



The
University
Of
Sheffield.

Minutes Meeting of Council

Date: 25 November 2019

Present: Mr Pedder, Pro-Chancellor (in the Chair);
Mrs Hope and Mr Mayson, Pro-Chancellors;
Professor Lamberts, President & Vice-Chancellor;
Mr Sutcliffe, Treasurer;
Mr Bagley, Mr Belton, Ms Hague, Dr Kirby, Dr Layden,
Professor Maltby, Professor Morgan, Dr Nicholls, Professor Petley,
Professor Valentine, Mr Verity, Mr Wray

Secretary: Dr Tony Strike

In attendance: Mr Carling; Mrs Dingle; Mr Swinn; Ms Abrams (item 6); Professor Derrick,
Mr Lilley and Ms Sugden (item 7); Mr Stevenson (item 8); Mrs Jackson (item
9)

Apologies: Professor Brazier, Mr Sly

1. Declaration of Conflicts of Interest

No other conflicts were declared.

2. Minutes of the Previous Meeting

(Meeting held on 8 July 2019)

The Minutes were approved as an accurate record.

3. Matters Arising on the Minutes

Matters arising on the Minutes were noted as follows:

- (a) Minute 6 (i): Audit firms had agreed a sector-wide approach to accounting for the USS pensions adjustments following the conclusion of the 2018 valuation. This would be treated as a non-adjusting post-balance sheet event.
- (b) Minute 6 (h): Publication of further information about the Knowledge Exchange Framework had not yet occurred. An update on IP Development and Commercialisation funding had been added to the Council Business plan.
- (c) Minute 6 (j): Council had been sent an email that was sent to all staff by the President & Vice-Chancellor on 6 November. In addition to information contained in the November report, the pre-Council information session would provide an update on actions to mitigate the impact of industrial action on students.
- (d) Minute 12: Council were sent a confidential update from the President & Vice-Chancellor on 29 October and 15 November, with additional related information in the November P&VC report.
- (e) Minute 16: A longlist of potential external facilitators for the effectiveness review has been drawn up to invite tenders and appoint a third-party advisor. This in

advance of proposing the Council review group membership to Council in February 2020.

- (f) Minute 18: A longlist of potential candidates to fill the Class (3) vacancy had been prepared alongside a plan to advertise the role, for discussion and subsequent consideration by Council Nominations Committee.

4. Health and Safety Update

- 4.1 Council received and noted an update from the Director of Health and Safety, focusing on risk management and compliance, which confirmed that the University was meeting its legal obligations. It was noted that the UEB Health and Safety Committee had met for the first time since its transition from a committee of Council, had reported to UEB, and its discussions had informed this update. Council noted the development and implementation of two new policies to meet legal responsibilities and enhance protection for students, as well as discussion of stress management activity and ensuring student safety in high risk extra-curricular clubs.
- 4.2 Clarification was provided about the robust process followed in health and safety audits and the University's response to the recent fire in student accommodation at the University of Bolton. With respect to the latter, it was reported that the University was liaising with the Department for Education following the Secretary of State having written to all universities to request an update on fire safety arrangements, although the fire had been in private accommodation. The University had undertaken an extensive review of fire safety in high rise buildings after the Grenfell Tower fire, which would now be extended to cover all accommodation. However it was important to recognise the challenges in scrutinising and holding to account private providers, but the Students' Union and University were reviewing the provision of information and guidance to students to ensure they chose appropriately safe accommodation. In due course, Council was likely to return to a wider discussion of student accommodation.
- 4.3 It was noted that Council would have a further opportunity to discuss progress in developing institutional health and safety maturity when it received the annual health and safety report later in 2019-20. With respect to high risk sports clubs, clarification was sought about how Health and Safety engaged with them and how the University gained assurance that the procedures in place were adequate and effective.

5. President & Vice-Chancellor's Report

- 5.1 Council received and discussed the President & Vice-Chancellor's report, in which he provided information on key current and forthcoming developments in the policy environment and against each of the themes in the University's Strategic Plan. The following points were noted:
 - (a) International collaboration on research and innovation: The Government had published Sir Adrian Smith's report on the design of future funding schemes for international collaboration, innovation and research. Attention was drawn to the report's conclusion that public funding ought not to be made available for activities that replicated EU research and innovation arrangements if the UK does not associate with Horizon Europe post-Brexit. The University would continue to monitor developments in this area.
 - (b) Racial discrimination: The Chair of the University's Race Equality Steering Group had issued an institutional response to a highly critical report into racial discrimination at UK HEIs by the Equality and Human Rights Commission; Council had received an update on the University's Race Equality Strategy and Action Plan in October.

- (c) Degree classifications and outcomes: There was continued government and regulatory interest in degree classifications and student outcomes, with a number of new initiatives and requirements, including that governing bodies sign off an institutional degree outcomes statement during 2019-20. The University was confident that its processes and procedures were robust and rigorous. It was noted that the related issue of grade inflation was specifically covered in the annual academic assurance report (see Minute 10.4, below).
- (d) Value for Money: The OfS had published its Value for Money Strategy 2019-21, which indicated an approach that was significantly different from that of HEFCE and identified priority actions largely focused on students. The University was reviewing its own VfM strategy and approach. The matter had been discussed at Audit Committee, which would receive a more detailed briefing in early 2020.
- (e) Vision: Members noted the positive level of engagement with the staff consultation events that had been held during October and November to gather feedback and recommendations about the University's priorities. Additional sessions would also be held for Trades Unions, alumni and students. Detailed analysis of feedback on each theme that would be coordinated by four dedicated sub-groups to inform the next phase of development, including discussion at Council in due course.
- (f) Annual Planning Round: The University's annual planning round had launched in October with the P&DVC leading individual meetings with the executive of each Faculty and the AMRC to discuss the implementation of institutional strategy, supported by the cross-cutting Vice-Presidents and relevant Professional Services Directors.
- (g) Student recruitment: Council having noted the 1 November student recruitment position, clarification was provided about the respective levels of demand across different student categories, including apprenticeships, specific market challenges and the respective impact of the demographic dip in 18 year-olds in the UK population, all of which was used to inform student number target setting through the planning round.
- (h) Research Development: Attention was drawn to a number of successes in securing research funding, most notably an £11m award from the Faraday Institution to develop lithium-ion batteries with longer lifespans and increased energy density to support the switch to electric vehicles.
- (i) Strategic Partners: UEB had identified a potential strategic European partner following extensive background research and exploratory conversations at senior level. Council noted the extent of research synergies and mutual enthusiasm for establishing a strategic partnership, which was in the early stages of development. Clarification was provided that wider development of an International Strategy would receive greater impetus as the University Vision was finalised and Brexit-related uncertainties began to reduce, and would be shared with Council in due course. With respect to the High Value Manufacturing Catapult funding, it was clarified that the decrease in funding compared to the previous 12 month period had been expected due to an earlier large draw down and declines in the availability of industrial match funding as a result of market uncertainty and caution over Brexit.
- (j) Industrial action: Members noted the outcome of a number of ballots by the recognised campus trades unions for industrial action over the national pay and USS pension disputes. UCU had achieved a mandate for strike and action short of a strike at Sheffield, along with a number of other institutions across the sector, and had announced eight days of strike action from 25 November to 4 December. The University was taking proactive steps to ensure that any disruption to

students and staff were minimised and the impact mitigated, and was working closely with the Students' Union. Constructive discussions with UCU representatives were reported. There was considerable agreement on a number of fundamental points and a mutual recognition that there was limited scope for local intervention in what were complex, national issues; the University had clearly articulated its position and was proactively engaging with all key stakeholders. Council noted an overview of recent developments around the USS dispute and anticipated changes in early 2020, including the publication of the second report from the Joint Expert Panel and the next triennial scheme valuation in March 2020. Council would be kept informed and involved in any relevant decision making.

- (k) Reportable Events: It was reported that the University would be required to notify the OfS that students who were due to travel to Hong Kong for semester two as part of a joint degree programme were unable to do so due to the ongoing political situation. The University was considering mitigating actions to support the students. More broadly, the University was advising any student currently in Hong Kong to return to the UK.
- (l) Queen's Anniversary Prize: The Sheffield Institute for Translational Neuroscience (SITraN) had been awarded the Queen's Anniversary Prize in 2019 for innovation in neuroscience research. Council congratulated colleagues for their hard work and effort, for which this award was due recognition. It was pleasing to note that the Neuroscience Institute was one of the University's four flagship research institutes.

6. IT Enabled Strategy

(Ms Abrams in attendance for this item)

- 6.1 Council received a presentation from the Director of IT, in which she set out future plans for the development of an IT capital plan to brief Council ahead of subsequent business cases being prepared for investments aligned to the University Strategy over the next five years. Council noted the previous approach to capital investment in IT and the intention to develop a framework within which risks could be addressed, including systems failure and cyber security risks, while placing IT services a key enabler of strategic objectives. Attention was drawn to benchmarking of IT spend and resources against the Russell Group, key areas which needed strengthening or establishing, and the level of local IT spend. It was noted that the University's peer group was planning significant short and medium-term investments in IT to maintain pace with research, educational, infrastructure and operational requirements. It was clarified that focusing on a coherent service design represented an opportunity for the University to differentiate in key areas, particularly education and student experience, while addressing challenges with the current IT provision. The Vision Green Paper and feedback from staff and students provided an opportunity to use technology creatively and innovatively in acting on strategic imperatives.
- 6.2 Council noted that the principles behind the emergent IT framework would allow the University to build products and services during an iterative design and delivery process in support of a clear vision, which had been articulated in the areas of education; research; workplace and collaboration; corporate systems; and underlying infrastructure and enablers. Members also noted a strategic roadmap that identified key issues and proposed the timing of activity across thematic areas, with indicative capital and revenue costings.
- 6.3 During discussion, clarification was provided about the extent to which the University could learn from activity elsewhere in the sector, the need for IT services to align with student expectations, and the importance of building on lessons learned and feedback from the Student Lifecycle Project. Delivery of the IT plan would require focusing on

problem solving and meeting need, including achieving an appropriate balance between internal resource and external partners. Council noted the governance arrangements for approving IT capital and for the monitoring of any delivery plan, which was subject to formal approval of business cases, and suggested that alumni engagement should usefully be added to the roadmap. Council also recognised the importance of considering the extent of successful innovations across the whole of the sector in informing the final agreed institutional direction of travel.

7. Closed Minutes and Paper

8. Annual Report on Fundraising and Development

(Mr Stevenson in attendance for this item)

- 8.1 Council received and noted an annual report from the Alumni Board and received a further presentation from the Director of Advancement in which he provided updates on key achievements and developments during 2018-19 and future challenges. In particular, Council noted that philanthropic donations were positive, represented good progress from 2017-18 and over the previous five year period, and had supported an increased number of undergraduate and postgraduate scholarships. The potential to further diversifying the scholarships offer was noted. Attention was drawn to the process for undertaking due diligence checks on potential donors and recent significant fundraising activities and plans to identify and exploit future opportunities. It was pleasing to note that the building housing the MRI-PET scanner was now complete, having been funded by a University campaign.

9. Annual Report and Financial Statements for the years Ended 31 July 2019, Financial Commentary and Financial Forecasts

(Mrs Jackson in attendance for this item)

9.1 Financial Statements for the years Ended 31 July 2019, Financial Commentary and Financial Forecasts

- 9.1.1 Council considered the financial statements for 2018-19, the financial commentary and financial return workbook, and the updated financial forecasts for the period 2018-19 to 2023-24. During a detailed presentation from the Director of Finance, attention was drawn to rates of growth in income and expenditure; underlying performance, including generation of cash from operations; capital expenditure; and the impact of large non-cash items on total performance. Members noted trend analysis and comparative performance against the University's peer group, and forecast performance against these and other key measures over the period to 2022-23. 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 audit opinion was unqualified. The consolidated results for 2018-19 showed an underlying surplus of £19.3m, representing 2.9% of underlying income and exceeding the Financial Operating Strategy target surplus of 1.8%. This was a positive result and built on the underlying surplus generated in 2017-18.
- The financial forecasts had been updated to reflect known material changes, including the impact of student recruitment, changes in the phasing of capital projects, assumptions about gearing and projected expenditure requirements in faculties, professional services, shared costs and depreciation. It was clarified that the review of the University's student accommodation would reflect on demand from different student groups and the type or length of contracts they preferred.

- The financial statements would be made publicly available as part of the combined Annual Report and financial statements document (see Minute 10.2, below) by 30 November 2019, supported by a range of communications and contextual information to aid understanding. Draft communications had been circulated to Council in advance of the meeting, and would be reviewed to ensure that the content was appropriate to the various intended audiences.
- 9.1.2 Following receipt of relevant assurances and approvals under item 10, Council approved the financial statements for 2018-19, the financial commentary and the financial return workbook for submission to the OfS. Council authorised the Chair of Council to sign on its behalf the OfS Annual Assurance return and the OfS annual research return. Council noted that the University is a going concern and approved the financial forecasts for the period 2019-20 to 2022-23.

9.2 Annual Report

- 9.2.1 Council received and approved the draft Annual Report, noting two minor corrections which were tabled and would be incorporated in the final version.

9.3 Borrowings Update

- 9.3.1 Council noted an update on the University's potential future funding requirements, which had informed the assumptions used for the submission of the financial forecasts to the OfS. It was confirmed that the scenarios set out were all subject to approval of capital expenditure through formal business cases.

10. Other OfS Annual Accountability Information

10.1 Annual Report of the Audit Committee for the year ended 31 October 2019, including the Internal Auditor's Annual Report.

- 10.1.1 Council approved the Annual Report of the Audit Committee for the year ended 31 July 2019 and noted the Internal Auditor's Annual Report, which confirmed the opinions set out in the Audit Committee's report.

10.2 Letter of Representation

- 10.2.1 Council approved the Letter of Representation to the University's external auditor, KPMG, and agreed to delegate signature to the Chair of Council.

10.3 Letters of Support

- 10.3.1 Council noted that the University was asked to provide letters of support for Castings Technology International Limited and Unicus Sheffield Limited. It was reported that the Finance and Audit Committees had discussed the performance of subsidiary companies at their previous meetings and Council would be involved in any subsequent discussion during 2019-20.

10.4 Senate Annual Academic Assurance Report

- 10.4.1 Council considered the annual report from Senate, which had been proposed by the Senate Academic Assurance Committee (SAAC) and discussed at Senate in October. Council confirmed that the report, in conjunction with other relevant information provided by the Senate during the year, provided the necessary assurance to inform the OfS annual accountability return. However, Council requested that Senate reflect on the following points in making its report next year:

- A summative report from Senate should set out the process by which it had been produced and approved, which should be consistent with the reports of Senate meetings to Council provided through the year.
- Senate should include in its report information which is sufficient and appropriate to give an assurance to Council, including but not solely based on reports from SAAC, e.g. in the reports of the Learning and Teaching Committee, the Research and Innovation Committee, annual reflection and similar other quality assurance mechanisms.
- SAAC may wish to reconsider its planned activity for 2019-20 to ensure the necessary breadth of its assurance work on behalf of Senate.
- The Council and Senate task and finish group provided guidance about the scope and format of the annual report required from Senate to Council.
- Narrative information should be supplemented by providing Council with both qualitative and quantitative indicators to support Council's understanding and enable the assurances given to be tested.
- Council noted that the chair of SAAC had attended Council. Council and Senate could consider a small joint sub-group of Council and Senate to annually consider the Senate report before Council meets, as recommended by the Joint Task and Finish Group on Academic Quality and Standards.

10.5 Annual Report on compliance with the Concordat to Support research Integrity

- 10.5.1 Council received and noted the annual report and confirmed that the statement provided the necessary assurance to inform the OfS annual accountability return. Council agreed that the statement should be made publicly available as evidence of the University's commitment to research integrity.

10.6 Annual Remuneration Report and Statement

- 10.6.1 Council noted that the report and statement, which had been considered and endorsed by Senior Remuneration Committee in compliance with the CUC HE Senior Staff Remuneration Code and would be published on the University web pages in due course. The report complemented the disclosures on senior remuneration required under the OfS Terms and Conditions of Funding contained in the Notes to the Financial Statements. Council approved the report and statement.

10.7 Annual Prevent Declaration and Accountability Statement

- 10.7.1 Council considered an update on the University's response to the Prevent Duty, approved the Annual Accountability Statement and Accountability and Data Return for submission to the OfS, and authorised the Chair to sign the Accountability Statement on its behalf.

11. Student Lifecycle Project

- 11.1 Council received and noted the update report, which indicated that the Council task and Finish group remained confident that the project continued to be well managed, that its business case was intact, and that it was currently on track to deliver to deadline. Council would receive a further detailed update in Spring after the next stage gateway review.

12. Capital Report

- 12.1 Council received an update on progress of projects in the capital programme, including projects recently considered and approved by ECSG, UEB and Finance Committee in accordance with the Council Scheme of Delegation. Council also noted the capital programme action tracker and status report, and a cash flow report and list of potential pipeline projects that were subject to development of a business case for approval. Specifically, Council approved business cases in relation to: full budget release to proceed for the RIBA stages for a Management School building on Northumberland Road; a budget increase for the Translational Energy Research Centre, to align the original business case with the final grant funding agreements; and additional funding for the new MRI-PET building to support development of the ground floor for meanwhile use while the necessary research pipeline was established to support the long-term purpose of the building.

13. Corporate Risk Register

- 13.1 Council received and approved the first iteration of the Corporate Risk register for 2019-20 and noted an accompanying report from the UEB-Risk Review Group. Council agreed to return to a consideration of the University's wider risk appetite at a future meeting.

14. Update on Brexit Preparations

- 14.1 Council received and noted an updated on the activity of the University's Brexit Co-ordination Group, noting that the threat of the UK leaving the EU without a Withdrawal Agreement had receded but that significant risks remained in reaching agreement with the EU on a future relationship during the transitional period, which ends in December 2020. The University would continue to monitor the situation proactively and Council would be kept up to date.

15. AMRC Governance Review

- 15.1 Council received an update on the implementation of the recommendations of the AMRC Governance Review. Following recent retirements, the focus had been on establishing an executive and management structure, with clear reporting into UEB, a Group Executive, and distinct management arrangements for the three principal centres. These would be supported by effective internal structures and accompanying processes that would maximise opportunities and mitigate risk. Members were pleased to note the positivity of interactions with industrial partners, including through the centres' advisory groups, and other key stakeholders. The University continued to reiterate its commitment to AMRC and its partners and to identifying and realising opportunities both internally and publicly. It was reported that the internal audit plan included periodic reviews related to AMRC in the same way as other areas of the University, and Audit Committee had discussed how the next such review might best support implementation of the Governance Review. Clarification was provided about the management reporting and accountability of the Group's satellite centres and related entities, and the action proposed to ensure that the University maximised the potential benefits of commercial opportunities. On behalf of Council, the Chair thanked the President & Vice-Chancellor and the Vice-President for Research & Innovation for the progress made in implementing the Governance Review's recommendations.

16. Minutes of the Senior Remuneration Committee

- 16.1 Council received and approved the Minutes, which included reference to the Annual Senior Remuneration Report and Statement (see Minute 10.6, above).

17. IP Group Plc Share Disposal

- 17.1 Council approved an extension to the time frame for permitted delegated authority to the Chief Financial Officer for disposal of the IP Group shares within 12 months from 26

November 2019. For the interim period between holders of the post, Council approved delegated authority to another Authorised Financial Officer (as defined in the financial regulations).

18. Report of the Senate

18.1 Council received and approved the Report.

19. Report of the Finance Committee

19.1 Council received and approved the Report.

20. Report of the Audit Committee

20.1 Council received and approved the Report.

21. Report of the Estates Committee

21.1 Council received and approved the Report.

22. Report of the Council Nominations Committee.

22.1 Council received and approved the Report, including a reduction to the Committee's quorum.

23. Council Business Plan 2019-20

23.1 Council received and noted the Business plan which would be updated regularly to inform future agenda planning.

24. Use of the University Seal

24.1 Council received and noted a report on the application of the University seal since the previous meeting.

25. Public Availability of Council papers

25.1 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.

26. Farewell

26.1 This was the final meeting in which Mrs Dingle was in attendance as the University's Chief Financial Officer before she stepped down at Christmas to pursue new opportunities. On behalf of Council, the Chair thanked Mrs Dingle for her hard work and dedication to the University and expressed good wishes for the future.