



The
University
Of
Sheffield.

Minutes Meeting of Council

Date: 6 February 2017

Present: Mr Pedder, Pro-Chancellor (in the Chair);
Mr Young, Treasurer;
Professor Sir Keith Burnett, President & Vice-Chancellor;
Professor West, Provost & Deputy-Vice-Chancellor;
Professor Valentine, Vice-President & Head of Faculty;
Mr Bagley, Mr Belton, Dr Eden, Ms Hague, Mrs Hope,
Dr Layden, Mr Mayson, Professor Phillips, Mr Sykes,
Mr Trendall, Professor Vincent

Secretary: Dr West

In attendance: Mrs Arnold, Mrs Dingle, Mr Dodman, Mr Kind, Mr Rabone, Ms Stephens

Apologies: Mrs Harkness, Mr Sly

WELCOME

The Chair welcomed Dr Keith Layden to his first meeting of Council. Also welcomed to the meeting were Mrs Helen Dingle (Director of Finance) and Mrs Ruth Arnold (Director of Strategic Projects & Communications), who were attending as observers.

AGENDA

1. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 28 November 2016, having been circulated, were approved and signed, subject to the amendment of Minute 10.4 to clarify the position of one member.

3. MATTERS ARISING ON THE MINUTES

Matters arising on the Minutes were noted as follows:

- (a) Minute 4(d), Winter Street development: It was reported that a planning application to construct a 16-storey building providing student accommodation on Winter Street had received positive feedback from planning officers and was in the approval process.
- (b) Minute 5(a), TEF: Council members had been notified by email (17 January 2017) of the University's decision concerning tuition fees. (See also Minute 7

(f) below.)

- (c) Minute 5(c), Student recruitment: An update on student registrations in 2016-17 and student recruitment for 2017-18 appeared in section 3 of the President & Vice-Chancellor's Report. It was reported that HEFCE had now approved the University's Annual Report on the Prevent Duty, and thanks were expressed to the relevant staff and Student Officers for their input.
- (d) Minute 5(d), AMRC: Proposals for the future governance arrangements for the AMRC would be included on the agenda for the April meeting of Council.
- (e) Minute 7, HEFCE Annual Accountability Return: All components of the Annual Return were submitted to HEFCE by the 1 December 2016 deadline.
- (f) Minute 8, Student Systems Project: An update on the Project appeared in section 6.3 of the President & Vice-Chancellor's Report.
- (g) Minute 10, Project Mercury: This was covered elsewhere on the agenda (see Minute 7(d) below).

4. REVISED UNIVERSITY EXECUTIVE STRUCTURE

Council received and noted revisions to the University's senior executive structure, which had previously been communicated to members by email (19 January 2017).

5. COUNCIL EFFECTIVENESS REVIEW: UPDATE AND ACTION PLAN

Council received and approved a proposed action plan drawn up in response to the recommendations arising from Pinsent Masons' report on the Council Effectiveness Review undertaken in 2016, noting that this was based on detailed consultation with relevant stakeholders, including the chairs and secretaries of Council sub-committees and discussion with the Effectiveness Review Oversight Group chaired by Alison Hope and the Officers' Informal Group (formerly 3Cs). Comments had also been invited from Council members.

Clarification was provided as follows:

- (a) Deputy members: With respect to the proposed removal of the current provision for appointing deputy Council members in Classes (2) and (6), it was confirmed that the intention was that the President of the Students' Union should in future nominate a Student Officer to attend Council meetings as an observer.
- (b) Health & Safety Committee: The important role of the Committee and Council's overarching responsibility in this area suggested that there should be no change to current reporting lines. There was currently a vacancy for a representative of Council, and members were invited to express an interest, with a view to this being filled at the earliest opportunity.

6. PRESIDENT & VICE-CHANCELLOR'S PRESENTATION AND REPORT

- 6.1 Council received and discussed a presentation and accompanying report from the President & Vice-Chancellor, in which he provided information on key current and forthcoming developments across a range of areas. Points noted in particular

included the following.

- (a) Policy environment: Significant change continued to characterise the external policy environment. In relation to Brexit, staff and student mobility, and uncertainty regarding residency post-Brexit and access to EU research funding remained the main concerns. The Government's recent announcement that Brexit would involve the UK leaving Euratom had implications for nuclear-related research and development, and was an additional area of concern. While the Prime Minister, BEIS and the DfE had indicated that science was at the heart of Government strategy, there were also messages that there would not be sector deals. With respect to the Higher Education and Research Bill, pressure from the House of Lords had resulted in some movement on institutional autonomy, but it remained the case that the new Office for Students would report to ministers, signalling a potentially increased link between the Secretary of State and HE providers.
- (b) International mobility: This remained a key issue for EU staff and students, and President Trump's recent executive order had implications for staff and students from Muslim majority countries wishing to travel to the US. The University's #weareinternational campaign continued to attract attention and support, including from a number of US universities. A parliamentary event for #weareinternational and business would take place on 7 March, hosted by Lord Bilimoria and Paul Blomfield MP.
- (c) Industrial strategy: The Government's Green Paper, Building our Industrial Strategy, proposed a plan with ten strategic pillars. These included a number of areas in which the University was a leader.
- (d) Project Mercury: The agreement with McLaren, previously discussed by Council as 'Project Mercury', was to be formally launched at the AMRC's Factory 2050 on 9 February, and would create a high-level partnership, investment, jobs and apprenticeships.
- (e) City Region Vision: A launch event would take place on 17 February for the new City Region Vision, which would bring together anchor institutions, political and business leaders and media to promote a common approach to innovation and growth. Council members were warmly invited to attend. Attention was drawn to the fact that the Government's locality based strategy appeared to place significant emphasis on combined authorities and elected mayors, and this highlighted the need to communicate the breadth and reach of the region's core capability, which had relevance beyond the immediate locality.
- (f) TEF and fees: The University had reluctantly agreed to participate in Year 2 of the Teaching Excellence Framework and to raise tuition fees for incoming students only, reflecting the views expressed by Council in October 2016. The required institutional statement had been submitted, following consultation with a wide range of colleagues, including the Students' Union. The University was urging that decisions on Gold, Silver and Bronze status should be transparent and based on consistent measures of assessment, highlighting the problematic nature of the TEF metrics, which were not an accurate indicator of teaching excellence.
- (g) Faculties: The current faculty structure, which had introduced greater devolution of planning, finances and accountability, had been in place for nine

years and had facilitated many improvements at a time of financial growth underpinned by international student recruitment. However, the University now faced different economic circumstances, as well as the challenge of supporting scholarship, interdisciplinary work and global reputation. In this context, the President & Vice-Chancellor wished to consider the effectiveness and ongoing fitness for purpose of the current structure, focusing on the role of faculties in advocating strengths, building scale and attracting talent.

- 6.2 The Chief Financial Officer provided an update on the finance section of the President & Vice-Chancellor's report. UEB would, at its meeting on 7 February, consider a report on Resource Allocation for 2017-18 and action required to reduce the shortfall between core expenditure forecasts and indicative budget allocations. It was likely that the underlying deficit for the current year would exceed the forecast figure. Student applications for 2017-18 had improved since earlier in the cycle, but the pattern and timing of offer acceptance had shifted in recent years, making the likelihood or otherwise of meeting the student number targets that underpinned the financial forecasts more difficult to predict than in previous years. Clarification and comment were provided as follows:
- (a) Strategic Plan: In response to a query concerning the potential impact of the current situation and uncertain external environment on the University's ability to meet the objectives set out in the Strategic Plan, it was suggested that an evaluation of the impact of a range of factors (such as trends in international student recruitment and research funding under the new UKRI) could usefully form the basis for a session at Council's next away day. The President & Vice-Chancellor reported that action was already being taken, through the Strategy Delivery Group, to review key areas of the professional services in order to ensure that these had the capability to adapt to changing needs.
 - (b) Corporate Risk Register: Linked to the above, it was suggested that Council should in future consider the Corporate Risk Register within Section B of the agenda, alongside the President & Vice-Chancellor's report.
 - (c) Professional Services: It was noted that the underspend currently reported for professional services departments reflected the recent recruitment pause as well as a number of other underspending areas with vacant posts.
 - (d) Russell Group comparison: In response to a query concerning the financial position of other Russell Group universities, it was noted that, based on their most recent financial statements, most showed similar levels of volatility, but a number had achieved higher surpluses, an area in which the University tended to perform less well than its peer group.
- 6.3 The Chief Financial Officer also provided an update on the capital programme, and tabled a paper setting out the current status of major projects, noting that a more detailed report would be provided for Council's next meeting in April 2017. Attention was drawn to the need to consult Council in advance of the April meeting (and following consideration by the Estates & Capital Sub-Group, UEB and Finance Committee) concerning the Sir Henry Royce Institute, to seek approval to commence the procurement process for Year 1 equipment in order to meet BEIS funding conditions, and to underwrite Year 2 equipment costs prior to formal confirmation of EPSRC funding. On capital development more generally, clarification was provided on the following points:

- (a) Capital business cases: It was confirmed that the Estates Committee's consideration of proposed capital projects included value engineering, and where appropriate the scope for and impact of reducing scale and ambition. The Committee viewed as a key part of its role the need to maintain a strong focus on value for money. In response to a query, it was noted that detailed evaluation of individual capital business cases was based on a series of established criteria, and included an assessment of the risk of not proceeding. Consideration of cost took account of a proposed development's impact on revenue as well as the initial capital outlay. The importance of post-implementation reviews of major projects was noted.
- (b) Disposals: The University maintained a register of properties scheduled for disposal. These included a number of residential properties in Ruth Square. The timing of disposals took account of a range of factors, including the state of the market.
- (c) University subsidiaries: With very few exceptions the University was committed to retaining its current portfolio of subsidiaries, which were intrinsic to its core business.

6.4 The Director of Finance reported on a recent phishing scam relating to employee bank details. The resulting fraud had affected a very small number of staff, who had subsequently been reimbursed by the University, which was taking steps to recover the funds through the banking system. Other HEIs had also been targeted. Although below the threshold for serious incidents requiring report to HEFCE, a report would be made due to the potential impact on the sector as a whole. The police and anti-fraud networks had been informed and communications stressing the need for vigilance had been circulated to staff and students.

7. FACULTY OF SOCIAL SCIENCES

- 7.1 Council received a presentation from Professor Gill Valentine, Vice-President & Head of the Faculty of Social Sciences, in which she drew attention to the following:
- the Faculty's size and diversity, combining traditional and more practice focused departments, with 1,048 staff and almost 9,000 students, and a budget of c. £60m, accounting for more than 30% of the University's unrestricted income;
 - the Sheffield Methods Institute and the White Rose Doctoral Training Partnership, two major investments, the first arising from a Nuffield/ESRC award of £1.5m over five years and the second from an ESRC award of £17m over six years;
 - the Faculty's comparative position in 2012, in terms of research income and institution ranking, and the issues identified as a result of a gap analysis undertaken at the time of Professor Valentine's appointment, including an individual rather than interdisciplinary/collaborative research culture, high staff/student ratios, and a lack of vision and ambition;
 - the development of a strategy encompassing: research quality and increased market share of research income; sustainable recruitment of high quality students; provision of a high-quality student experience; attracting and developing internationally excellent staff; and achieving financial sustainability in all the Faculty's departments;
 - the identification of four thematic research priorities aligned to both external funding priorities and the Faculty's strengths, as well as other actions taken

following gap analysis;

- progress made in terms of growing research income (£18.1m in December 2016 compared with £13.7m in 2012-13), including success in EU grant capture and short-listing for four ESRC large grants/centres;
- progress in enhancing the student experience, including new interdisciplinary programmes; improved student employability; the creation of global opportunities; and the development of internship bursaries for graduate level work experience;
- the Faculty's improved position in a range of rankings, including the Times Higher Education University Ranking (up from 101 to 71 in the World Ranking and from 33 to 11 in the UK Ranking); ESRC (up from 26 to 8 in market share);
- an improved position in terms of financial sustainability, with 10 of 13 departments now in surplus compared with five in 2008;
- ongoing challenges, such as the need to improve research intensity in preparation for the next Research Excellence Framework exercise in 2021; the need to address weaker NSS scores and programme evaluations for dual degrees and improve staff/student ratios, facilities and sharing of best practice; the emerging tension between the discipline-facing nature of learning and teaching and the increasing interdisciplinarity of research; and further progress on financial sustainability, for example through reducing replication in processes and activity across 13 departments;
- the Faculty's current spatial dispersal (19 buildings across the campus), which was a major barrier to progress in addressing the remaining challenges, and the proposed relocation of the Faculty in two main clusters, including a new building on the site of the existing synthetic football pitch on Northumberland Road, which would provide a range of teaching and social space; flexible departmental space and a research hub;
- the benefits of the proposed development for other areas of the University, releasing space for other users and unlocking opportunities for growth and/or co-location for other faculties;
- the business case underpinning the proposal, including growth in student and staff numbers, and the importance of achieving an appropriate balance between value engineering and building quality and design.

7.2 Points raised in discussion included the following:

- (a) Sports facilities: It was confirmed that the implications for the relocation of the existing Northumberland Road pitch at the Norton site, including the need for improved transport, were recognised.
- (b) Business case: Clarification was provided on student number growth, with a projected increase of 41% envisaged over the lifetime of the new building. Growth would come in part from new interdisciplinary programmes, taking advantage of the proximity of the Management School and other departments to promote new opportunities and tap into different overseas markets. More generally, it was confirmed that the Estates Committee had reviewed the options for the new building, and had welcomed the opportunities the selected proposal presented in terms, for example, of efficient space usage and flexibility. There were currently no plans to dispose of buildings vacated as a result of the consolidation of Social Sciences departments; however, the opportunity would be taken to reflect holistically on the University's estate,

including the scope for repurposing vacated buildings.

- (c) Risks: In response to a query concerning the potential risks associated with the Faculty's ambition, it was noted that a potential tension between the disciplinary focus of learning and teaching and the interdisciplinary focus of research would be addressed through the design of the new building, which was intended to facilitate both.
- (d) Related developments: It was noted that the scale of projected growth in student numbers would have implications for other areas of the University's operation, including student residential accommodation. Any requirement for additional accommodation would be met by private providers and there would be no need for additional University investment. However, it was agreed that it would be helpful for Council to receive an update on student residential accommodation at a future date.

8. STUDENTS' UNION RELATIONSHIP AGREEMENT

- 8.1 Council approved a proposed Students' Union Relationship agreement, which had been developed in response to the recent review of the Union's constitutional arrangements, and was based on a model developed by the Committee of University Chairs and the National Union of Students. Building on the already positive and productive working relationship between the Union and the University, the Agreement reflected the mission and purpose of both. It would be reviewed annually and signed by each SU President and the President & Vice-Chancellor. Approval was being sought in parallel from the Students' Union Trustee Board.
- 8.2 It was noted that a report on progress against the recommendations arising from the constitutional review would be presented to the next meeting of Council.

9. MRI-PET SCANNER FUNDRAISING CAMPAIGN

Following the initial briefing provided in October 2016, the Chief Financial Officer presented an update on the proposed campaign to raise funds towards the cost of an MRI-PET scanner, an essential component of the NIHR Biomedical Research Centre for which the University and Sheffield Teaching Hospitals NHS Foundation Trust had been awarded funding. Council approved the commencement of the proposed fundraising campaign, noting that this aimed to raise £2m, matched by a University contribution of £2m, and that a further £6m required for equipment and building would be met from existing budgets and revenue streams in the Faculty of Medicine, Dentistry & Health. The following points were noted in discussion:

- (a) Fundraising plans: It was agreed that Accommodation & Commercial Services should reconsider a proposal to raise funds through community involvement to focus on branding and fundraising buckets and avoid increasing the price of hot drinks.
- (b) NHS contribution: It was noted that whilst the NHS would not make a direct contribution towards the facility, an operational model associated with the diagnostic use of the scanner by STHT was to be agreed and this would underpin the revenue funding.
- (c) Achievability: The timeline for the initial fundraising campaign was relatively short and the paper set out a number of funding options. Prospect mining by

DARE had identified a large pool of potential donors and a recent new appointment to DARE would provide additional expertise and reach. It was confirmed that all fundraising would take place in accordance with the relevant regulations.

- (d) Risks: Additional risks included the cost of the required building and the conditions of NIHR funding, which required the scanner to be in place by April 2018. A Memorandum of Understanding would be required with SHTT to formalise space and estates arrangements, and Council would need to consider the business case for the new building in April 2017, when the fundraising campaign would still be at an early stage.

10. GIFTS AND DONATIONS: AMENDMENTS TO THE DUE DILIGENCE PROCESS AND DELEGATION LEVELS

Following an internal audit review of the University's arrangements for managing ethical and reputational risk, Council approved recommended amendments to the due diligence process and delegation levels for acceptance of donations. These would (a) raise the financial threshold above which due diligence is undertaken from £10,000 to £25,000 for basic due diligence and from £25,000 to £100,000 for advanced due diligence; and (b) amend the process for authorising the acceptance of donations to involve two Vice-Presidents rather than one. It was confirmed that guidance (including a checklist) was provided to support those responsible for authorising acceptance of smaller donations, and that scope existed to refer potentially problematic donations of any size for consideration at a higher level. Clarification would be provided in response to a query concerning the relationship between the University's policy on gifts and donations and that on endowments and investment. With respect to the section of the President & Vice-Chancellor's report listing recent gifts and donations, it was agreed that this should in future make reference to any that had been declined.

11. REPORT OF THE SENATE

(Meeting held on 14 December 2017)

Council received and noted the Report.

12. REPORT OF THE AUDIT COMMITTEE

(Meetings held on 23 November 2106 and 19 January 2017)

Council received and approved the Report. Attention was drawn to the following:

- the importance of awareness raising and staff understanding of the University's Public Interest Disclosure (Whistleblowing) Procedure and relevant contact points;
- the opportunities presented by the appointment of an interim Director of CiCs and recruitment to the permanent position, for example in terms of gaining external insights;
- the need to ensure that internal audit reports are, where appropriate, shared more widely with relevant colleagues;
- the importance of ensuring that executive ownership and accountability remained clear following recent changes in the University's senior executive structure (see Minute 5 above).

13. REPORT OF THE FINANCE COMMITTEE

(Meeting held on 23 November 2016)

Council received and approved the Report.

14. REPORT OF THE ESTATES COMMITTEE

(Meeting held on 13 January 2017)

Council received and approved the Report.

15. ANNUAL REPORT OF THE SPORT SHEFFIELD BOARD

Council received and noted the Report.

16. CORPORATE RISK REGISTER

Council received and approved the updated Risk Register and noted a report on related risk management activity.

17. USE OF THE UNIVERSITY SEAL

Council received and noted the Report.

18. COUNCIL BUSINESS PLAN 2016-17

Council received and noted the Plan.

19. 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.

These Minutes were confirmed

at a meeting held on 24 April 2017

..... Chair