



## Minutes Meeting of Council

**Date:** 22 November 2021

**Present:** A Pedder, Pro-Chancellor (in the Chair);  
A Hope and C Brownlie, Pro-Chancellors;  
J Sutcliffe, Treasurer;  
Professor K Lamberts, President & Vice-Chancellor;  
D Bagley, A Belton, Dr D Forrest, G Gee, Professor S Hartley,  
Professor J Kirby, Professor K Layden, Dr Nicholls, P Rodrigo,  
Professor Vincent, A Wray

**Secretary:** Dr Tony Strike

**In attendance:** Professor G Valentine, J Jones, M McArthur, D Swinn,  
Professor Petley (item 6); R Sykes and B Abrams (item 9)

**Apologies:** G Greenup

### 1. Declaration of Conflicts of Interest

1.1 No other conflicts were declared.

### 2. Minutes of the Previous Meeting

(Meeting held on 18 October 2021)

2.1 The Minutes were approved as an accurate record.

### 3. Action Log and Matters Arising on the Minutes

3.1 Council approved the updated Action Log.

### 4. Health and Safety Update

4.1 Council received and noted an update from the Director of Health and Safety, who would be attending the next meeting of Council to provide an opportunity for further questions and discussions.

### 5. Approval of Category C business

5.1 Council considered Category C business, which are covered in Minutes 14-20, below.

### 6. President & Vice-Chancellor's Report

(D Petley in attendance for this item)

6.1 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) HE Policy Developments: It was rumoured that a higher education White Paper may be launched by the Department for Education (DfE) later in November. There

had been recent press speculation about the contents, notably the possibility of reducing the cap on home undergraduate tuition fees as a way to reduce the cost of HE to the Treasury. Members also noted a number of other recent and forthcoming developments, about which further details would be provided when available in due course, including the OfS consulting on its new Strategy, following the announcement that Nicola Dandridge would step down as Chief Executive at the end of April 2022; and the Higher Education (Freedom of Speech) Bill that was currently at the Report stage.

On these issues, the University would involve Council and the Student's Union as appropriate in agreeing an institutional response and to inform related work with sector and government bodies. In particular, the University would continue to lobby for a sustainable funding model that protected funding for universities in order to provide the highest quality education and student experience

- (b) Admissions: Members noted an update on registrations in all student categories as of 1 November, which were unlikely to change significantly ahead of the 1 December census point. It was also reported that the 2022 admissions cycle was now underway and Council noted the institutional position compared to the sector, as well as an overview of the University's current and planned recruitment and marketing activities.
- (c) National Pay Negotiations, USS Valuation and Trade Union Update: UCU had informed the University of the outcome of its national ballot, having achieved a mandate for action short of a strike and a strike at Sheffield. Out of c.8,000 staff it was expected that around c600-700 people may take part in some form of action. UCU had notified that action at the University and 58 others would comprise asking their members to take strike action on the 1, 2 and 3 December and to take certain action short of a strike consisting of only working to their contracted hours and duties ("working to contract") and not undertaking any voluntary activities. Action short of a strike would start on 1 December and end no later than 3 May 2022, when the mandate for action under these ballots expired.

It was also noted that the local branch of UCU had also balloted members over changes in the Department of Archaeology and the School of Languages and Cultures. That local ballot closed on Friday 19 November with a mandate for strike action and action short of a strike on a turnout of 56.1%. It was noted that the University was yet to receive notification of any call for action resulting from the local ballot.

On all of these matters, the University continued to communicate carefully and sensitively with both staff and students, whilst engaging with Trade Union colleagues and working with HoDs and other senior leaders to ensure that the impact of any action was minimised. It was recognised that this action would take place while many students were preparing for the January assessment period, having already been affected by the impact of the pandemic over the previous two academic years. Whilst respecting the right of staff to take industrial action, the University's priority was to minimise disruption for students and colleagues, and to mitigate any impact on education, learning and research. More broadly, the University continued to work with the local trade unions and encourage them to work with UCU at a national level to explore ways to resolve these disputes.

- (d) Research: The Comprehensive Spending Review had contained the full funding for association to Horizon Europe, with a pledge to redirect that money to domestic R&D projects if the plan for association failed. However, there remained significant uncertainty about whether the UK and EU would reach agreement. It was noted that the University benefited greatly from UK participation in Horizon Europe, both in the funding opportunities generated but also in the enhanced

collaboration that it promotes. As such, the University continued to lobby for full involvement in the Horizon Europe scheme and to ensure that research continues to be properly funded in the UK, while also encouraging colleagues to foster positive collaborations with their EU counterparts.

- (e) Innovation Impact: The University had announced a new pioneering collaboration with ITM Power to advance the hydrogen sector in the UK. This included agreement in principle for a new ITM Power Gigafactory to be built at the University of Sheffield Innovation District and agreement to work together to jointly plan and fund a National Hydrogen Research Innovation and Skills centre. Furthermore, Rolls Royce and the UK Government had announced funding for the UK Small Modular Reactor programme in an event held at the University's Nuclear AMRC. The University would work with Rolls-Royce SMR to develop the manufacturing capability for a variety of advanced processes as well as supporting the design of a new UK factory for large SMR components.

## **7. Annual Report and Financial Statements for the Year Ended 31 July 2020**

### **7.1 Financial Statements for the Year Ended 31 July 2020**

7.1.1 Council received the financial statements and related approvals as set out in the related paper, some of which are addressed under Minutes 7.2, 8.2 and 8.3, below. It was reported that these results had been subject to detailed consideration at the preceding meetings of the Finance and Audit Committees and that the external audit was now complete. Particular attention was drawn to the following:

- A total surplus of £48m, with an underlying surplus of £45m.
- A 1% increase in total income, and the proportion of which was comprised of overseas tuition fees.
- Commercial income had been 53% of its expected pre-pandemic levels.
- Additional expenditure had been incurred in year in relation to rent refunds for students in University-owned accommodation and the Covid support fund, with costs savings resulting largely from the impact of the pandemic on on-campus activities. Capital expenditure was also lower than forecast due to a slow-down in activity as a result of the pandemic.
- Year-end cash balances of £122m, with cash generated from operations higher than forecast, at £142m.
- The University remained compliant with all of its bank covenants and was not at risk of breaching any USS metrics.
- The accounting assumptions, including updates as a result of a review of the accounting treatment of expenditure on the SLP, which may change again in future as further work was progressed and value and benefits were realised.
- The detail underpinning the going concern assessment and the scenario planning and modelling work that had informed this.
- The importance of communications relating to the financial results, in the context of wider developments at institutional and sector level, particularly given the ongoing challenges to institutional finances that were reflected in the forecasts for future years (see Minute 7.3, below).

7.1.2 Following discussion, in which Members commended the University's resilience in the context of an unprecedented operating environment, Council approved the Financial Statements for signature by the Chair of Council and the President & Vice-Chancellor as part of the Annual Report (see Minute 7.2, below), noting the updated accounting

assumptions and the updated assessment of going concern. Council also noted the External Audit Highlights Memorandum. The latest financial forecasts for the period to 2025/26 was presented separately (see Minute 7.3, below). Council also confirmed that it had considered cash flow forecasts to 31 July 2023 including taking account of downside scenarios and that after reviewing these forecasts the Council was of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19, the Group and parent University would have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

## **7.2 Annual Report 2020/21**

7.2.1 Council considered the Annual Report, which included the financial statements, having discussed the draft at its previous meeting, and approved signature by the Chair of Council and the President & Vice-Chancellor. It was noted that the Annual Report and Financial Statements would be published on the University's website by 3 December 2021, in accordance with the OfS deadline, together with supporting communications and FAQs.

## **7.3 Annual Financial Return to the Office for Students and Financial Forecasts 2021/22 to 2025/26**

7.3.1 Council considered the updated financial forecasts, which would form the basis of the University's Annual Financial Return to the OfS by the end of February 2022. These had been subject to detailed, constructive challenge from the Finance Committee. The forecasts reflected changes in the capital programme and the latest student intake and registrations position. The updated figures also took into account strategic work in relation to the University's student population, the reintroduction of unallocated strategic funds to realise investment opportunities, and additional headroom to accommodate specific IT investments via revenue expenditure.

7.3.2 Members noted a summary of the key variances since the original forecasts were approved in July, the impact of updates on forecast performance and that the University's finances were sufficiently robust to mitigate the impact of any downside risks crystallising. It was also noted that the forecasts continued to reflect the agreed year end cash balance targets and plans to support capital investment in future. Clarification was provided over the relatively small forecasts surpluses over the period and forthcoming work to enhance the accuracy of expenditure forecasts in order to optimise the use of institutional resources. It was also reported that the forecasts assumed no additional borrowing, although there was capacity to consider this if required to support the delivery of strategic objectives. In due course, Council would be invited to consider the updated Financial Strategy.

7.3.3 Council approved the updated financial forecasts for 2021/22 to 2025/26 and also approved the annual financial return workbook and financial commentary for submission to the Office for Students in the Annual Financial Return.

## **8. Other OfS Annual Accountability Information**

### **8.1 Annual Report of the Council Audit Committee for the year ended 31 October 2021, including the Internal Auditor's Annual Report**

8.1.1 Council approved the Annual Report of the Audit Committee for the year ended 31 October 2021 and noted the Internal Auditor's Annual Report, which confirmed the opinions set out in the Audit Committee's report.

## **8.2 Letter of Representation**

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

## **8.3 Letters of Support**

- 8.3.1 Council noted that the University was asked to provide a letter of support for Unicus Sheffield Limited and approved signature of the same by the Chief Financial Officer.

## **8.4 Senate Annual Academic Assurance Report**

- 8.4.1 Council considered the annual report from Senate, which had been proposed by the Senate Academic Assurance Committee (SAAC), discussed and approved at Senate in October and updated following a constructive meeting of a joint Council and Senate sub-group during November. It was pleasing to note that the work of SAAC and the contents of its reports continued to take into account and be informed by feedback from Council in previous years, which was informing the Committee's annual work plans. Council confirmed that the report, in conjunction with other relevant information provided by the Senate during the year, provided the necessary assurance for Council over the University's academic quality and standards.

## **8.5 Annual Report on compliance with the Concordat to Support Research Integrity**

- 8.5.1 Council received and noted the annual report and confirmed that the statement provided the necessary assurance. Council agreed that the statement should be made publicly available as evidence of the University's commitment to research integrity. It was noted that research culture and integrity were key priorities for UKRI and other sector bodies, with several planned and forthcoming related consultations.

## **8.6 Annual Remuneration Report and Statement**

- 8.6.1 Council approved the report and statement, which had been considered and endorsed by Senior Remuneration Committee, in compliance with the CUC HE Senior Staff Remuneration Code. This would be published on the University web pages to coincide with the publication of the Annual Report and Financial Statements. Council approved the report and statement, noting that SRC had previously agreed that the University continued to seek to be an exemplar in this area.

## **8.7 Prevent Monitoring during the 2020-21 Academic Year**

- 8.7.1 Council considered an update on the University's compliance with the Prevent Duty, noting that the OfS had changed its monitoring requirements for the 2021 submission. Council approved the annual report, and authorised the Chair to sign the accountability declaration on its behalf for submission to the OfS.

## **9. Closed minute and paper**

## **10. Capital Report**

- 10.1 Council received and noted 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.

## **11. Corporate Risk Register 2021-22**

- 11.1 Council received and approved the Corporate Risk Register for 2021-22 and noted an accompanying report from the UEB Risk Review Group. Members noted changes to the contents of the Corporate Risk Register, including a refined approach to controls, actions and accompanying narrative around each risk; the reduction in the total number

of risks presented; and additional colour coding to differentiate very high residual risks, with accompanying explanation of the assigned rating.

- 11.2 Clarification was provided over the rationale for combining risks related to physical and digital infrastructure, which could not be readily disaggregated and reflected the emergent findings of the estates governance review. It was reported that the Audit Committee had discussed at its previous meeting whether it should have a greater role in relation to overseeing risk management, to which the Committee would return in due course. In addition, Council agreed that that the Chair of Risk Review Group and University Secretary should consider future opportunities for more Council discussion about the most significant corporate risks and institutional risk appetite.

## **12. Council Effectiveness Questionnaire Responses and Actions**

- 12.1 Council received and noted a report on responses from members of Council to the annual effectiveness questionnaire, which had been deferred from the previous meeting. Council noted the key findings and a series of proposed actions in response, recognising that the themes and details of each of these was consistent with actions agreed as part of the wider response to the 2020-21 Council Effectiveness Review. Council endorsed the proposed approach, including actions relating to Student Engagement and the Student Voice; Volume of Business; Length of Papers and Presentations; Virtual or Physical Meetings; Induction and Development. Members were invited to submit any further comments to the University Secretary.

## **13. Minutes of the Senior Remuneration Committee**

- 13.1 Council received and approved the Minutes, which included reference to the Annual Senior Remuneration Report and Statement (see Minute 8.6.1, above).

## **14. Report of the Senate**

- 14.1 Council received and approved the Report, noting that the Annual Academic Assurance report was presented separately to Council (See Minute 8.4, above).

## **15. Report of the Finance Committee**

- 15.1 Council received and approved the Report, including amendments to the Committee's terms of reference and membership.

## **16. Report of the Audit Committee**

- 16.1 Council received and approved the Report.

## **17. Report of the Estates Committee**

- 17.1 Council received and approved the Report.

## **18. Council Business Plan 2021-22**

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

## **19. Use of the University Seal**

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

## **20. Public Availability of Council papers**

- 20.1 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.