



Minutes Meeting of Council

Date:	25 April 2022
Present:	A Pedder, Pro-Chancellor (in the Chair); A Hope and C Brownlie, Pro-Chancellors; Professor K Lamberts, President & Vice-Chancellor; D Bagley, A Belton, E Croxford, Professor G Gee, Dr B Gilvary, G Greenup, Professor S Hartley, A Kay, Professor J Kirby, Professor K Layden, P Rodrigo, Professor M Vincent, A Wray
Secretary:	Dr Tony Strike
In attendance:	Professor G Valentine, J Jones, M McArthur, D Swinn, Professor D Forrest, Professor D Petley (items 1-6)
Apologies:	J Sutcliffe, Treasurer

Minute's Silence for Jonathan Nicholls

Council members stood for a minute's silence in memory to mark the tragic death of Dr Jonathan Nicholls, a Class (3) Member of Council and the Senior Independent Governor. The University flag was also being flown at half-mast in a mark of respect.

1. Declaration of Conflicts of Interest

1.1 No conflicts were declared other than those noted in relation to item 14, below.

2. Minutes of the Previous Meeting

(Meeting held on 21 February 2022)

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, subject to keeping the possibility of further training or briefing on ED&I issues ongoing for further consideration, building on the briefing on the University's Disability Equality Strategy and Action Plan held prior to this meeting. It was also reported that the Armed Forces Covenant had now been signed following Council's approval in February.

4. Health and Safety Update

4.1 Council received and noted an update from the Director of Health and Safety. During discussion, in which Members were pleased to note the format and comprehensive nature of the reports, Council sought clarification about elements of training that were currently mandatory or might be made mandatory in future, requested that consideration be given to including examples of good practice and relevant comparative data in future iterations of the report. Members also recognised the ongoing importance of a strong institutional health and safety culture, which was also connected to wider wellbeing initiatives. It was agreed that the Director of Health & Safety would

be invited to attend Council in July to discuss the next report and address points raised in discussion.

5. Approval of Category C business

5.1 Council considered Category C business, which are covered in Minutes 14-22, 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) Industrial Action: UCU members had been asked to take 18 days of strike action at Sheffield and 67 other universities across the country between the start of December 2021 and 1 April 2022 over national issues relating to pensions, pay and working conditions. Since December 2021 UCU had also been asking members to take a range of action short of a strike (ASOS), including not rescheduling lectures and classes cancelled due to strike action, and removing or not replacing online materials relating to those lectures and classes cancelled due to strike action.

The University had seen participation in strike days of around 500 people each day out of a UCU membership of c.1650 in a total workforce of close to 8000 colleagues. The impact of the strikes and ASOS was mixed and the University's priority continued to be minimising disruption to students. Incident management protocols remained in operation to oversee University-wide work and colleagues were focused on remedying any learning lost due to strike action, notwithstanding ASOS.

Subsequently, UCU had undertaken a further ballot for industrial action, on the same issues, which closed on 8 April. With respect to the four fights dispute, it was reported that UCU at Sheffield had achieved a mandate for strike action and ASOS; 36 institutions overall achieved a mandate for strike action - down from 63 in the current mandate. In relation to the USS dispute, UCU had also obtained a mandate for strike action and ASOS at Sheffield; overall, 24 institutions achieved a mandate for strike action - down from 44 in the current mandate. Turnout in both ballots was lower than in the previous ballot but the reasons for this were unclear.

It was noted that the University, like other affected institutions, awaited further details of any action to be taken under either mandate or the form of any ASOS. However, it had been expected that ASOS would be extended from the previous mandate to include a marking and assessment boycott. UCU had two scheduled sector conferences, on 20 April (on the "four fights") and 27 April (on USS), following which it would agree and communicate its next steps. The possibility of further action and the nature of it, risked further potentially significant disruption that would need to be mitigated in what was already a highly challenging operating environment. This was the most significant challenge affecting the University, and many others in the sector, at present, but the national nature of the matters at hand meant that there was little that could be achieved at local level. Nevertheless, the University continued to seek to engage proactively and positively with local and national UCU representatives in seeking a resolution to the disputes and as part of broader mitigating action to minimise the impact on students' education and university experience. Having noted that the proportion of University staff who were members of UCU and/or participating in industrial action was relatively small, Council welcomed institutional efforts to actively engage with all members of staff, as well as students, in relation to the disputes. In particular, the rolling programme of VC/DVC departmental visits provided opportunities for colleagues

to ask questions and receive regular information about the disputes and the University's actions in response, supplemented by regular staff newsletters and updates.

(b) Regulatory Compliance:

Clarification was also provided that, although the University had a strong record of engaging positively with students, the regulatory framework necessitated further consideration of how to achieve the necessary evidence for this engagement and communication at scale, which was an issue for the sector as whole. Although the University's student contracts included force majeure provision as far as were legally permissible, the OfS guidance stated that such clauses could not be used to avoid consultation with students in relation to changes to programmes of study.

(c) USS Pensions:

The USS valuation as at 31 March 2020 had now concluded and changes to the scheme benefits came into effect from 1 April 2022. As a result of the benefit changes, contribution rates for members remained the same and were slightly increased for employers.

More recently, there had been claims from UCU members that there had been material improvements in the scheme's financial health, that the stated deficit had effectively been eliminated and there was no need for either deficit recovery contributions (currently amounting to c6% of salaries - from the 31.4% of total contributions) or benefit changes. Although these claims originated from a monthly interim financial monitoring report by the USS Trustee as at 28 February 2022, which indicated that the scheme's assets had grown in value from c. £60bn to £88.8bn and that the deficit had reduced to £2bn, that report was based on the agreed reforms that came into effect on 1 April. If the changes now in place had not been made and benefits remained unchanged, the financial monitoring would indicate a deficit closer to £6bn (requiring deficit recovery contributions of 4%-6%) and the cost of accruing unchanged future benefits would be in excess of 40% of salaries in addition to the deficit recovery contributions.

Whilst ultimately it was the USS Trustee's responsibility to undertake any future valuations, the University was giving careful consideration to when the optimal time to hold the next valuation would be. It was hoped that improving market conditions would continue and, as a result of the benefit reforms, the scheme may be in a more sustainable position for the future. There was also scope for the outcome of a future valuation to enable consideration of reduced contribution rates and/or increased benefits but wider market volatility meant that the outcome of any future valuation was highly uncertain.

(d) Student Recruitment and Admissions:

As of 15 March, the UG Home position showed that overall applications were marginally higher than at the same point last year and UG Overseas applications continued to trend above 2021 levels, driven by additional growth from several key markets. The focus for UG had now turned to conversion and maximising the strong applications position.

PGT Home applications remained much lower than the equivalent point in 2021 but with significant variation between faculties. It was recognised that home applicants typically applied late in the admissions cycle, so recruitment efforts were focused towards the latter part of the year. Applicant preference for applied courses as well as a buoyant employment market were both drivers for variable performance across disciplines.

PGT Overseas applications, offers and acceptances were broadly similar to 2021 at present. Although there were fewer applications from China for 2022 entry, and there was ongoing uncertainty as to whether Chinese students would be in a position to travel to the UK by September, the University continued to see

increased interest from other key markets such as India, Nigeria and Ghana, though conversion from these growth markets is typically lower. These increases were due both to the positive impact of changes to visa rules but also active targeting by the University and additional recruitment support.

PGR Home applications and offers were lower than at in 2021, in line with the drop in Home PGT applications, but PGR Overseas applications had increased at what was relatively early in the cycle for research applications.

It was pleasing to note that the ongoing industrial action across the sector and locally was not having a negative effect on student recruitment at present.

7. Russian Sanctions and the Impact of the War in Ukraine

- 7.1 Council considered received and noted a paper setting out the current institutional position and actions in relation to Russian sanctions and the war in Ukraine, as a means of assurance that all relevant issues were under effective control. It was noted that there was no new or additional regulatory requirement resulting from the war or its impact; UUK had established a national response working group to coordinate sector level activity and the related paper included a summary of responses from several national organisations. The University was focused on both safeguarding and supporting affected staff and students and ensuring that the necessary controls and processes were in place to comply with UK sanctions on Russia, including close collaboration with the Students' Union, which had welcomed the University's action taken to date. It was noted that some areas were particularly complex and subject to relatively ambiguous government guidance or policy that was subject to change, e.g. around scientific collaborations. Particular attention was drawn to the University's approach to its energy supply contract and Members discussed the various options available, related risks, and impact of current Government guidance. The approaches adopted by other organisations across various sectors were also noted. Ultimately it was agreed that this was a matter to be monitored closely to identify and agree a course of action in due course.
- 7.2 During discussion, clarification was provided over how the University proposed to address certain indirect consequences of the conflict, notably the use of hardship funding to support students unable to pay their tuition fees or fund the cost of living while financial sanctions were in place, and identifying solutions for students on programmes with core study abroad components. It was further clarified that the University had taken additional actions to enhance and strengthen its cyber security and related business continuity plans and insurance cover. Attention was also drawn to the longer-term strategic impact of a number of issues arising from the war, which would be subject to further detailed consideration including a risk assessment overseen by the UEB Risk Review Group and reported to Council in due course.
- 7.3 Following discussion and having noted how sanctions may affect the University, its students and its staff, Council commended the approach to date and determined that it was satisfied at the actions being taken.

8. Corporate Risk Register

- 8.1 Council received and noted a report from the UEB Risk Review Group and approved the updated Corporate Risk Register for 2021/22. Attention was drawn to the updated risks and/or their respective directions of travel, including the additional risk in relation to Russian sanctions (see also Minute 7, above), and the agreed change in reporting such that the Corporate Risk Register would be reported to Council through the Audit and Risk Assurance Committee (ARAC) in future.
- 8.2 During discussion it was noted that Council would have an opportunity to consider corporate risk and institutional risk appetite in greater detail at the June Away Day. With respect to the potential for a prolonged period of high inflation and the impact of this on the University's finances, it was reported that the emergent Financial Strategy would

reflect on this, alongside work on financial sustainability that had been commissioned by ARAC for 2022/23, ARAC's future consideration of risk appetite and broader strategic initiatives. Clarification was provided that the University also maintained a separate Threats register to complement the strategic risks captured by the Corporate Risk Register itself.

9. 2022/23 Budget

9.1 Council considered the proposed 2022/23 budget for the University and its subsidiary companies, following earlier discussion at UEB and Finance Committee and subject to additional work to finalise budget allocations to some areas of expenditure. The budget had been prepared based on indicative budgets prepared in 2021 with adjustments to take into account committed costs, strategic adjustments and items of non-recurrent expenditure. Members also noted the key underlying forecast assumptions.

9.2 During discussion, a number of key challenges were reported to the University's ability to deliver the budget. Student recruitment remained uncertain as the impact of Covid continued to be felt, particularly with respect to overseas applicants. In addition, the University continued to seek to minimise any disruption to students resulting from ongoing industrial action and any additional costs arising from the national pay settlement beyond the current assumption would have to be absorbed within existing core budgets. The expiration of the University's current energy contracts during the forecast period and Government policy regarding HE funding were additional future challenges to prepare for. Nevertheless, Council noted that the University historically outperformed the budget and the level of unallocated strategic and contingency funding provided additional confidence to complement the increased financial resilience that the University had established. It was reported that many of the strategic challenges would be addressed in the emergent Financial Strategy that would be presented to Council in July. Clarification was provided about the University's planned approach to addressing historic over-budgeting of costs, which could usefully include reflections on opportunities to enhance and maximise efficiencies through greater accuracy in the expenditure forecasts.

9.3 Following discussion, Council approved the 2022/23 budget and noted that further work was required to deliver underlying surpluses in future years.

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. It was reported that the UEB Capital Pipeline Prioritisation Group was now formally reporting into ECSG to confirm areas of focus and projects that could proceed to develop formal business cases.

11. Code of Ethics Update

11.1 Council considered an update on the University's Code of Ethics following an annual review and including updates on previous recommendations and actions taken in response. In particular, Council endorsed amendments to the text of the Code to implement additional matters previously agreed by UEB and Council, notably around Data Ethics and Declarations of Interest. Council was also assured that the means of managing risk and exercising control in relation to University spin-out and subsidiary companies, respectively, were sufficient. Members noted that UEB had approved the introduction of a due diligence framework to provide support and guidance to staff on ethical and reputational considerations relating to partnerships. Having noted that the Code in its current form had been in place for several academic cycles, Council agreed that formal reviews should be undertaken on a biennial basis. Clarification was provided

in relation to the principles set out in the Code, whereby the responsibilities of University staff to uphold and protect the University's reputation were addressed through other means such as terms of conditions of employment and the forthcoming Code of Conduct.

12. Update from the UEB Archaeology Implementation Group

12.1 Council received and noted an update from the UEB Implementation Group which was overseeing and coordinating the implementation of Council's decision in July 2021 to not maintain a Department of Archaeology as a separate academic and administrative unit, but to retain Archaeology as a discipline at the University and invest in areas of strength. It was noted that the Implementation Group was working with reference to a set of key considerations, notably that the University would use its best endeavours to enable current students to complete their studies whilst receiving an excellent overall student experience, with reference to the University's Student Protection Plan. As agreed by Council, the University was working to maintain the identity and visibility of archaeology as a discipline by balancing the academic case with a strategic consideration of the potential impact on other departments, resource and investment requirements, and the wider University under the Vision and Strategy.

12.2 Council was pleased to note the positivity of the latest consultation and engagement process with students and a range of colleagues to inform the identification of three key areas of strength. UEB had considered options for how to achieve an optimal but workable solution and Council noted the decision and rationales, as set out in the related paper. Members also received an overview of the timeline to conclude transitional arrangements by 2023/24, when current studies should have concluded their studies, and begin to embed the new structures as part of normal business processes. It was reported that no redundancies were planned as part of this activity but that colleagues affected by the changes would have the opportunity to request a voluntary severance package at the end of the transitional period. Clarification was provided about the reporting lines during and after the transitional period and Council was pleased to note the positivity with which relevant departmental leadership teams were approaching this work. Two dedicated sub-groups were supporting the Implementation Group in managing the transition, enhanced by relevant cross-membership of key colleagues.

13. Report of the Council Nominations Committee

(Mr Rodrigo did not take part in this item)

13.1 Council received and approved the Report, including an update and related recommendations arising from the work of the Council Appointing Committee that was overseeing the search for new senior Council officers as part of wider succession planning and would seek to make recommendations to Council in June. In particular, Council approved the following:

- (a) The appointment of Phil Rodrigo as the Senior Independent Governor from 25 April 2022 and extendable consistent with his term on Council.
- (b) The appointment of Phil Rodrigo, as the Senior Independent Governor, to the Council Appointing Committee.

14. Minutes of the Senior Remuneration Committee

14.1 Council received and approved the Minutes.

15. Report of the Senate

15.1 Council received and approved the Report.

16. Report of the Audit and Risk Assurance Committee

16.1 Council received and approved the Report, including recommendations for the appointment of internal and external auditors following a competitive tender exercise. With respect to the Committee's recent discussion on education and the student experience, MV would continue to update the SU President on progress and discuss relevant issues.

17. Report of the Finance Committee

17.1 Council received and approved the Report.

18. Report of the Honorary Degrees Committee

18.1 Council received and noted the Report.

19. Office for Students Conditions Compliance Register

19.1 Council received and noted the register of compliance with the ongoing conditions of registration and an accompanying report providing updates on the latest regulatory developments.

20. Council Business Plan 2021-22

20.1 Council noted the updated Business Plan.

21. Use 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 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.