



The
University
Of
Sheffield.

University
Secretary's
Office

Minutes Meeting of Council

- Date:** 27 November 2015
- Present:** Mr Pedder, Pro-Chancellor (in the Chair);
Mrs Harkness, Pro-Chancellor; Mr Young, Treasurer;
Professor Sir Keith Burnett, Vice-Chancellor;
Professor Labbe, Pro-Vice-Chancellor;
Mr Bagley, Mr Belton, Ms Hague, Mr Kelly, Mrs Legg, Mr Mayson,
Mr McMorrough, Professor Phillips, Ms Prout, Mr Sykes,
- Secretary:** Dr West
- In attendance:** Mr Dodman, Mr Rabone, Mr Swinn; Professor Morgan;
Professor Hounslow (item 10)
- Apologies:** Professor van den Boom, Dr Eden, Professor Vincent, Professor West

WELCOME

The Chair welcomed Mr David Bagley (a new member in Class (3)) to his first meeting. Also welcomed were Professor Wyn Morgan (Pro-Vice-Chancellor (Learning and Teaching)), Mr Robert Dufton (Director of Campaigns) and Mr Miles Stevenson (Director of Alumni and Donor Relations), who were attending for specific items.

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 19 October 2015, having been circulated, were approved and signed.

3. MATTERS ARISING ON THE MINUTES

Matters arising on the Minutes were noted as follows:

- (a) Minute 3(c), Executive Structure: Professor Dame Pamela Shaw had been appointed as Pro-Vice-Chancellor (Medicine, Dentistry and Health) with effect from January 2016. Professor Tony Ryan would stand down as Pro-Vice-Chancellor (Science) when his term of office ends in May 2016. The process of identifying and appointing a successor would begin shortly.

- (b) Minute 4, Residential Accommodation Strategy: With respect to the need to ensure that there was sufficient accommodation for increasing numbers of students, clarification was provided that the degree of urgency was in ensuring that the University was able to establish a presence in private provision as means to promote integration and an excellent student experience. It was confirmed that the updated Strategy would be presented to Council during 2015-16.
- (c) Minute 6, Capital Programme: The February meeting of Council had been scheduled to take place in the Diamond Building, preceded by a tour of the building. It was reported that a celebration event would be held on 21 December, involving external stakeholders who had been involved in the project, to which Members of Council would be invited.
- (d) Minute 7(m), Prevent Duty: A briefing would be presented to UEB in December 2015 and to Council in the early part of 2016 clarifying the duties to which universities are subject and the arrangements in place/actions in hand regarding compliance. The topic would be discussed at the Council dinner in February 2016.
- (e) Minute 9, Strategic Plan: The final design and presentation of the new Strategic Plan had been agreed. Printed copies would be posted to members of Council and selected external stakeholders. Internal communications to support the launch of the Strategic Plan would include email announcements to Heads of Department and to all University staff in January 2016.
- (f) Minute 10, Annual Council Effectiveness Questionnaire: A number of actions were being taken in response to the annual effectiveness exercise and the subsequent report to Council. These would inform future planning of Council business and conduct of meetings. Work was in hand to plan for the full effectiveness review later in 2015-16, to inform proposals that would be presented to Council in Spring 2016.
- (g) Minute 11, Council Business Plan: The business plan was being used to inform agenda planning and dates had now been assigned to the majority of items. Updates would continue to be made after each meeting of Council and as necessary thereafter.
- (h) Minute 12, Periodic Review of the Students' Union: The first meeting of the Review Group had taken place on 23 November and detailed work was now underway. At a subsequent meeting the Group would consider any recommendations arising from the review before submitting a report to Council in February 2016.

4. VICE-CHANCELLOR'S REPORT

Council received for information a report from the Vice-Chancellor providing information on key current and forthcoming developments across a range of areas. Points noted in particular, and on which clarification was provided, included the following:

- (a) Comprehensive Spending Review: The outcome of the CSR was more positive for the HE sector than had been anticipated, with a lower than expected cut of 17% to the BIS budget. Although pleasing to note that the £4.7billion science budget would be protected in real terms, this was tempered by changes to the student loan repayment threshold and the change from student maintenance grants to loans. Furthermore, the reduction in the HEFCE teaching grant and, in particular, the Student Opportunity Fund would make recruitment of WP and non-traditional students increasingly difficult at a time when institutions would be subject to greater funding obligations regarding outreach and WP activities.

With respect to the challenging Government stance on immigration and its negative impact on overseas student recruitment, Members welcomed efforts by the Treasury to prevent even stricter conditions on Tier 4 visas in recognition of the multi-billion pound benefits that international students brought to the national economy. It would remain important to continue work to ensure that these and the broader benefits were recognised more widely, including by working with international alumni (see also Minute 4(e), below).

The retention of InnovateUK was welcomed whilst £250m investment in the Northern Powerhouse for nuclear research and development was a particular opportunity for the University given its existing expertise and profile in this area. It was noted that detailed analysis on the institutional impact of the CSR was underway and Council would be kept informed of developments.

- (b) Nurse Review: The CSR had confirmed that, subject to legislation, the recommendations of Sir Paul Nurse's Review of UK Research Councils would be implemented. An overarching structure would be created to provide strategic oversight and increased flexibility in prioritising funding between the seven existing research councils. This would be a lengthy process as each individual research council had its own Royal Charter and distinct mission. It was noted that a similar structure had existed in the past but had been abolished in favour of the broader vesting of power that was now the subject of change.

It was noted that the findings of the review were particularly focused on science, and more specifically biomedical science, and could be perceived as a threat to the future of research funding in the Faculties of Arts and Humanities & Social Sciences which tended not to receive research income from as great a range of sources or in as large sums. It was confirmed that early consideration was therefore being given to increasing support for these activities, particularly through philanthropy and commercialisation.

- (c) HE Green Paper, Teaching Excellence Framework (TEF): The introduction of the TEF, from 2016, had been a Conservative manifesto pledge but created uncertainty as to the relationship with the existing quality assurance process, which was the subject of a recent separate consultation by HEFCE. Whilst the TEF was conceived with the laudable intention to enhance the quality of teaching across the sector it failed to recognise the high quality teaching that was already taking place and existing efforts to ensure that excellence was consistently achieved.

The Pro-Vice-Chancellor (Learning and Teaching) was leading the University response. This included liaising with BIS over implementation and the metrics to be used and working with students to showcase the excellent teaching taking place across the institution. It was noted that the University performed strongly in QAA assessments and already recognised and celebrated teaching excellence, for example the annual Senate awards and dedicated promotion routes for teaching staff.

The consultation period would run until 15 January 2016 and be followed by a technical consultation on the detail of the TEF; core metrics were expected to include matters such as employability and graduate income. However, in order to be effective, the TEF would need to make appropriate adjustments to account for significant variations in the composition of student cohorts in different institutions.

- (d) HE Green Paper, Regulatory Framework: The Green Paper proposed the merger of OFFA and HEFCE, which would lose its funding role, to create a new Office for Students (OfS). The OfS was likely to position students as consumers with its

remit expected to include 'student protection' and requiring all HEIs to prepare an exit strategy, which implied an expectation that some institutions would fail. Careful thought and attention would be required as to how to respond to a changed regulatory environment most effectively, notably the means by which Council discharged its overall responsibility for the University's academic mission. At sector level it would be vital to advance the merits of an integrated HE funding system, without which there was a significant danger that the cost of teaching in high cost disciplines would lead to a reduction in provision such that the UK failed to train sufficient numbers of its future workforce in the skills required; the removal of the student number cap was likely to lead to an increase in places available on courses that were less expensive to deliver.

- (e) Student Recruitment and UK Immigration Policy: The below-target recruitment of overseas students was due to a combination of factors. Principal amongst them was the damaging impact of Home Office immigration policy and related political rhetoric. Recruitment from the Asian sub-continent had declined significantly. Historically this area had been a consistent source of high quality students and the University was making a concerted effort to recover student numbers from the region, led by the Deputy-Vice-Chancellor and Director of Sheffield International. In addition, the University was increasing its efforts to attract greater numbers of EU students.

With respect to the EU, it was agreed that the University should consider the means by which it could facilitate and contribute to debate around the EU referendum in 2017, for example by hosting public events and discussion events. It was reported that the Students' Union was also heavily engaged in a number of related initiatives. It was also reported that the University had recently held the successful Krebs Festival to celebrate the life and work of Professor Sir Hans Krebs, who had received the Nobel Prize for Medicine/Physiology while working at the University in 1953, having arrived in the UK as a refugee.

- (f) Endowment Investment Strategy: It was reported that discussions at Finance and Audit Committees on 26 November had reflected on the need to raise awareness of the University's investment strategy, which was focused on social responsibility and a commitment to eliminating exposure to investments linked to explicit environmental damage. It was agreed that a joint statement from the Vice-Chancellor and President of the Students' Union should be published.

6. REPORT FROM DEVELOPMENT, ALUMNI RELATIONS & EVENTS (DARE)

Council received a presentation and a related paper providing an update on progress against DARE's overall strategy, the impact of investment in alumni engagement since 2013-14 and the establishment of a UEB Development Sub-Group in 2014-15.

It was noted that donations through fundraising had increased annually between 2012-13 and 2014-15. Good progress was noted with respect to creating and growing a pipeline for major gifts; increasing alumni engagement, which was now above average for the sector; and encouraging academic colleagues to consider the potential for philanthropy to support their activities, with particular emphasis on developing corporate relationships including building on existing research links and supporting academics to attract non-financial support for specific requirements.

The success of the 'mini-campaign' to help provide match funding for PGT scholarships under the Postgraduate Student Support Scheme was noted, reflecting the importance of offering matched funding to encourage donations.

DARE was working with relevant internal and external colleagues to ensure the continued regulatory compliance of its activities following changes to the Telephone Preference Service and the introduction of a broader Fundraising Preference Service.

Council noted the University's fundraising performance in relation to a number of its peers, which demonstrated the potential to significantly increase philanthropic income to around double the current level. Council also noted that fundraising costs relative to income were high compared to those of peer universities, but that the position was expected to improve as income increased. One member drew attention to the success of other institutions which had launched large fundraising campaigns and the further opportunities to increase income from charitable trusts and foundations. Clarification was provided that DARE were actively engaged in identifying and realising the fundraising potential across the full range of University events and activities, and increasing the return on investment. Many of the features of a major campaign could be employed as a matter of course, with further consideration to be given to launching a formal campaign in due course.

It was agreed that Council would in due course receive a further update on the development of a plan of action for DARE, informed by further discussions between DARE and the Deputy Vice-Chancellor and Mr Kelly; with individual Members; and with reference to the objectives in the new Strategic Plan and the additional opportunities and challenges noted in discussion.

7. HEFCE ANNUAL ACCOUNTABILITY RETURN 2014-15

Council considered the following components of the University's annual accountability return to HEFCE and associated reports:

7.1 Financial Statements and Financial Forecasts

The Financial Statements for 2014-15 and the Financial Commentary were approved for submission to HEFCE, as was the University's letter of representation to the External Auditor and letters of support relating to two University subsidiaries, which were to be signed by the Director of Finance. These documents had previously been considered by Finance Committee, which had recommended that they be approved by Council. Council also noted the Financial Forecasts for the period 2015-16 to 2018-19, which were not for submission to HEFCE, together with a paper setting out the assumptions on which these had been based.

With respect to the Financial Forecasts, attention was drawn to the need to revisit a number of assumptions on the basis of the CSR, although this was likely to result in less variation than had been anticipated. Future iterations would also reflect further consideration of assumptions about overseas student numbers.

7.2 Annual Report of the Audit Committee for the year ended 31 October 2015 and Internal Auditor's Annual Report

Council approved the Annual Report of the Audit Committee and noted the Internal Auditor's Annual Report.

7.3 Annual Monitoring Statement

Council approved the Annual Monitoring Statement, noting that this had previously been endorsed by UEB and had been prepared in accordance with a standard template provided by HEFCE.

7.4 Institutional Sustainability Assessment

Council received an evaluation of institutional sustainability, prepared in the context of a report by HEFCE's Financial Sustainability Strategy Group, which had recommended the development of an institutional sustainability assessment closely linked to a set of broad KPI areas in order to permit comparison between institutions.

In considering the paper, Council noted performance against the Financial Operating Strategy KPIs, as well as performance against five financial health indicators and the institutional KPIs relevant to institutional sustainability. A draft Annual Sustainability Assurance Report was approved, and would form a voluntary part of the University's annual accountability return to HEFCE.

7.5 Report on the management of the quality of learning and teaching and the maintenance of academic standards

Council noted a report on the University's arrangements for managing the quality of learning and teaching and maintaining academic standards. This had been provided to inform the University's annual submission to HEFCE, which required governing bodies to confirm that they had assured themselves that their institution had an effective framework for the management of academic quality and standards. Council confirmed that the report as a whole, which covered a wide range of activity, provided the necessary assurance.

7.6 Compliance with the Concordat to Support Research Integrity

Council noted a report on the actions taken and procedures in place to ensure the University's compliance with the Concordat to Support Research Integrity, noting that this now formed part of the annual accountability return to HEFCE. Council confirmed that the report provided the necessary assurance and agreed that it should be made publicly available as evidence of the University's commitment to research integrity.

8. ACHIEVE MORE

Council received a presentation from the Pro-Vice-Chancellor (Learning & Teaching) about Achieve More, the distinctive University-wide initiative to enhance the core undergraduate curriculum, which had been introduced at Level 1 in 2014-15 and would be followed by a pilot of Level 2 activity in 2015-16 and Level 3 in 2016-17. It was intended to facilitate interdisciplinary engagement between students and research activity, promote collaborative and team-working and enhance employability through projects designed to address the global challenges facing society with the involvement of external partners and alumni. It was recognised that clearer and more consistent communications with students and staff involved in delivery to ensure that the rationale and benefits were understood and ultimately realised, and to maintain the competitive advantage the initiative provided. Council would receive a further update in due course.

9. CORPORATE RISK REGISTER

Council received and approved the Corporate Risk Register, noting that this was the first iteration of the 2015-16 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 nine high-level risks and one opportunity, previously articulated as a risk, and was supplemented by more detailed risk registers at faculty, professional services and departmental levels. Attention was drawn to the following points:

- (a) Risks 1 and 2: These had been reworded to more accurately capture the broader context in which they sat, with the level of inherent risk increasing in response to uncertainty around the CSR and HE Green Paper.
- (b) Opportunity 7: This had been rearticulated to reflect the need for the University to maximise the benefits from strategic partnership activity.
- (c) Risk 9: The increased exposure reflected concerns that growth in the size of the University's overall estate would adversely affect its ability to meet carbon reduction targets.
- (d) Risk 10: Action was in hand to ensure the robustness of systems and structures to safeguard information and cyber security (see also Minute 14, below).

It was recognised that the risk register was in part a reflection of the risk appetite of senior management and it would therefore be useful for Council to hold a short workshop about risk that could inform future discussion at UEB, Audit Committee and Council.

10. ESTATES CAPITAL BUSINESS CASES

Council received an update report on the University's capital programme providing details on progress towards delivery of projects under the current five-year capital programme and ongoing development work to inform the new Estates Strategy according to previously agreed areas of priority.

Council approved a business case for the Engineering Heartspace Project and associated decant project and release of budget, following consideration by Finance Committee, which had recommended the project for approval. The project would result in the refurbishment of the condition category C/D Mappin Building, Central Block, parts of the Broad Lane Block, and the creation of new space through a new central atrium. This was the last major project under the previous Estates Strategy and formed part of the Engineering Estate Development Framework. The EEDF was predicated on addressing legacy issues with the condition and efficiency of the estate and providing the additional capacity and facilities in which to accommodate and support planned and achieved growth whilst maintaining excellence in teaching and research and significantly reducing carbon emissions. It was confirmed that these projects were supported by strategic rationale and would not preclude the ongoing development and planning for other potential capital projects. Consideration would be given to the use of philanthropy as a possible source of funding, which could be attracted by the additional world-leading research activity that the project would support.

11. ESTABLISHMENT OF A SUBSIDIARY COMPANY

Council received and endorsed a proposal to establish a wholly owned subsidiary company to maximise opportunities for the AMRC to develop its partnerships with South Korean organisations and generate additional income streams. The minimal investment required in the company and arrangements for its operations and management meant that exposure to risk was limited. It was agreed that the composition of the board should include sufficient expertise to provide assurance over the company's compliance with relevant regulations. Members were invited to suggest suitable individuals to the Chief Financial Officer, in particular South Korean nationals and University alumni.

12. REPORT OF THE AMI BOARD

(Meeting held on 8 September 2015)

Council received and approved the Report.

13. REPORT OF THE SENATE

(Meeting held on 21 October 2015)

Council received and noted the Report, including approving the transfer of the Department for Lifelong Learning (DLL) into Student Services, approval of new departmental names in the Medical School and amendments to Regulations of Council relating to the composition of Senate.

14. REPORT OF THE AUDIT COMMITTEE

(Meeting held on 12 October 2015)

Council received and approved the Report. Attention was drawn to the audit findings during the past year relating to IT security and the need for the University to consider at senior and executive level its policies and wider strategic approach to managing this risk. This should be business-led and overseen by an appropriate executive sponsor. It was confirmed that this was planned to take place in the preparation of supporting strategies for the overall Strategic Plan with subsequent Council discussion to follow later in 2015-16.

15. REPORT OF THE ESTATES COMMITTEE

(Meeting held on 8 September 2015)

Council received and approved the Report, including amendments to the Committees terms of reference and membership.

16. REPORT OF THE FINANCE COMMITTEE

(Meeting held on 21 October 2015)

Council received and approved the Report.

17. REPORT OF THE HEALTH AND SAFETY COMMITTEE

(Meeting held on 13 October 2015)

Council received and approved the Report.

18. REPORT OF THE HONORARY DEGREES COMMITTEE

(Business conducted by correspondence)

Council received and noted the Report.

19. ANNUAL REPORT ON STUDENT CASE REVIEWS

Council received and noted the Report.

20. USE OF THE UNIVERSITY SEAL

Council received and noted the Report.

21. 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 22 February 2016

..... Chair