



The
University
Of
Sheffield.

Minutes Meeting of Council

- Date:** 26 November 2018
- Present:** Mr Pedder, Pro-Chancellor (in the Chair);
Mrs Hope and Pro-Chancellor;
Mr Sutcliffe, Treasurer;
Professor Lamberts, President & Vice-Chancellor;
Mr Bagley, Mr Belton, Ms Jones, Dr Layden, Professor Maltby,
Ms McKee, Professor Morgan, Dr Nicholls, Professor Siva-Jothy,
Mr Sykes, Professor Valentine, Ms Whitton, Mr Wray
- Secretary:** Dr Strike
- In attendance:** Mrs Dingle, Mr Dodman, Mr Stevenson, Mr Swinn
- Apologies:** Mr Mayson, Professor Petley, Mr Sly,

WELCOME

The Chair welcomed the President & Vice-Chancellor, Professor Koen Lamberts, to his first meeting of Council. Also welcomed was Mr Miles Stevenson, attending for item 16.

AGENDA

1. DECLARATION OF CONFLICTS OF INTEREST

Council noted one conflict of interest, which would be dealt with at the appropriate point in the meeting (see Minute 17, below).

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 22 October 2018, having been circulated, were approved and signed subject to the correction of a typographical error and a minor amendment to Minute 8.1(b), regarding the NSS.

3. MATTERS ARISING ON THE MINUTES

Matters arising on the Minutes were noted as follows:

- (a) Minute 5 (f), UKRI Strength in Places bid: Notification of the outcome of the Expression of Interest had been delayed and Council would receive an update in due course.

- (b) Minute 5(k), Estates: A special meeting of Council and Finance Committee had been scheduled for 21 January to consider an updated business case for the Social Sciences Hub.
- (c) Minute 11, Code of Ethics: Relevant web pages would be updated to include guidance for Heads of Department and a working group had been established to consider due diligence with respect to external partnerships.
- (d) Minute 14, Registration with the OfS: Council would receive updates about on any ongoing matters as appropriate, including at future meetings.

4. REPORT OF THE HEALTH AND SAFETY COMMITTEE AND UPDATE

Council received and approved the Report, including amended terms of reference, noting that it still lacked sufficient additional detail or any trend data as requested by Council in October. Feedback had been provided but a further reminder would be issued.

5. PRESIDENT & VICE-CHANCELLOR'S PRESENTATION AND 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. Points noted in particular included the following:

- (a) External Environment: The University continued to face a dynamic and volatile external environment. The Review of Post-18 Education and Funding, chaired by Sir Philip Augar, was expected to be published by the end of 2018, informed by a decision by the Office for National Statistics about the treatment of student loans in the public accounts, due on 17 December. The University would be monitoring the Government response to the findings of the Review. The new subject-level TEF would be introduced from 2021, preceded by a second year of pilots and a strategic review of the overall TEF, chaired by Professor Dame Shirley Pearce.
- (b) Education and Student Experience: The annual planning round had launched in early October, with a number of identified challenges across all areas of activity due to the current level and pace of change in the sector. These included matters that reflect both fundamental long-term challenges as well as areas for specific focus in 2018/19. The national excellence frameworks around Teaching, Research and Knowledge Exchange provided a broad structure within which the University would focus on key strategic issues. With respect to student recruitment the position was positive. The successful decision to prioritise recruitment of high quality undergraduate students over volume placed the University in a strong position to take advantage of the recovery, and subsequent growth, in the numbers of eighteen year olds in the overall population. The University continued to perform relatively strongly in PGT recruitment and, in relation to overseas PGT students, it was pleasing to note growth from other markets in addition to China in furtherance of the strategic objective to diversify these cohorts.

- (c) Research and its Impact: Although the value of new research grants and contract awards to the end of September 2018 had decreased slightly compared to the previous year, this was due to the expiry of capital grants from RCUK. The Research Order Book was also at its highest ever level, having increased by 7% compared to September 2017. The establishment of flagship, cross-disciplinary University Research Institutes would further energise and focus research activity, facilitate recruitment of the best global talent and act as exemplars of the University's excellent research and impact. The opening of Boeing Sheffield alongside Factory 2050 by Business Secretary Greg Clark in October 2018 was a significant development for the University and wider SCR, and was further recognition for the achievements of AMRC.
- (d) Power of People: Following the submission of the University's response to UUK's employer consultation on the USS pensions proposals from the Joint Expert Panel, UUK had written to USS with a summary of the findings. Employers were broadly supportive of the JEP's proposals and the USS Trustee had indicated that it would run another valuation as at 31 March 2018, as well as concluding the 31 March 2017 valuation. Nevertheless, the overall future position remained uncertain since the USS Trustee and the Pensions Regulator would still need to accept the JEP proposals. In the meantime, the cost sharing rule in the USS Scheme Rules could still be applied. With respect to national pay bargaining, UCU had not called to action its members in the seven universities which had reached the 50% mandate required but employers offer remained at issue; the University continued to monitor developments.

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

- (a) The potential recommendations by the Augar Review would be considered in the course of scenario planning to ensure the implications of a range of possible outcomes were understood. More broadly, it was noted that there continued to discussion and interest from some providers in the sector in offering higher intensity learning opportunities, including two year undergraduate degrees.
- (b) The final 2018 student intake would be confirmed after the 1 December statutory census date but the University expected to compare favourably against many of its competitors and the sector as a whole.
- (c) In general, the University should be more confident in presenting a strong, clear and compelling image of academic excellence, at which a number of other institutions appeared to be more effective even in areas where Sheffield outperformed them or was at least comparable.

6. PRESENTATION ON MARKETING AND BRANDING

(Ms Wray and Ms Hamilton in attendance for this item)

- 6.1 Council received a presentation about recent developments and current and planned work, which included general efforts to support core academic activities and more specific initiatives to enhance institutional reputation.

- (a) Student Recruitment: Particular attention was drawn to collaborative work with professional services and Faculties to maximise student recruitment, including using alumni and students themselves in a value based promotional campaign, a successful and innovative series of Open Days, and creative and tailored targeting of international markets. It was noted that these activities included a focus on developing greater alignment and consistency of presentation across all areas of the University, including the ongoing roll-out of the University website project and introduction of the new system to manage content and brand more effectively. The new website would also support wider efforts to enhance online presence and, therefore, general brand strength.
- (b) Research: The website project offered opportunities to maximise the potential of new University Research Institutes and use REF impact case studies to demonstrate and communicate institutional expertise and excellence to various audiences. In particular, packages of content were being developed that could be targeted at relevant third parties and other websites and media as appropriate.
- (c) Identity and Reputation: A key challenge was to ensure that all areas of the University presented a consistent visual identity for the University. A range of tools and support were being made available to facilitate this and a communications plan had been developed to raise awareness and share knowledge. Evidence-based market analysis had revealed the strength of the University's relative performance on the World 100 brand tracker, whilst indicating priority areas for focus. A further reputational study had sought the views of twelve stakeholder groups about the University's research impact, brand strength and perceptions of the University's UK institutional ranking. It was pleasing to note that the University had the highest proportion of both alumni and staff who would recommend the institution as place to study or work; this was a strength that needed to be maximised. A Reputational Study by the Knowledge Partnership sought to build on current strengths and ensure that University messaging, both internally and externally, was clear, consistent and confident.

6.2 Points noted in discussion included:

- (a) The importance of creating a framework within which to develop a strong brand that was aligned with institutional purpose and a distinctive and differentiated vision.
- (b) In addition to core academic and related competences, e.g. around student support, maximising the potential contribution of the city to strengthening the University's brand, and the importance of the University as a place-maker, were essential elements of distinctiveness.
- (c) The need to ensure that areas of strength and uniqueness were communicated and understood both internally and externally, underpinned by a clearly articulated base of academic excellence, in both research and teaching.

6.3 Council would receive a further update during 2019/20.

7. AMRC UPDATE

- 7.1 Council received an update on recent developments, including discussions at ECSG and UEB which had reiterated the need for capital projects and any related bids for external funding to align with the strategic interests of the University, as well as those of the AMRC. In the context of Council's discussions and decisions in July 2018, on the recommendations of the AMRC Task and Finish Group and follow-up work, the President & Vice-Chancellor had written to AMRC outlining a review of governance arrangements and a review of overall strategy, to run in parallel before reporting to UEB and to Council before the end of 2018/19.

8. 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, reports on capital cash profiling and the status of current capital projects. Council considered and approved the following business cases, which had previously been scrutinised and recommended for approval by the Finance Committee:

- (a) Engineering Heartspace Project: the release of £658k from 17-18 Capital Backlog Maintenance budget to cover the additional building fabric repairs for the Heartspace project. It was noted that the main contractor's difficulties in relation to one of its sub-contractors could lead to delays to project completion. Members of Estates Committee had visited the site during November.
- (b) Cyber Security Project: the release of £3,359,378 to proceed with the Cyber Security project.

9. OFS ANNUAL ACCOUNTABILITY RETURN

9.1 Financial Statements for the year ended 31 July 2018 and Financial Commentary

- 9.1.1 The Financial Statements for 2017-18 and the Financial Commentary were approved for submission to the OfS, 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 the OfS Annex B Annual Accountability Return (following receipt of related assurances and approvals under Minutes 9.3 and 9.4). Council noted the updated Financial Forecasts for the period 2018-19 to 2022-23, which were not for submission to OfS, as well as the External Auditor's request for letters of support relating to five University subsidiaries.

- 9.1.2 During a preceding presentation from the Chief Financial Officer, 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 2017-18 showed an underlying surplus of £24.5m, representing 3.8% of underlying income and exceeding the Financial Operating Strategy target surplus of 1.8%. This was a positive result, particularly in the context of the three previous three years returning underlying deficits.

- The Financial Forecasts had been updated to reflect known material changes, including the impact of student recruitment, changes in the phasing of capital projects, the timing of capital grant income and projected expenditure in faculties, professional services, shared costs and depreciation.
- The Financial Statements would be made publicly available as part of a combined Annual Report and Financial Statements document by 30 November 2018, supported by a range of communications and contextual information to aid understanding. The draft Annual Report had been circulated to Council and Members were invited to communicate any comments to the University Secretary.

9.2 Annual Report of the Audit Committee

Council approved the Annual Report of the Audit Committee for the year ended 31 July 2018 and noted the Internal Auditor's Annual Report, which confirmed the opinions set out in the Audit Committee's report.

9.3 Annual Academic Assurance Report

9.3.1 Council approved the report and authorised the Chair to sign the accompanying statement in Part 2 to Annex B of the University's annual accountability Return on its behalf. Following the Senate Effectiveness Review, a new Senate Academic Assurance Committee (SAAC) had been established and had reviewed the report, which was approved by Senate on 31 October. Although the format was not yet in the manner requested by Council, progress had been made, and it was pleasing to note the degree of reflection on positive and negative aspects of academic activity. However, Council was concerned to note that Senate had approved the report without any meaningful discussion and agreed to report back to Senate the need for greater engagement in the work of its new Senate Academic Assurance Committee (SAAC) in order to ensure that it was discharging its responsibilities to Council effectively.

9.3.2 From 2019, SAAC would lead the preparation and presentation of the report to Senate. In accordance with the recommendations of the joint Council and Senate Task and Finish Group on Academic Assurance, the report would be reviewed by a small joint Council and Senate sub-group between Senate in October and Council in November. This approach, which was consistent with the recommendations of the Task and Finish Group, would facilitate Council receiving more targeted assurances, covering all student groups, by focusing on knowledge, interrogation and outcomes rather than narrative information alone. Council agreed that it should receive a further update on SAAC's activities later in 2018/19.

9.4 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.

9.5 Annual Remuneration Report and Statement

Council noted that the report and statement had been developed to comply with the CUC HE Senior Staff Remuneration Code and would be published on the University web pages in due course, thereby complementing 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, subject to the President & Vice-Chancellor leading further work on the policy on external activities and income to ensure that it was consistent with contractual rights and responsibilities. In due course, Senior Remuneration Committee, would consider any revisions to the current draft policy and make any recommendations to Council.

9.6 Annual Report on the Prevent Duty

Council considered an update on the University's response to the Prevent Duty, including a summary risk assessment and action plan, 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. It was noted that the requirements had changed since 2017, with a more data focused, risk and evidence-based approach. Council also noted that the OfS assessment of institutional risk would include factors such as the local and regional context, which could be used by the OfS to justify a regulatory visit. OfS had also announced its intention to conduct systematic spot-checks of institutions, to which any university could be subject even if it was found to have 'due regard' to the Prevent duty.

10. MINUTES OF THE SENIOR REMUNERATION COMMITTEE (Meeting held on 22 October 2018)

Council received and approved the Minutes. The Committee was asked to consider the extent to which the President & Vice-Chancellor's objectives were institutional, in which case they might be published, or personal, and should remain private.

11. STUDENT LIFECYCLE PROJECT: REPORT OF THE COUNCIL OVERSIGHT GROUP (Meeting held on 2 October 2017)

Council received the report of the fourth meeting of the Task and Finish Group established under the chairmanship of Mr Belton. The Group had received an overview of progress, an update on primary risks, and considered the latest PwC stage gate review. In its discussions the Group had considered any lessons to be learned from the first implementation stage of the project and reviewed the integrity of the original business case in the context of subsequent external changes. It was pleasing to note a number of areas of good practice, particularly the positive culture and attitudes to change, engagement, and ability to learn from previous experience, which positioned the University well to successfully undertake and conclude transformational change projects. Overall progress was positive in terms of actions and with respect to budget. At its next meeting, in Spring 2019, the Group would consider the results of the next stage gate review.

12. CORPORATE RISK REGISTER

Council received and approved the Corporate Risk Register, noting that this was the first iteration of the 2018-19 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 comprised fourteen 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 new opportunities around research and staff diversity, changing a threat to an opportunity, and amended risk statements for several risks. It was also noted that the exposure ratings for a number of risks had increased. Related work was underway to plan for a 'no deal' Brexit and ensure ongoing institutional compliance with OfS registration conditions.

13. UPDATE ON BREXIT PREPARATIONS

Council received and noted an update on the University's contingency planning for a 'no deal' Brexit scenario following a recent discussion by UEB. The implications of a series of identifiable material risks had been considered, together with potential short and medium term mitigating actions, in addition to those controls which were already in place. The University had established an oversight group to monitor developments and to lead the institutional response, and was actively engaging with activity at sector level, through the Russell group and UUK. A further update would be provided to Council in February.

14. IP GROUP PLC SHARE DISPOSAL

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 2018.

15. FUNDRAISING UPDATE

- 15.1 Council received a presentation by way of update on recent Advancement activities and was pleased to note positive progress towards the Sheffield Scanner appeal target, which gave cause for optimism about the prospects for future fundraising campaigns. With respect to philanthropic support, Members noted a summary of findings from the latest Ross-CASE survey. Fundraising performance had further improved and was now broadly comparable with key competitors in securing £5m-£10m in donations per year, and philanthropists, including alumni, were increasingly interested in supporting universities. The University was now consistently receiving legacy gifts of £1m+ each year and outperformed several key competitors in terms of direct costs per pound donated. It was noted that flagship world-leading research projects and educational enrichment projects offered significant opportunities to engage staff and students in attracting donations so that fundraising became increasingly embedded in institutional culture. Future major fundraising projects would be aligned with priority capital projects.
- 15.2 During discussion, clarification was provided about how the University ensured compliance with the laws on data protection and the positive steps that were being taken to respond to the recent letter to all universities from the Information Commissioner in relation to legitimate interests.

16. REPORT OF THE COUNCIL NOMINATIONS COMMITTEE (business conducted by correspondence)

16.1 It was noted that Mrs Hope had a conflict of interest in this matter and would not participate in the discussion or decision.

16.2 Council approved a recommendation to establish a role equivalent to that of a Senior Independent Director in the corporate and health sectors, which had been carefully and more narrowly scoped to suit the University, and to appoint Mrs Hope to the role for the period to 2021.

17. REPORT OF THE SENATE
(Meeting held on 31 October 2018)

Council received and noted the Report.

18. REPORT OF THE FINANCE COMMITTEE
(Meeting held on 15 October 2018)

Council received and approved the Report.

19. REPORT OF THE AUDIT COMMITTEE
(Meeting held on 18 October 2018)

Council received and approved the Report but requested that the Committee look again at the non-audit activity by the internal auditor in relation to the University Identity and Access Management Project, and size of the fee, to ensure that any perceived threat to their independence was avoided. Clarification was provided about the nature of the non-audit work and the Committee's discussions of the matter, including having received verbal assurances, and a request for further written assurances about the measures in place to safeguard internal audit independence. Council would receive a further update about the scope of the non-audit work and any potential overlap on audit work, by way of further assurance.

20. REPORT OF THE HUMAN RESOURCES COMMITTEE
(Meeting held on 17 October 2018)

Council received and approved the Report.

21. COUNCIL BUSINESS PLAN 2018-19

Council received and noted the updated business plan.

22. USE OF THE UNIVERSITY SEAL

Council received and noted the Report.

23. PUBLIC AVAILABILITY OF COUNCIL PAPERS

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

These Minutes were confirmed

at a meeting held on 25 February 2019

..... Chair