

Minutes Meeting of the Council

Date: 26 February 2025

Present: Martin Temple, Pro-Chancellor (in the Chair)

Claire Brownlie (Pro-Chancellor), Adrian Stone (Pro-Chancellor), Rob Memmott (Treasurer), Professor Koen Lamberts (President & Vice-Chancellor), Professor Sue Hartley, Dr John Hogan, Varun Kabra, Professor Janine Kirby, Professor Robert Mokaya, Frances Morris-Jones, Professor Caoimhe Nic Dháibhéid, Professor Mark Strong, Dr Phil Tenney, Professor Mary Vincent

Secretary: David Swinn

In attendance: Anna Campbell, Jo Jones, Dr Edward Smith, Rob Sykes

Apologies: Gemma Greenup, Alison Kay, Phil Rodrigo, Daisy Watson

1. Welcome and Introductions

1.1 The Chair welcomed Members and attendees to the meeting.

2. Declaration of Conflict of Interests

2.1 Claire Brownlie had declared a conflict of interest over the recommendations from Council Nominations Committee under Item 14 and would therefore not take part in that decision.

2.2 It was noted that some Members could be conflicted over the proposed changes to the membership of Senate under Item 10.3 but it was appropriate for them to take part in that item.

2.3 No other conflicts of interest were declared.

3. Approval of Category C Business

3.1 Council considered Category C business, which is covered in Minutes 12-25, below.

4. President & Vice-Chancellor's Report

4.1 Council received and discussed the President & Vice-Chancellor's report, which provided information on key current and forthcoming developments in the policy environment and against each of the themes in the University's Strategic Plan. Attention was drawn to the following updates and developments since the written report was prepared:

(a) Government Spending Review:

The Russell Group had made its submission to the Government's Spending Review, which it was anticipated would take place in the summer. The submission called for "ambitious, targeted investment" from the Government for the remainder of the Parliament and foregrounded how the Russell Group, including the University, could support the Government's aims in the areas of (i) R&D intensity and innovation-led growth, (ii) delivering a pipeline of skills to fill known labour market gaps, and (iii) boosting UK foreign direct investment (FDI) and exports through global prestige and international partnerships.

Despite repeated calls from sector bodies, there was no present commitment from the Government to review and change the funding model for UK higher education (HE), which had come under unprecedented pressure in the current uncertain operating environment. It was expected that economic growth, as one of the Government's principal ambitions, would be among the first priorities.

The University continued to work with sector bodies to make the case for the value of HE, as well as engaging in discussions with policy-makers on how public funding might be made to go further in support of HE activities.

(b) Fusion Engineering Centre for Doctoral Training:

The University was participating in a consortium bid that the University of Manchester was leading, in conjunction with Birmingham and Liverpool, to establish the Fusion Engineering Centre for Doctoral Training. (CDT).

As part of this venture, the University would receive income from the UK Government and would also leverage significant industrial match funding. The overarching aim of the CDT was to provide higher level skills to the next generation of doctoral graduates, enabling students to design, build, operate, maintain, and decommission fusion energy power plants. This would help to remediate some of the current skills gap in nuclear research and engineering.

(c) Doncaster-Sheffield Airport:

The South Yorkshire Mayoral Combined Authority (SYMCA) was continuing to explore different options for re-opening the airport, which had closed in 2022 and left Sheffield and the broader region as the largest conurbation in England without an airport as part of its broader travel infrastructure. To date, the SYMCA had not found a commercial partner and had formed a Working Group to consider a wider range of options for reinstating the airport, including via public funding.

The University would monitor the progress of the Working Group and any resulting developments, recognising that the most beneficial opportunities could be those that enabled the furtherance of research in sustainable aviation fuel (SAF), as one of the University's major research strengths.

(d) All-Staff Briefing:

Around 3,000 colleagues had attended the most recent all-staff briefing when UEB had provided more details about the financial position and related plans. A number

of questions were received in advance and during the session and a recording of the session was available to all colleagues via the University's Digital Hub. The University had also updated the FAQs on its University Finances web pages and shared this in follow-up staff communications.

(e) Staff and Student Listening Events:

Staff and student events had both now taken place and demonstrated a pleasing range of interest and uptake, although there was recognition that more could be done to broaden the reach of the events beyond senior leaders and SU Sabbatical Officers if further sessions were organised. Each of the events had returned Global Conflict, Sustainability and the Climate Emergency, and Artificial Intelligence as areas for the University to consider prioritising in its research and wider activities, which would be taken into account in future engagement initiatives.

(f) Industrial Action:

The campus branch of the UCU was holding a ballot for industrial action that would be effective from 24 February to 31 March. Any subsequent action would therefore commence from mid-April at the earliest.

The UCU had called the ballot on the basis that the University could not rule out compulsory redundancies as an outcome of any of its restructuring activities. UEB was overseeing initial preparations for the potential action and, in the event that UCU secured a mandate, would consider proposals for managing the impact.

(g) Professional Services Restructure

As noted in the written report, all new schools had submitted proposals for combined and leaner Professional Services teams with the aim of realising financial savings and ensuring that these teams were configured as efficiently as possible to optimise support for learning, teaching, and research and other local business functions. UEB had reviewed and endorsed the latest proposals and the commencement of collective consultations in early- to mid-March.

Given the extent of ongoing change regarding the New School Structure as well as recent structural developments concerning the shape of student recruitment and marketing at faculty and school levels, there was recognition of the need to manage impacts on the work and wellbeing of staff in scope. Members appreciated the need for a careful balance between accelerating progress in the interests of minimising uncertainties and moderating the pace of change to ensure that HR colleagues, Trade Union representatives and staff themselves had sufficient 'bandwidth' to engage with restructuring activities. The importance of relevant staff and student communications was also highlighted, focussing on both messaging and the format in which it was delivered to maximise reach and impact.

Council considered the prospect that, should the combined impact of mitigating actions, including the School-based professional services restructures, not yield the level of savings required, there could be merit in establishing a small sub-set of

Council to support UEB and receive assurance about the further options that could be considered.

5. Student Experience

- 5.1 Council considered the Student Experience report from the Students' Union. It was intended that the report would serve as a means of enhancing Council's exposure to, and engagement with the student voice. To this end, the report presented a wide-ranging update on recent and ongoing activities, including the SU's Strategic Staffing Review; the SU's draft Memorandum of Understanding with the University on how the two bodies should work together, which would proceed in due course to UEB and the SU Trustee Board; the review of SU Officer roles and portfolios; and the initial findings from Wave 1 of the SU Big Survey.
- 5.2 With regard to the work to review the SU Officer roles, Members noted two significant changes that would see the number of Officers reduced from seven to six and the Part-Time Officer roles stood down in favour of establishing appointed Liberation Facilitator positions. These new positions would be filled following the upcoming SU elections in March. As was reported last year, the SU continued to focus on means to increase participation in the SU Big Survey. The data gathered from the latest exercise was positive overall although there were several areas identified for which improvements would be welcome, including in students' sense of belonging and connection with their schools and immediate peers. The SU also appreciated the need to refine its data analysis capacities and build greater data confidence throughout the organisation so that data was central to all SU problem-solving and decision-making activities.
- 5.3 Council commended the report and the insights provided. During wider discussion, Members observed that the SU Staffing Review hoped to offset a significant reduction in income. It was reported that, although the review had affected staff morale to some extent, the consultation period had provided sufficient scope for relevant discussion and questions. A review of the feedback collected would be undertaken by the SU before determining next steps, about which Council would be updated at a future meeting.

6. Budget and Forecasts Update

- 6.1 Council considered a presentation on the current budget position for 2025/26 and financial forecasts for future years, which comprised the following:
- 6.1.1 Benchmarking of the University's performance in several financial metrics relative to Russell Group counterparts, including EBITDA as a percentage of overall income and three-year capital expenditure as a percentage of EBITDA; staff costs as a percentage of underlying income; net cash or debt position, both excluding and including the service concession; and total underlying income and overseas tuition fee growth, both taken as a three-year average.
- 6.1.2 The current status of the University's Standard & Poors (S&P) credit rating, which was expected to take place later in the spring.

- 6.1.3 The University's borrowings, with a view to delivering initial recommendations at the meeting of Finance Committee on 24 March ahead of any decision by Council.
- 6.1.4 The 2024/25 forecast outturn as at 31 January 2025, headlines from which included the continuing work to achieve the budget deficit.
- 6.1.5 Progress to date on delivering the agreed mitigating actions together with an assigned 'RAG' rating to indicate whether these were complete, almost complete, partially complete, or not yet in train. Attention was drawn in this respect to a planned internal audit on the University's progress that would take place as part of the 2024/25 programme of audits and report to Council Audit and Risk Assurance Committee in June or October 2025.
- 6.1.6 The suggested approach for preparing and proposing the 2025/26 budget and financial forecasts, which centred on continuation of the previously agreed principles, foremost among which was the prioritisation of quality in education, research, and the student experience and maintaining year-end cash balances through limited utilisation of reserves and downsizing the capital programme.
- 6.1.7 The headline variances between the rebased student number forecasts and tuition fee income targets based on the latest available data and their variance from the targets presented in the OfS forecast from November 2024. Particular attention was drawn to a potential shortfall against the 2025/26 student intake and income targets that would need to be addressed in addition to the existing funding gap and associated mitigating actions.
- 6.1.8 UEB's plans to agree the next stage of actions for closing this funding gap.
- 6.2 During detailed discussion of the different elements of the presentation, Council considered the following:

Borrowings

- 6.2.1 Refinancing the RCF was not expected to have an adverse impact on the University's compliance with its bank covenants. Specific proposals on the borrowing options would be presented to Finance Committee on 24 March for recommendation to Council.

Forecast Outturn

- 6.2.2 The forecast cost of restructuring activities, including through voluntary severance (VS) represented a significant increase on the projection in the OfS forecast. There were several reasons for this, including the fact that the initial forecast excluded VS costs and that staff take-up of the VS Scheme was greater overall than anticipated, necessitating more severance payments. Although there would be limited savings from the VS Scheme in the current financial year, the principle of committing not to replace posts vacated by VS departures would realise significant savings in future years.

Mitigating Actions

- 6.2.3 In addition to monitoring and curbing expenditure as much as reasonably practicable, there was also a case for exploring opportunities for growth. As it related to international student recruitment, the University was committed to considering all such opportunities, including continuing the strategy of diversifying overseas recruitment while maintaining entry standards. It was also observed that moving to new markets could expose the University to similar risks of reduced or fluctuating demand as were now impacting the sector. Other providers in the sector were also offering a widening range of often higher discounts to attract applications, and the University would monitor the effectiveness of such interventions when planning its own next steps.
- 6.2.4 Other contextual factors, including potential further visa restrictions for international students, would continue to have an important impact on the position in future years.
- 6.2.5 Some Russell Group peers had either established or were planning to establish an overseas campus, with a particular interest in India. However, there was an appreciation that the considerable up-front costs and smaller unit of resource than the UK often rendered such projects highly risky or unviable.
- 6.2.6 Council would be kept informed of the University's plans and approach, including relevant assurances over academic quality and standards.
- 6.2.7 It was recognised that further complexity and challenge arose due to the low cost recovery rates for research under the current UK HE funding model, such that tuition fee income was required to offset this shortfall. In the wider environment, the University had a leading voice in driving the argument that research funding settlements in UK HE were unsustainable and needed urgent attention.
- 6.2.8 While there were now well-understood mechanisms among the University's academic staff base for commercialising research outputs and intellectual property, any associated income streams were uncertain and tended to fluctuate, be time-limited, and non-recurrent.
- 6.2.9 The Campus Master Plan could present further opportunities to increase efficiencies in the use of the University's physical estate, thereby reducing associated expenditure.
- 6.3 Council welcomed the approach to this item, whereby significant meeting time had been devoted to Members' consideration of these essential matters. Council also recorded its thanks to the CFO and their colleagues for the dedicated and detailed work being undertaken to understand better the environment in which the University was operating and support the institutional response.

7. Strategic Priorities Update

- 7.1 Council considered proposed strategic priorities for the University that were designed to address the immediate challenges associated with the changing and volatile operating

environment. Having received initial approval at UEB, these priorities had been subject to extensive consultation with Senior Leaders and therefore had gained some initial traction prior to wider roll-out and communication. It was highlighted that the priorities were not new or different, having been selected from the current Strategic Pillars of the University Vision and Strategy, but would support staff to understand the specific priority actions needed to facilitate the University's collective response to the current sector-wide financial pressures while mitigating against an exclusive focus on purely financial considerations. At a broader level, the priorities were also consistent and aligned with Government priorities and related opportunities. As such, the intention and expectation was that the refined priorities could remain in place while the University looked to develop its next Vision and Strategy, given the present sector difficulties would extend across multiple academic years.

- 7.2 Members recognised that a cross-cutting theme for all the proposals was the vital need to revise or stop activities that did not deliver anticipated outcomes, although there were still mechanisms in place to support new initiatives and exploit strategic opportunities that carried strong potential for generating income.
- 7.3 Council endorsed the strategic priorities and encouraged their roll-out and socialisation with staff as soon as was practicable.

8. Golden Thread and Reputation

(Dan Barcroft and Claire Hamilton in attendance for this item)

- 8.1 The item was deferred and would be taken at the Council Briefing and Strategic Session on 14 April 2025.

9. Armed Forces Covenant Progress Update

- 9.1 Council received and noted an update on the University's progress with implementing the commitments of the Armed Forces Covenant, to which the University subscribed in 2022/23. Whereas previous reports were presented through the Military Education Committee (MEC), a Senate-level committee, neither UEB nor Council had received regular updates to enable oversight of institutional compliance with the Covenant. A recent review of, and subsequent change to, the remit and reporting of MEC to give it a narrower and more student-facing scope had resolved this issue and provided for direct annual updates to UEB and Council.
- 9.2 During discussion, clarification was provided that the upholding of the Covenant allowed the University to deliver elements of broader institutional activity and priority, and to manage a wider range of risks, including potential reputational damage from non-compliance and failure to meet strategic objectives, with particular regard to those concerning access and widening participation. One of the broader imperatives behind the University's adoption of the Covenant had been its alignment with EDI activities in support of staff and students and this remained the case.

10. Governance Matters

10.1 Appointment of the Chancellor

- 10.1.1 Council considered and approved a recommendation to appoint a new Chancellor, noting that The Rt Hon Lady Justice Rafferty would have served the maximum term later in 2025. The University had commissioned external search agents to support the recruitment process to conduct an extensive search and contact potential candidates, following which Andy Haldane had been approached and agreed to be nominated for the role. As the former Chief Economist at the Bank of England, Mr Haldane had a high public profile and strong connections with policy-makers in both the civil service and Government; as a University alumnus, he had been a long-standing champion of the University and broader South Yorkshire region, including serving on the AMRC Industrial Board.
- 10.1.2 Council commended the thoroughness of the appointment process and the quality of the candidate proposed, and approved the appointment of Andy Haldane as the University Chancellor, from 26 November 2025 for a period of five years to 31 July 2030 (to coincide with the beginning and end of the University year). Members also noted the planned next steps and timeline presented in the related paper, with internal and external communications to be prepared for dissemination in March.

10.2 Updates and Amendments to Regulation III: Scheme of Council Delegation

- 10.2.1 Council considered and approved updates and amendments to Regulation III, the Scheme of Council Delegation, following its approval of recommendations arising from the Advance HE review in the autumn and additional feedback or suggestions that had since been received from colleagues. Clarification was provided that the amendments presented were those that could be made now pending both (i) the further planned comprehensive review and refresh of Regulation III that would take place when a permanent University Secretary was in post and (ii) the addition of delegations to cover the new powers of Senate, which would be proposed to Council at its July meeting with advice from the Senate.

10.3 Membership of the Senate

- 10.3.1 Council noted and endorsed a proposed approach for implementing the changes to the membership of Senate that Council had approved at its meeting on 27 November 2024. Of the options presented at the November meeting, Council had approved Option 2B, through which the number of elected places would be reduced so that elected Members from faculties would equal the number of Heads of School, all of whom were now ex officio members. The change would come into force from the start of 2025/26. Subsequent work had determined that the change could be made without needing all elected Members to vacate their positions and hold elections for these places. Instead, all existing elected Members could complete their current terms of appointment since there were fewer Members whose terms continued to 2026 or 2027 than the number of elected places each faculty would be allocated on Senate. Council welcomed the fact that this more straightforward approach to effecting Option 2B was possible, noting that Senate would be informed of the approach to be taken at its next meeting.

11. Capital Report

- 11.1 Council received and noted an update on progress of ongoing and pipeline projects in the capital programme, including projects subject to recent consideration and approval at ECSG, UEB and Finance Committee in accordance with the Council Scheme of Delegation.
- 11.2 Council also considered an additional capital approval request concerning a budget uplift, having approved the project in question in principle in July 2024 subject to EPSRC funding being secured for the equipment component. The value of the grant award had since been increased, meaning that the revised total budget needed formal approval.
- 11.3 During discussion, Council noted that discussions about where the equipment would be housed had not yet reached a definitive conclusion, with active consideration being given to an alternative location, which could reduce costs by utilising existing buildings. Confirmation was also provided that the University had sought assurances from Northern Powergrid about the reliability of energy supply to the equipment, recognising that this was part of a broader infrastructural challenge in the region and broader UK. Once the project was completed, Members suggested that there could be merit in undertaking a lessons learned exercise.
- 11.4 Council approved:
 - 11.4.1 The uplift in budget for the project, as set out in the related paper.
 - 11.4.2 Delegated authority for the Chief Financial Officer and/or Director of Finance to approve further uplifts to the budget where the increase was fully externally funded.
- 11.5 As part of the approval, Council noted the need for clarification about where the equipment would be housed as soon as was practicable, while recognising that consideration of the alternative location was not expected to cause delays and could realise costs savings. Relevant updates would be sought from the Director of EFM to inform a decision.

12. Minutes of the Previous Meeting

- 12.1 The Minutes were approved as an accurate record.

13. Action Log and Matters Arising on the Minutes

- 13.1 Council approved the updated Action Log. There were no other matters arising.

14. Report of the Council Nominations Committee

- 14.1 Council approved the recommendations relating to the membership of Council committees.

15. Minutes of the Senate

- 15.1 Council received and noted the Minutes, which recorded Senate's consideration of an update on the National Student Survey 2024, the results of which demonstrated a welcome alignment between areas where the University's performance improved relative to 2023 and areas that were the focus of institutional work in the intervening period. Attention was also drawn to Senate's approval of a new Academic Misconduct Policy and updated Student Protection Plan. It was also noted that Council's decision in relation to the membership and powers of Senate had been reported to Senate, with the paperwork that Council had considered having been shared with members of Senate immediately after the meeting, including all four EIAs and feedback from the Council Sub-Group which had reviewed and provided assurance to Council about the EIAs (see also Minute 10.3, above).

16. Minutes of the Council Audit and Risk Assurance Committee

- 16.1 Council received and noted the Minutes, including the Committee's positive discussion with the new Heads of Financial Assurance and Financial Control and Compliance on the progress of changes to the University's risk and control environment. It was pleasing to note the Committee's increasing assurance that there was sufficient momentum and institutional support behind this work.

17. Update from the Council Finance Committee

- 17.1 Council noted the update on discussions held between formal meetings of the Committee. Members acknowledged the ongoing value of the CFO Financial Updates in apprising Council Members of the latest developments and progress on mitigating actions in what was a turbulent and dynamic internal and external environment.

18. Minutes of the Council Equality, Diversity and Inclusion Committee

- 18.1 Council received and noted the Minutes, recognising that the November 2024 meeting of the Committee was the first in its new form. The Minutes highlighted in particular the work of the Committee to establish positive working relationships with the new UEB EDI Sub-Group and to finalise its membership through sufficient lay member representation.

19. Council Business Plan 2024-25

- 19.1 Council received and noted the Business Plan for the current year, which would be subject to regular updates to inform future agenda planning.

20. Report on Action Taken

- 20.1 Council received and endorsed a report on action taken on its behalf since the previous meeting.

21. Application of the University Seal

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

22. Public Availability of Council papers

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

23. Any Other Business

- 23.1 Board Portal Tender: It was reported that, following the final meeting of the Board Portal Working Group on 10 February, the decision had been made to procure Convene as the University's next board portal, subject to finalising contracts. Once these contracts were in place, Convene would be phased into use for Council and other central committees over the coming weeks.
- 23.2 Obituaries: Council noted with sadness the recent deaths of Professors Tony Crook and Paul White, both of whom had served several years as senior leaders of the University. Professor Crook had been Head of Department in both Town and Regional Planning and Landscape prior to working as Senior Pro-Vice-Chancellor and a Member of UEB for nine years in which his responsibilities covered HR, capital projects, and academic planning. Professor White was a former Head of Department in Geography who had served as Pro-Vice Chancellor for Learning and Teaching, acting Vice-Chancellor, and Deputy Vice-Chancellor over an 11-year period on UEB.
- 23.3 Former University Secretary: Council agreed that, in recognition of her excellent service to the University since her appointment as Interim University Secretary in October 2022 (made permanent in 2023), a formal letter of thanks and appreciation to Jeannette Strachan from the Chair of Council would be prepared and sent.

24. Feedback on the Meeting

- 24.1 Members welcomed and appreciated the prioritisation of the Budgets and Forecast Update (Item 6) in the management of the meeting agenda. This was a complex and business-critical matter that demanded careful consideration. In this respect, Members were confident that, although the financial challenges facing the University were material, Council was being given both sufficient time and material to understand the issues involved, offer appropriate scrutiny and challenge and receive the necessary assurances that the Executive was taking proportionate and appropriate action in response. In particular, the high standard of financial information and updates presented to Council provided a sound basis for assurance that the difficulties were being managed effectively and UEB was taking the action required to safeguard the University academic offer whilst ensuring the short and long-term financial viability and sustainability of the University, cognisant of the impact that these necessary measures would have on members of staff.