



Minutes Meeting of the Council

Date: 24 April 2023

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

A Stone (Pro-Chancellor), R Memmott (Treasurer), Professor Lamberts (President & Vice-Chancellor), D Bagley, A Belton, Professor Gee, Dr Gilvary, G Greenup (items 1-7 and 11-22), Professor Hartley, A Kay, Professor Kirby, Dr Nic Dháibhéid, P Rodrigo, Dr Tenney, Professor Valentine, Professor Vincent (items 5-10 and 23-24), A P Wray

Secretary: J Strachan

In attendance: J Jones, D Swinn; Professor Blom (item 7); A Carlile (item 8)

Apologies: C Brownlie, L Hand

1. Welcome and Introductions

1.1 The Chair welcomed Members and attendees to the meeting, in particular Dr Tenney, who was attending their first meeting of Council having been appointed at the previous meeting, and congratulated J Strachan on their permanent appointment as University Secretary following a successful interim period of appointment.

2. Declaration of Conflict of Interests

2.1 Professor Kirby declared an interest in relation to item 7, Faculty Structures, as a member of the Faculty concerned, and would not take part in the decision itself but would remain present for the discussion. No other conflicts were declared.

3. Approval of Category C Business

3.1 Council considered Category C business, which are covered in Minutes 11-22, below.

4. President & Vice-Chancellor's Report

4.1 Council received and discussed the President & Vice-Chancellor's report, in which they 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) Industrial Action:

UCU had notified universities that a national boycott of marking and assessment processes would begin from 20 April 2023, covering all summative marking and assessment that contributed to student progression and graduation. Members noted the timing of the University's core exam period and the date on which results would be released to student. The boycott followed UCU's Higher Education Committee having agreed to consult members on the USS statement and the Acas terms of reference on pay and conditions. The outcome of this consultation was that, of the c.50% of UCU members who responded, 85% voted to "Note" the USS statement and 56% voted to reject the Acas terms of reference relating to pay and conditions. As a result, all industrial action relating to the USS dispute was paused but action would continue in the pay and conditions dispute, including the currently notified action short of strike including the marking and assessment boycott.

Although the marking and assessment boycott presented significant challenges to the University community, the anticipated impact was expected to be limited to a small number of departments, based on an assessment of the level of participation in previous strike action. However, the impact in those departments could be significant and the University would do all that it reasonably could to mitigate any impact on students. An Incident Management Team was leading the institutional preparations and response, including supporting Heads of affected departments to implement mitigating actions and student communications.

Council noted and endorsed the University's longstanding policy not to accept the partial performance of the employment contract of any member of staff and, as such, the University would withhold pay in cases where participation in industrial amounted to a breach of contract. Members noted how the University would implement this policy in practice and the timings of any future pay deductions, which approach had been informed by extensive legal advice. The decision to deduct pay at 100% reflected the potentially significant impact on students that a marking and assessment boycott could have. Clarification was provided about the range of approaches being taken across the sector, and that, although the University would deduct 100% pay for participating staff, this would only be done for a finite period and mean that overall deductions could be far less than for their counterparts in other providers.

Council also noted the range of additional measures that UCU had threatened to take alongside industrial action itself and that there remained the potential for legal challenges to the approaches being taken by individual institutions; the local UCU branch had held an EGM on 21 April but had not yet sought any further discussion with the University. Council recognised the inherent complexity of the current situation, in that there were two live national disputes and that staff in certain institutions were more concerned with USS, whereas others were primarily concerned with pay and working conditions, which created added uncertainty and challenge in achieving a resolution. Furthermore, whilst Council was assured that the University had been as proactive as possible within the national frameworks to

which it was subject, the way the disputes were being presented by the media and others was giving students the impression that these matters were within the University's gift to resolve.

(b) Student Recruitment and Marketing Design Project:

Council noted an update on a review of the University's Student Recruitment and Marketing Service, which sought to optimise the service for prospective students and ensure that the University was able to respond effectively to current and future student recruitment challenges, including increased competition for the very best students.

Members received and noted an overview of the proposed organisational model that UEB agreed to progress, as well as the expected benefits. Attention was also drawn to the process of engagement undertaken in the review, including feedback from relevant colleagues from across the University and ongoing insight gathering as the detailed service design and development of future processes continued ahead of further consideration by UEB in due course. It was noted that the proposed new structure was planned to be in place for the bulk of the 2024 recruitment cycle.

(c) Decolonisation of the Curriculum:

In response to a query about the potential reputational risks associated with this activity, given the adverse media coverage that others had experienced, clarification was provided that curriculum design and programme approvals were within the remit of Senate and its committees, and subject to the same rigorous quality assurance processes as other aspects of the academic endeavour. It was unfortunate that the vast majority of media coverage on the matter was misleading and/or inaccurate; the University's sole aim was to ensure excellence in its educational offer in a way that also reflected the diversity of its student body.

5. Financial Strategy

5.1 Council received a presentation by way of update on the emergent Financial Strategy, following recent discussion and development through both UEB and Council Finance Committee. The Strategy would seek to deliver three principal objectives relating to: long term sustainability and viability; providing a framework to deliver strategic objectives; and mitigating financial risk. Attention was drawn to:

- the particular challenges that needed to be addressed by optimising the use of resource and growing income;
- key underpinning elements of the strategy;
- the means by which to optimise resources;
- a proposed definition for central strategic investments;
- capital plans and funding options, including achieving net zero targets;
- borrowings, including existing debt and future capacity and strategy;
- financial risk mitigation and the related risk appetite statement;

- financial targets and next steps.

- 5.2 During discussion, Members also discussed the level at which the target underlying operating surplus should be set in order to ensure sustainability and the ability to invest in strategic priorities. In the context of the current funding gap and extent of vacancy savings, clarification was provided that the University would continue to follow a strategic approach to staff recruitment as a driver of improved performance and institutional excellence. Related work was underway to increase both the accuracy of staff expenditure forecasts and the accountability of budget holders, which would also create capacity for strategic investments.
- 5.3 Having noted that further work was required to assess the University's capital expenditure requirements, Council noted the importance of financial planning creating the necessary capacity to adequately resource future institutional IT/digital needs given that these were increasingly funded from revenue. More generally, that the University's principal financial KPI was cash-based (EBITDA) reflected the importance of cash flow to both longer-term sustainability, liquidity and its ability to fund capital and strategic investments.
- 5.4 It was reported that Finance Committee would consider a draft strategy document at its forthcoming meetings, for recommendation to Council for approval in July. In particular, the Committee would consider appropriate targets for minimum year-end cash balances and the underlying surplus over the forecast period. Council endorsed the extensive work that was underway to inform future Finance Committee and Council discussions, including risk mitigation, such that the University would achieve a coherent budget, five year forecast and wider strategy to support the achievement of strategic objectives in an increasingly complex and challenging operating environment.

6. 2023-24 Budgets and Financial Forecasts

- 6.1 Council considered and approved the 2023/24 budget, excluding further strategic investment, as recommended by the Council Finance Committee and noted a related report setting out the forecast 2022/23 outturn and plans to bring the financial forecasts for 2024/25 to Council in July. While accepting the need to give budget holders a degree of certainty in advance of the new academic year and therefore accepting the relatively small operating surplus, Finance Committee had also provided a strong steer to avoid a deficit budget as a means to facilitate strategic investments. UEB was undertaking additional work to identify how this could be accommodated within the existing budget envelope and thereby maximise the University's ability to exploit opportunities. It was recognised that the purpose of strategic investment would be to advance the achievement of institutional objectives and, whilst this may also lead to increased income generation and/or efficiency savings, these were not the primary drivers.
- 6.2 Attention was drawn to the variances in the budget compared to those in the November 2022 OfS return and the removal of the high level adjustment applied in 2022/23. It was also noted that savings against core costs reflected the trend of actual performance being better than budget (see also Minute 5, above) and so reduced core expenditure budgets were achievable without reducing resource. Although the University's unrestricted reserves were increasing year on year, the recurrent nature of costs meant that it would not be prudent to adopt a deficit budget in order to avoid a recurrent forecasting challenge in future years. Any use of unrestricted reserves and/or a deficit budget would need to support non-

recurrent investment and be accompanied by a clear plan to return to surpluses in future years whilst also ensuring that the University remained compliant with covenants.

7. Faculty Structures

(Professor Blom in attendance for this item)

- 7.1 Council considered proposed changes to the structure of the Faculty of Medicine, Dentistry and Health and related changes to nomenclature and the University Regulations, on the recommendation of Senate, which had supported the proposals at its previous meeting (see also Minute 13, below). Having received a detailed presentation in the pre-Council Information briefing session about the Faculty's academic successes, challenges and opportunities, Council noted that the Faculty's current structure was reflective of organic growth over time and was anomalous when viewed against equivalent faculties in comparable institutions. Furthermore, this created inconsistencies with the One University pillar of the University Vision. The current structure adversely affected external perceptions of the Faculty's offer and the proposed changes provided scope to significantly enhance performance relative to the Faculty's peers.
- 7.2 Attention was drawn to the extensive process of staff engagement throughout the development of the proposed structures and the substantial range of benefits that would be delivered, in addition to addressing a number of issues raised through the recent staff survey. It was noted that students had also been involved in these discussions, and the fact that the need for change had been recognised by the Faculty for a number of years but had been impossible to take forward as a result of the impact of the Covid pandemic on the Faculty's activities. Council also noted that no redundancies were expected as a result of the changes, although a small consultation would be required to ensure that existing department managers were placed appropriately in the new structure.
- 7.3 Following discussion, Council approved:
- 7.3.1 A proposed new structure for the Faculty of Medicine, Dentistry and Health, comprising of: School of Medicine and Population Health, including the Divisions of Clinical Medicine, Neuroscience, and Population Health; School of Clinical Dentistry; School of Allied Health Professions, Nursing and Midwifery.
- 7.3.2 A change of the Faculty's name from the Faculty of Medicine, Dentistry and Health to the Faculty of Health; with effect from 1 August 2023.
- 7.3.3 The amendment of Regulation IX (2.1.6) relating to the composition of Senate, to reflect the new Faculty structure, as set out in Appendix A to the related paper, with effect from 1 August 2023.

8. University Vision: Annual Update on Innovation

(A Carlile in attendance for this item)

- 8.1 Council received a presentation on the University's performance against the Innovation corporate KPIs and the Innovation Strategic Delivery Plan, following the annual performance update report that Council considered in October and equivalent detailed discussion of the other three Pillars. It was noted that activities in this area were at varying

stages of progress as the University transitioned to a new model of executive leadership and pending the recruitment of two new Vice-President roles.

8.2 Attention was drawn to: key priorities and an explanation of “Impact” in this context; an overview of the Knowledge Exchange Framework, the University’s relative performance and how activity was supported internally; commercialisation and intellectual property; a summary of the Advanced Manufacturing Group’s centres and structures, members, estates footprint, finances, industry links and key opportunities; and regional engagement and key partnerships, priorities and opportunities.

8.3 In particular, Council noted:

- i) Impact: Growing and strengthening impact was a key priority, including improving colleagues’ collective understanding of what this meant for different staff groups and disciplines and the associated institutional priorities. A new strategy was in development for launch in the summer of 2023 whilst the University continued to strengthen its support for commercialisation activities.
- ii) Knowledge Exchange and the KEF: Members noted the breadth of activities encompassed in this strand and the University’s high level of success in the KEF itself, as well as receiving clarification about the KEF methodology and the approach to benchmarking and normalisation of individual institutions’ performance. A key area of focus was on translating the University’s strong record of forging and developing external engagement and collaboration into increased income. Although institutional performance was less strong in relation to CPD and graduate start-ups, those universities which did perform well in this area devoted significant resource. However, the University recognised the connection between supporting graduate start-ups and commercialisation, which was also relevant to employability, and was actively exploring with the Students’ Union how to ensure student access to the appropriate support. More broadly, a newly constituted Partnerships and KE Service was being established under the auspices of the Professional Services Effectiveness programme to further strengthen support in this area. Clarification was provided about the means by which the University was able to protect its IP, with a new IP Policy having been approved by Senate in December 2022.
- iii) IP Commercialisation: Attention was drawn to the step change in creation of University spin-out companies and the additional resource being applied to support these initiatives. The significant successes that had been achieved to date left the University well placed to maximise the further opportunities that were known or which were expected to arise in future. In this respect, Council noted the success of Northern Gritstone in attracting and providing investment. The importance of the University’s IPDAC fund to support the initial development and start-up of spin-out companies was also recognised. It was pleasing to note that the University was on track to achieve its ambition to be one of the best universities in the country for IP-commercialisation and to ensure that the city, and wider region, benefited from those successes. However, it was noted that a significant proportion of existing IP income currently derived from a single source and so it was essential that the University diversified, as well as increased, this income stream.
- iv) Advanced Manufacturing Group: Attention was drawn to the significant scale of the High Value Manufacturing Catapult, of which both AMRC and NAMRC were a part, as

well as the overarching purpose of the centres, an overview of their approach and the funding model, and related opportunities and priorities. Council also noted an overview of the AMRC's research strategy by which it sought to bridge the gap between academic research and industrial application. Across a range of sectors, the AMG had identified and was seeking to exploit a number of major opportunities, with the GTIMC adding further value to the University's innovation activities, including through spin-out companies.

- v) South Yorkshire: Council noted an overview of the University's major contributions to the city of Sheffield and wider region, particularly the Made Together programme. This had been developed with regional partners as a major regeneration initiative and encompassed the University's role as an anchor institution. Attention was drawn to the principal and cross-cutting themes of the programme and the close collaboration with the SYMCA and four local authorities. More broadly, Members noted the sizeable funding and in-kind contributions which the University had helped to attract and the major opportunities presented in relation to the University of Sheffield Innovation District following South Yorkshire's selection for an Investment Zone. It was noted that the development of USID was intended both to optimise areas of research strength in support of strategic objectives and to meet demand for increased innovation space in the short-term so that spin-out companies remained based in the region.

9. Capital Report

- 9.1 Council received and noted an update on the progress of projects in the capital programme, including certain projects recently considered and approved by ECSG, UEB and Finance Committee in accordance with the Council Scheme of Delegation, capital cash profiling, and the status of current capital projects. It was noted that ongoing work in relation to accommodating the expansion of Computer Science may lead to revised proposals in due course. Attention was drawn to the relatively large underspend on the capital budget as at December 2022 and the challenging forecast for the remainder of the year, which was largely due to the phasing of projects.
- 9.2 It was also reported that consideration would be given to streamlining the content and revising the format of the report to aid Council's understanding of priority areas.

10. Corporate Risk Register

- 10.1 Council considered and approved the latest version of the 2022-23 Corporate Risk Register, noting an accompanying report from the UEB Risk Review Group, all of which had also been discussed by UEB and Council's Audit & Risk Assurance Committee. Attention was drawn to the Risk Review Group's analysis of a mapping of the corporate risks to the UEB business cycle, to ensure that coverage was adequate, and key updates and amendments to the corporate risks and direction of travel. It was suggested that the direction of travel for cyber security should be at least stable, to reflect the significance of cyber threats, and it was agreed that further consideration would be given to the possibility of the Council Audit & Risk Assurance Committee undertaking periodic deep dive reviews into specific risks, in order to strengthen its assurances to Council over the mitigating actions. The matter would be considered by the Deputy Vice-Chancellor and Chair of Audit & Risks Assurance Committee.

11. Minutes of the Previous Meeting

11.1 The Minutes were approved as an accurate record.

12. Action Log and Matters Arising on the Minutes

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

13. Minutes of the Senate

13.1 Council noted the Minutes, including the recommendation in relation to Faculty structures (covered under Minute 7, above) and approved the University's Degree Outcomes Statement.

14. Minutes of the Finance Committee

14.1 Council received and noted the Minutes of the Committee's February 2023 meeting.

15. Minutes of the Audit and Risk Assurance Committee

15.1 Council received and noted the Minutes of the Committee's January 2023 meeting.

16. Minutes of the Equality, Diversity and Inclusion Committee

16.1 Council noted the Minutes of the Committee's October 2022 meeting.

17. Report of the Honorary Degrees Committee

17.1 Council noted the Report of the Committee's March 2023 meeting.

18. Office for Students Update and Conditions Compliance Register

18.1 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.

19. Report on Action Taken

19.1 Council received and endorsed a report setting out action taken on behalf of Council since the previous meeting.

20. Council Business Plan 2022-23

20.1 Council received and noted the business plan, which would be updated regularly to inform future agenda planning.

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 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.

23. Any Other Business

23.1 Council Away Day: It was reported that the Council Away Day had been postponed from June to October, in order for new members to participate. Subject to availability, this would take place around the Council meeting that was scheduled for 5 October and further details would follow in due course.

23.2 Varsity 2023: Council congratulated the University's sports teams on winning the 2023 trophy.

24. Feedback on the Meeting

24.1 Members commended the accurate allocation of time to respective items and meeting management.