and experience was noted.

13. REPORT OF THE SENATE (Meeting held on 16 March 2016)

Council received and approved the Report, including recommendations relating to departmental restructuring in the Faculty of Arts & Humanities and the transfer of the Modern Languages Teaching Centre from the Faculty to Student Services.

14. REPORT OF THE AUDIT COMMITTEE (Meeting held on 7 March 2016)

Council received and approved the Report.

15. REPORT OF THE FINANCE COMMITTEE (Meeting held on 14 March 2016)

Council received and approved the Report.

16. REPORT OF THE HEALTH AND SAFETY COMMITTEE (Meeting held on 8 February 2016)

Council received and approved the Report.

17. REPORT OF THE HONORARY DEGREES COMMITTEE (Meeting held on 10 March 2016)

Council received and noted a Report on action taken by the Honorary Degrees Committee.

18. REPORT OF THE HUMAN RESOURCES COMMITTEE (Meeting held on 10 March 2016)

Council received and approved the Report.

19. REPORT OF THE SENIOR REMUNERATION COMMITTEE (Meeting held on 22 February 2016)

Council received and approved the Report.

20. REPORT OF THE COUNCIL NOMINATIONS COMMITTEE

(Business conducted by correspondence)

The appointment of Mr James Pennock to a vacancy for a representative of Council on the Careers Advisory Board was approved.

21. EQUALITY AND DIVERSITY:

21.1 Annual report of the Equality and Diversity Board

Council received and approved the Report.

21.2 Proposed changes to the Equality and Diversity Board

Council approved changes to the title, terms of reference and membership of the Equality and Diversity Board, subject to clarification on the following points:

- whether one of the two external members appointed by Council might be one of the lay members of Council;
- whether scope existed to reduce the size of the reconfigured Committee in order to maximise its effectiveness while achieving the necessary representation;
- whether the proposed title (Equality and Diversity Committee) reflected current terminology, which preferred 'inclusion' to 'equality'.

A request that the Committee's papers be shared for information with the relevant member of the Student Union's permanent staff was noted.

22. CORPORATE RISK REGISTER

Council approved the updated Risk Register.

23. PUBLIC AVAILABILITY OF COUNCIL PAPERS

Council received and approved recommendations concerning the publication on the web of papers presented at the meeting, in accordance with previously agreed proposals on the disclosure of information. It was noted that a number of papers were confidential and would not be made publicly available.

24. OTHER BUSINESS

24.1 Festival of the Arts and Humanities

Attention was drawn to the forthcoming Festival of the Arts and Humanities, hosted by the Faculty of Arts and Humanities, which would take place between 10 and 22 May. Copies of the programme were tabled.

24.1 Finance briefing

Members confirmed that a briefing on finance by the Chief Financial Officer and Director of Finance, which had taken place immediately before the Council meeting, had been helpful and that the format should be adopted for further future briefings.

These Minutes were confirmed

at a meeting held on 11 July 2016

..... Chair