



The  
University  
Of  
Sheffield.

## Minutes Meeting of Council

**Date:** 27 November 2017

**Present:** Mr Pedder, Pro-Chancellor (in the Chair);  
Mrs Hope and Mr Mayson, Pro-Chancellors; Mr Young, Treasurer;  
Professor Sir Keith Burnett, President & Vice-Chancellor;  
Professor Valentine, Provost & Deputy-Vice-Chancellor;  
Mr Bagley, Mr Belton, Dr Eden, Ms Hague, Dr Layden,  
Professor Maltby, Mr Maxwell, Dr Nicholls, Professor Siva-Jothy,  
Mr Sly, Mr Sutcliffe, Mr Sykes, Mr Wray

**Secretary:** Dr Strike

**In attendance:** Mrs Dingle, Mr Dodman, Ms Stephens;  
Mrs Arnold, Mr Borland, Mr Butler, Ms Zhao

**Apologies:** Ms McGrath

### WELCOME

The Chair welcomed Mr Malcolm Butler (Director of Global Engagement) and Ms Lucy Zhao (Director of the Confucius Institute), who were attending for the President & Vice-Chancellor's report on China, and Mrs Ruth Arnold (Director of Strategic Partnerships & Communications) and Mr Matthew Borland (Senior Governance Officer), who were attending as observers.

### AGENDA

#### 1. APPOINTMENTS

##### 1.1 Provost & Deputy Vice-Chancellor

Following earlier e-mail communications, Council confirmed the appointment of Professor Gill Valentine as Provost & Deputy Vice-Chancellor with effect from 27 November 2017.

(Professor Valentine was absent for discussion of this item.)

##### 1.2 Membership of Council

Council approved the recommendation of its Nominations Committee that Professor Craig Watkins (interim Vice-President & Head of the Faculty of Social Sciences) be appointed to a vacancy in Class (2), *vice* Professor Nigel Clarke, for the period to 31 July 2017.

#### 2. DECLARATION OF CONFLICTS OF INTEREST

Mr Sutcliffe noted a potential conflict of interest in respect of his role at Henry Boot plc, which would in due course be published in the Register of Interests. No other

conflicts of interest were declared.

### **3. MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 16 October 2017, having been circulated, were approved and signed.

### **4. MATTERS ARISING ON THE MINUTES**

Matters arising on the Minutes were noted as follows:

- (a) **CLOSED MINUTE**  
Minute 3(a), Lynparza: The Chief Financial Officer reported that at a meeting of Finance Committee's Investment Group earlier in the day, discussion had taken place with the appointed advisers concerning the options, timelines and process for the potential monetisation of Lynparza. Council would be asked to approve the establishment of a task and finish group comprising executive and lay members to have oversight of the process.
- (b) Minute 3(b), MRI-PET scanner fundraising campaign: An update on the fundraising campaign was provided in the President & Vice-Chancellor's Report.
- (c) Minute 4(c), Office for Students: The DfE consultation on the operation of the Office for Students was published on 19 October. More detailed information was provided in the President & Vice-Chancellor's Report.
- (d) Minute 4(j), Student recruitment: Updated student intake numbers for 2017-18 were provided the President & Vice-Chancellor's Report.
- (e) Minute 6, Capital update: The results of an exercise to profile project cashflows appeared as an appendix to the Capital Programme Update.
- (f) Minute 8, Academic quality assurance: The Senate would, at its meeting on 13 December, consider proposals for the scope of its effectiveness review from a working group chaired by Professor Maltby. It was noted that Dr Nicholls had agreed to chair the joint Council and Senate task and finish group established to review the arrangements whereby Council received assurance on academic quality and standards.

### **5. PRESIDENT & VICE-CHANCELLOR'S PRESENTATION AND REPORT**

- 5.1 Council received and discussed a report and accompanying presentation by the President & Vice-Chancellor, in which he provided information on recent developments in UK Government policy and HE and reflected on the year ahead. Points noted in particular included the following:

- (a) UK government policy and Higher Education: The Government had earlier in the day announced its Industrial Strategy, focused on place and skills, and giving clarity to some of the policy initiatives and investments announced in the previous week's Autumn Budget. The Strategy contained many references to the role of HE in supporting the economy and society. It also included the development of a new Knowledge Exchange Framework (KEF) to benchmark universities role in fostering knowledge exchange and research commercialisation, on which Professor Richard Jones (former Pro-Vice-Chancellor for Research & Innovation) had been asked to advise.

In terms of the focus on place, the University was a key player in regional economic growth, and the University's Advanced Manufacturing Research Centre was featured as a case study example in the Strategy. The University was also active in areas such as health, for example through the CARE 2050 initiative and collaborations with the Sheffield Teaching Hospitals Trust. Recent work to develop a Sheffield City Region Vision in co-ordination with other anchor institutions provided a long-term perspective and was particularly important given the lack of progress on devolution.

In terms of the skills agenda set out in the Strategy, the University's graduates had recently been named the 'most employable' in the North of England. In addition, the University had taken a pioneering approach to apprenticeship provision, and the AMRC-TC continued to be oversubscribed, despite a reduction in apprentice numbers nationally. The University's successful bid to establish a National Centre for Technician Development, working with the Science Council, Lord Sainsbury, the Gatsby Foundation and the Nuffield Foundation, confirmed its long track record of innovation in technician training.

- (b) The Office for Students (OfS): The establishment of the OfS, which would become a legal entity in January 2018, would involve considerable change for universities. Its role as regulator would differ from that of the current Funding Council, and a new regulatory framework would be implemented. All existing HE providers would be required to apply for registration in April 2018, with the resulting list of registered providers published by the OfS in September 2018. In addition to responding to the government's consultation on the new framework (deadline 22 December 2017), the University was adopting a co-ordinated approach to prepare for future registration and regulation. Led by the University Secretary, a review of existing processes and systems was being undertaken to determine where change was necessary, and would make recommendations in the first instance to the Provost & Deputy Vice-Chancellor, with a subsequent report to Council. The insight of Council members with experience of working in regulated environments would be particularly valuable.
- (c) The year ahead – working with students: Key issues of shared concern included the challenge of employability in the UK and overseas; student mental health; HE funding and fees; and international students. Joint working between the University and the Student's Union to deliver the learning and teaching strategy would be the vehicle for approaching some issues, while lobbying continued on other areas of shared concern, for example through the now widely acclaimed and influential #WeAreInternational campaign.
- (d) The year ahead – faculties: Attention was drawn to strong performance across a number of faculties, and recent Top 100 rankings for Medicine, Engineering, Social Sciences and Arts & Humanities. Reduced funding and fewer international students presented significant challenges for Science, and the Provost & Deputy Vice-Chancellor was working with the Faculty and its interim Vice-President to progress the recommendations of the Science Review undertaken in 2016.
- (e) The year ahead – financial challenges: Constrained public finances meant that an increased regulatory burden would be matched by ongoing real terms reductions in public funding. Meanwhile, the UK continued to lose market share of international students with Australia, Canada, Germany and China

actively seeking to increase their international student numbers to boost their economies. Proposed changes to address the USS pension scheme's deficit would present a particular challenge for Russell Group universities, and a forthcoming ballot by the UCU could result in industrial action in the Spring. It was confirmed that a business continuity plan was in place, and a briefing paper would be circulated to Council members for information.

- (f) Senior executive team: The University's senior executive team was well placed to address the challenges ahead. In particular, the new Provost & Deputy Vice-Chancellor had substantial experience of developing a successful faculty strategy; the CFO, COO and University Secretary were acknowledged sector leaders; and Executive Board and professional services leads had been re-aligned around the key themes of student and research support, and regional and global engagement. At the same time, the Students' Union remained top in the UK and continued to work in strong partnership with the University.

5.2 Clarification was provided on a number of points, as follows:

- (a) Data matters: In the context the Information Commissioner's recent comments concerning data mining for purposes of fund raising, it was confirmed that the University's approach to fund raising was fully compliant with current legislation. On a related matter, it was noted that action was being taken to prepare for the new General Data Protection Regulation which would apply from 25 May 2018.
- (b) Skills agenda: Efforts to increase the number and range of employee apprentices were continuing. With respect to educational provision, further development was being encouraged in appropriate areas, subject to strategic fit and impact on other activities. Discussion of potential apprenticeship provision had taken place with relevant departments as part of the current Planning Round, and action was being taken to disseminate best practice from the AMRC to other areas of the University. Both Management and Nursing were developing degree level apprenticeships.
- (c) OfS consultation: It was confirmed that the University's response to the consultation was being developed in discussion with the Students' Union. However, given the level of detail in the consultation documents and the very short time between the deadline for responses and the date on which the OfS would come into effect, it was unlikely the consultation would lead to any substantive change.

## 6. **PRESIDENT & VICE-CHANCELLOR'S REPORT ON CHINA**

Council received and discussed a presentation from the President & Vice-Chancellor on work to develop the University's partnerships in China. Points noted in particular included the following:

- (a) Context and opportunity: With a population of 1.4bn and a rapidly developing economy, China prized education and had ambitions to be a leader in advanced manufacturing and sustainability. One in ten of the University's students now came from China, and the University had a rapidly growing community of Chinese alumni and relationships in China, including partnerships with four of China's top universities. In the Sheffield City Region, China was a key economic partner. The University's Confucius Institute

provided a range of services focused on business, trade and employability and had recently won the Horasis China Collaboration business award. These factors, together with other long-standing relationships with Chinese universities, companies and government, as well as the personal profile of the President & Vice-Chancellor in China, meant that the University was well positioned to pursue further developments.

- (b) Areas of focus and next steps: The University's strategic approach focused on advanced manufacture and industrial collaboration; student recruitment and high-level research partnerships and exchange with leading Chinese universities; and on piloting new forms of teaching and research collaboration, providing lessons and models applicable to other countries. The Global Engagement and Partnerships Team would work with the President & Vice-Chancellor's office to develop priority pilot projects, while the President & Vice-Chancellor would lead on discussions with the Chinese Ministry for Industry and with university partners. The University's Confucius Institute would continue to play an important role in supporting China-related activity. Important contexts for these developments included the AMRC's work to strengthen its international strategy, and the University's Education 4.0 initiative to develop online learning.

It was noted in discussion that while the activities outlined would increase the University's dependence on China, they were also applicable to other markets, such as Malaysia, Korea and India.

## **7. CAPITAL UPDATE AND BUSINESS CASES**

Council received an update on the capital projects considered at recent meetings of UEB and its Estates & Capital Sub-Group and reports on capital cash profiling, the status of current capital projects and the position with respect to underwritten funds. Council considered and approved the following business cases, which had previously been scrutinised and recommended for approval by the Finance Committee:

- (a) Social Sciences Hub: The detailed business case provided to Council had been supplemented by a presentation prior to the meeting from the interim Vice-President & Head of the Faculty of Social Sciences and the Director of Estates & Facilities Management, which had set out the rationale for the proposed development, its relevance in terms of the broader and longer term development of the University's estate, opportunities, business impact and risk. Council approved in principle the proposal to develop a new Social Sciences Hub subject to its deferral for one year, following which the business case would be reconsidered by the relevant bodies, including Finance Committee and Council.

It was noted that the decision to defer reflected the wish to refrain from additional borrowing at a time of peak expenditure and would enable the project to be self-financed. The Finance Committee had, while accepting the case for deferral, indicated that should the financial position change as a result of other initiatives, it would be pleased to reconsider the proposal at an earlier date. This view was endorsed by the Estates Committee, which had been supportive of the project from its inception and had monitored its development closely, noting in particular its benefits in terms of interdisciplinary research and the development of the wider estate. Council confirmed its willingness to reconsider the proposal at an earlier date if appropriate.

Comment and clarification was provided as follows:

- The business case, when re-presented, would be updated to reflect revised costings.
  - The business case made reference to a number of related developments aimed at achieving a greater degree of co-location for Social Sciences departments, releasing space and achieving greater space efficiency. These would be subject to separate business cases and considered the relevant bodies in accordance with the established thresholds for approval of capital expenditure.
  - Key to the Hub's design was the scope for future reconfiguration to respond to the changing environment for teaching and research, retaining defined departmental space while providing central space for interdisciplinary activity, and with flexibility for departments to expand or contract.
  - Student number projections presented in the business case were based on the previous performance of Social Sciences departments and detailed sensitivity analysis to inform expectations of future growth potential. The Faculty's performance more generally, which showed sustained growth across six income streams, provided additional resilience, offsetting the risk that student recruitment might not achieve the level expected.
- (b) Engineering buildings: Council approved proposals relating to Engineering projects involving the construction of new buildings on the Sheffield Business Park site, including fixed and movable equipment. It was noted that the additional budget required would be met from Faculty of Engineering reserves.
- (c) Property refurbishments: Council approved the release of additional funding from Accommodation & Commercial Services reserves for refurbishment of residential properties on Oakholme Road and Endcliffe Avenue, as well as the release of additional fees to take the Stephenson Hall refurbishment project to RIBA stage 3. It was confirmed that, subject to affordability, the refurbishment of properties in Ruth Square would proceed.

## **8. HEFCE ANNUAL ACCOUNTABILITY RETURN**

### **8.1 Financial Statements and Financial Forecasts**

8.1.1 The Financial Statements for 2016-17 and the Financial Commentary were approved for submission to HEFCE (with signature delegated to the President & Vice-Chancellor), as was the University's letter of representation to the External Auditor (with signature delegated to the Chair). Council also authorised signature on its behalf of HEFCE's Annex A, Annual Assurance Return from Institutions. Council noted the updated Financial Forecasts for the period 2017-18 to 2020-21, which were not for submission to HEFCE, as well as the External Auditor's request for letters of support relating to three University subsidiaries.

8.1.2 Comment and clarification was provided as follows:

- The Financial Statements had received detailed consideration at a joint meeting of Finance Committee and Audit Committee, with external audit representatives in attendance. The consolidated results for 2016-17 showed an underlying deficit of £5.6m, and the Financial Operating Strategy target surplus of 1.8% had not been met. However, cash generated from operations remained strong, and the University was sustaining a high level of self-funded expenditure on its capital programme.

- It was noted that the Financial Forecasts had been updated to reflect known material changes, including the impact of student recruitment, the Government's decision to freeze the Home/EU undergraduate tuition fee and projected expenditure in faculties, professional services, shared costs and depreciation.
- On student recruitment for 2017-18, undergraduate numbers were below forecast, reflecting in part the University's decision to maintain its tariff to protect quality. Recruitment to taught postgraduate programmes had exceeded target, due to a range of factors, including scholarship provision, the availability (for Home students) of loans and initiatives undertaken by the international recruitment team to promote the University's offer. Research student recruitment, though not yet complete for 2017-18, showed a decline in some areas, notably Engineering, and action would be taken to identify and if possible address any emerging trends that could account for this.
- The Financial Statements would be made publicly available as part of a combined Annual Report and Financial Statements document. The draft Annual Report had been circulated to Council and members were invited to communicate any comments to the Secretary. It was confirmed that the Annual Report addressed the requirement for a statement of public benefit.

## **8.2 Annual Report of the Audit Committee**

Council approved the Annual Report of the Audit Committee for the year ended 31 October 2017 and noted the Internal Auditor's Annual Report, which confirmed the opinions set out in the Audit Committee's report.

## **8.3 Annual Sustainability Assurance Report (ASSUR)**

Council considered an evaluation of progress against the financial KPIs underpinning the University's Strategic Plan 2016-2021, noting that this had informed the preparation of the Annual Sustainability Assurance Report (ASSUR), which Council approved for submission to HEFCE.

## **8.4 Annual Report on academic quality management activity**

Council approved a report on academic quality management activity in 2016-17, and authorised the Chair to sign the accompanying statement of assurance on its behalf.

## **8.5 Annual Report on the Prevent Duty**

Council considered an update on the University's response to the Prevent Duty, approved an Annual Report for submission to HEFCE, and authorised the Chair to sign the accompanying declaration on its behalf. It was noted that HEFCE's assessment of the Report would result in a judgement on whether, in terms of policies, procedures and their active implementation, the University was demonstrating due regard to the need to prevent people being drawn into terrorism. Factors that might trigger a 'Prevent review' were changes in policies or procedures, changes in Prevent leadership within the institution, and relevant incidents, and these were appropriately addressed in the Report, which followed a format specified by HEFCE and took account of illustrative practice guidance issued by the Committee of University Chairs.

## **8.6 Compliance with the Concordat to Support Research Integrity**

Council considered a report on the actions taken and procedures in place to ensure the University's compliance with the Concordat to Support Research Integrity, and authorised the Chair to sign the relevant declaration on its behalf. Council

confirmed that the report should be made publicly available as evidence of the University's commitment to research integrity.

## **9. REPORT OF THE SENIOR REMUNERATION COMMITTEE**

(Meeting held on 16 October 2017)

Council received and approved the Report, including a recommendation that the Committee's terms of reference, composition and quorum be amended with immediate effect such that the Committee would in future comprise only non-executive members. This recommendation had arisen from a review by the Committee of its processes in the context of best practice guidance from the Committee of University Chairs (CUC). Council noted the Committee's intention to review its operation to take account of further expected CUC guidance and OfS requirements, and in the meantime to explore what further steps might be taken to enhance transparency in decision making relating to senior pay. Council would receive a report on this work at its next meeting, and consideration would be given to two points raised in discussion: student representation on the Committee, and the possible further amendment of its terms of reference to include specific reference to the design and implementation of bonus schemes. The President of the Students' Union reported that Union members favoured a 10:1 pay ratio, and this was noted.

Council noted the Committee's report on its review of the President & Vice-Chancellor's and UEB members' performance against agreed objectives for 2016-17, agreement of bonus payments and approval of objectives for 2017-18. Council endorsed the President & Vice-Chancellor's objectives for 2017-18.

## **10. STUDENT LIFECYCLE PROJECT: REPORT OF THE COUNCIL OVERSIGHT GROUP**

(Meeting held on 2 October 2017)

Council received the report of the second meeting of the task and finish group established under the chairmanship of Mr Belton. It was noted that the Student Lifecycle Project (SLP) was a major change project which aimed, through the implementation of new IT systems and associated business process improvement, to enhance the efficiency and effectiveness of services for students at all stages of the student journey. The role of the task and finish group was to maintain oversight of the SLP and provide assurance to Council that the project had appropriate arrangements in place for monitoring progress, controlling risks and achieving benefits. Detailed management of the project was being undertaken by a separate Project Board, with a Sponsorship Group chaired by the Provost & Deputy Vice-Chancellor providing executive oversight.

In presenting the report, Mr Belton drew attention to a summary of key risks, noting that the appointment of a Provost & Deputy Vice-Chancellor was helpful in terms of leadership and continuity. Whilst recognising that process re-engineering represented a significant challenge across a large and complex organisation, the task and finish group considered that good progress was being made, and that the project remained on track and within budget. At its next meeting in March 2018 the group would look in more detail at the financial aspects of the project.

## **11. CORPORATE RISK REGISTER**

Council received and approved the Corporate Risk Register, noting that this was the first iteration of the 2017-18 Risk Register, which would be reviewed and revised as

necessary at regular intervals during the year by UEB's Risk Review Group, with the results reported to both Audit Committee and Council. The Register now comprised twelve corporate-level risks, and was supplemented by more detailed risk registers at faculty, professional services and departmental levels. It was noted that changes to the Register had been made to reflect current concerns and challenges arising from the external environment and to achieve closer alignment with the Strategic Plan. It was agreed that the Register should be further developed to take into account the following points:

- It was noted that in some cases, the level of risk remained high after mitigation, and that this reflected the severity of the risk and the scope for internal mitigation. The Register should in future indicate the risk appetite and, where this differed significantly from the level of the mitigated risk, what further action was envisaged.
- Consideration should be given to the inclusion of a risk relating to health and safety.

## **12. INVESTMENT GROUP: DISPOSAL OF SHARES**

In the context of its previous agreement that authority be delegated to the Chief Financial Officer to dispose of the University's holding in IP Group plc in accordance with stipulated instructions and within a time frame of 12 months, Council approved the extension of this authority and its time frame for an additional 12 months, from 27 November 2017.

## **13. REPORT OF THE SENATE** (Meeting held on 11 October 2107)

Council received and noted the Report. A recommendation was approved to amend Regulation XI of the Regulations of Council to reflect the renaming of the Board of Extra Faculty Provision as the Extra Faculty Learning and Teaching Committee.

## **14. REPORT OF THE FINANCE COMMITTEE** (Meeting held on 12 October 2017)

Council received and approved the Report.

## **15. REPORT OF THE AUDIT COMMITTEE** (Meeting held on 16 October 2017)

Council received and approved the Report.

## **16. REPORT OF THE ESTATES COMMITTEE** (Meeting held on 2 October 2017)

Council received and noted the Report.

## **17. REPORT OF THE HUMAN RESOURCES COMMITTEE** (Meeting held on 11 October 2017)

Council received and approved the Report.

**18. REPORT OF THE HEALTH AND SAFETY COMMITTEE**

(Meeting held on 23 October 2017)

Council received and approved the Report. It was agreed that in future, reports of the Health and Safety Committee should be considered under Section B of the Council agenda.

**19. ANNUAL REPORT ON STUDENT CASE REVIEWS 2016-17**

Council received and noted the Report.

**20. COUNCIL BUSINESS PLAN 2017-18**

Council received and noted the Plan. It was agreed that provision should be made in the Plan for Council to receive further reports on student mental health, if this was not covered in the Report of the Health & Safety Committee. Clarification was provided on the reporting arrangements for initiatives currently taking place under the aegis of the Strategy Delivery Group, which would continue to be reported to Council through the President & Vice-Chancellor's Report. Consideration would also be given as to how best to supplement the annual report to Council on institutional performance with more regular updates, via the President & Vice-Chancellor's Report, taking account of the impact of changes in the external environment on the University's achievement of the objectives set out in the Strategic Plan.

**21. USE OF THE UNIVERSITY SEAL**

Council received and noted the Report.

**22. 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 12 February 2018

..... Chair