

BOARD OF GOVERNORS

Minutes of the meeting held on Wednesday 13 June 2018

Present:

Mr N MacDonald, Chair	Mr L Renwick
Prof J Bale	Mr D Silver
Mr D Bye	Mr K Taylor
Sir Prof C Husbands	Dr S Timothy
Dr P Jones	Ms P Thompson
Prof C Kinsella	Prof P Wiles
Dr J Morrissy	Mr M Conway, University Secretary and Clerk to the Board
Prof J Patnick	

Apologies for absence from Mr D Bradley, Ms K Finlayson, Mr C Kenny, Lord Kerlake and Ms M Munn

In attendance:**For items**

Mr R Calvert, Chief Operating Officer	
Prof R Eccleston, PVC Research and Global Engagement	
Ms D Harry, Chief Finance and Planning Officer	
Dr S Jackson, Director of HR and Organisational Development	
Prof K Kerrigan, PVC Sheffield Business School	
Prof A Metcalfe, PVC Faculty of Health and Wellbeing	
Ms N Mowlana, Welfare and Community Officer Elect, Students' Union	
Mr A Okud, President Elect, Students' Union	
Ms N Rawlins, Director of Student Recruitment and UK Admissions	8.6
Ms L Stevenson, Head of Rewards and Benefits	7.1
Mr M Swales, Director of Estates and Facilities	
Ms T Goodwill, Governance Services, Minute Secretary	

Paper reference

Minute reference

BG/18/48

Chair's Opening remarks

48.1

On behalf of the Board the Chair:

- i) congratulated:
 - a) the Vice-Chancellor who had been awarded a knighthood in the Queen's birthday honours list for his services to higher education;
 - b) Professors Laura Serrant and Sam Twiselton who received an OBE for services to health and education respectively.
- ii) welcomed each of the following to the meeting:
 - c) Abdullah Okud and Nabeela Mowlana (observers);
 - d) Alison Metcalfe, PVC Health and Wellbeing who joined the University in April 2018;
 - e) Chris Wigginton, Acting Dean, Faculty of Development and Society.

BG/18/49

Re-appointment of the Chair of the Board

49.1

The Board resolved to approve the re-appointment of Lord Kerlake, as Chair of the Board for a further three years from 1 August 2018 until 31 July 2021. The Chair of the Board was ex-officio Chair of the Nominations Committee and a member of the

Remuneration Committee.

BG/18/50	Declaration of Interests
50.1	There were no declarations of interest.
BG/2/18/M BG/2/18/MC	<p>BG/18/51 Minutes of the meeting held on 6 March 2018</p> <p>51.1 The minutes and the confidential minutes were each <u>approved</u> as a correct record.</p>
BG/2/18/action	<p>BG/18/52 Action Tracker</p> <p>52.1 The Board <u>noted</u> the action tracker.</p> <p>BG/18/53 Matters Arising: Minute 18/47.2 Committee of University Chairs' (CUC) Higher Education Senior Staff Remuneration Code.</p> <p>53.1 The changes to the constitution and membership of the Remuneration Committee (RC) approved by the Board in January 2018 (minute BG/18/23 refers) were implemented ahead of the adoption of further changes that would follow the publication, on 6 June 2018, of the Committee of University Chairs' (CUC) Higher Education Senior Staff Remuneration Code.</p> <p>53.2 The Vice-Chancellor was no longer a member of the RC. In response to questions it was clarified that as stated in the Code, the Head of the Institution (HoI) may be invited to attend RC meetings but must not be present for discussions affecting him or her. Where the RC was responsible for senior staff pay the HoI would be present at meetings to discuss these staff and ensure that the RC decisions were well informed.</p> <p>53.3 Related to the implementation of the Code was guidance on annual returns for the financial year ending on 31 July 2018 which was expected from the Office for Students (OfS). Subsequent to the meeting, on 19 June 2018, the OfS published <i>Regulatory Advice 9: Accounts direction. Guidance on preparing and publishing financial statements.</i></p> <p>53.4 Subsequent to the Board meeting the Code was circulated to governors. The Board and the RC would discuss a report on the adoption of the Code at meetings on 24 July 2018. The Audit and Risk Committee would receive a report on the implementation of the Code at its meeting in September 2018.</p> <p style="padding-left: 40px;">Action: Clerk to the Board of Governors</p>
BG/18/54	<p>Matters Arising: Minute 17/101.2iv Risk Management report from the Chair of the Audit and Risk Committee (ARC)</p> <p>54.1 The Chair of the ARC reported that at its meeting in June 2018 the ARC had:</p> <p style="padding-left: 40px;">i) received a report on risk management and a presentation on the developing approach to risk management which</p>

reported:

- a) on the work ongoing to standardise risk reporting and action to be taken to develop risk registers for each of the University's four strategic Pillar Boards;
 - b) on the management of the risks which was allocated across the four Boards;
 - c) on the clear remit of the four Boards and the stability of their memberships, including continuity of chairmanship, which meant that senior management changes had not had a significant impact on the risk environment;
 - d) that all change projects were aligned to a strategic Board which meant that all risks should be addressed appropriately;
- ii) considered a proposed new regulatory and compliance risk which had been drafted following a recommendation made by KPMG in the privacy diagnostic audit report. Further work would be undertaken to separate out the risk associated with the establishment of the Office for Students and its registration and on-going operating conditions. The Board would receive a report on the University's registration with the OfS later in the meeting (Minute BG/18/60 refers);
 - iii) had a deep dive discussion on the teaching quality risk with the Provost and Head of Academic Quality and Standards. Areas highlighted included the portfolio review, employability and the National Student Survey.

BG/18/55 Other Urgent Business

55.1 There was no other urgent business.

BG/3/18/7.1
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BG/18/56 Voluntary Living Wage

56.1 The Board received the report which outlined the options available to the University in relation to the Voluntary Living Wage (VLW). Although not mandatory there was a strong case for adopting the VLW to ensure that the University was treating staff fairly. The approach recommended in the report reflected the arguments in favour of paying the VLW and the costs and risks for the University which had been discussed by the Finance and Employment Committee at its meeting in May 2018.

56.2 In response to comments from members of the Board the discussion covered:

- i) the decision not to adopt VLW rates for casual workers. It was reported that the decision was taken following legal advice, consideration of the University's financial operating environment and the impact on budgets in some areas of the University which offer work to the University's students. Further analysis would be carried out and the decision in relation to casual workers would be kept under review. The distinction between casual workers and staff on zero hours contracts was explained;
- ii) the University's gender pay gap, which the Board had discussed in March 2018 (minute BG/18/32 refers), and the small, but positive improvement, which implementation of the VLW would create;

- iii) future reporting on VLW which in addition to staff numbers should include the number of students who work at the University whilst studying.

- 56.3 The Board resolved to endorse the decisions made by the Finance and Employment Committee at its meeting in May 2018 which, in summary, were that the University:
- i) tracks the VLW through the payment of a living wage supplement to all employees on grades 2 and 3 who are currently paid below VLW rates;
 - ii) should pay a living wage supplement to all employees in training roles;
 - iii) should not at this stage adopt VLW rates for casual workers but keep this decision under review and undertake further analysis of the likely impact;
 - iv) removes spinal point 2 from the pay and grading structure as a consequence of the decision in (i) above.

- 56.4 The University would review its approach in November each year when the new VLW rate was announced, along with the National Minimum Wage and National Living Wage which would apply from the following April. Review at this point would enable the University to make an informed decision about continuing to track the VLW.

BG/3/18/7.2 BG/18/57 **The Hallam Deal**

- 57.1 Building a Great University (BaGU) was one of the four pillars of the University Strategy, Transforming Lives. Within the remit of BaGU the Hallam Deal, which was launched to academic and professional services staff in autumn 2017, was one of the immediate priorities which underpinned the delivery of the Strategy. The Board received a presentation from the Director of Human Resources and Organisational Development (HROD) on the Hallam Deal which, across five main areas, set out the University's commitment to staff and what it expected in return. The work planned, implemented and still to be delivered in each of the areas was reviewed. Looking ahead, the implementation of the Hallam Deal would require change in culture, communications with staff to be clear and concise, discussions between management, staff and trades unions which would be challenging, a balanced approach to competing priorities, decisions to be informed by financial and qualitative considerations and the pace of progress to be maintained.

- 57.2 Members of the Board commented:
- i) that they welcomed the presentation which reported on the positive aspects of the work implemented but also openly shared the challenges of the work still to be delivered;
 - ii) on the development of staff talent and how a development programme for leaders of the future could work based on individuals' knowledge of approaches by other institutions;
 - iii) on organisational culture, behaviours and values. Governors would be interested to hear where their experience and expertise might be used by the University;
 - iv) that they would welcome a meeting with the Director of HROD to discuss the Hallam Deal from the perspective of

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academic staff and for the activities which were framed within the scope of the Hallam Deal to be clarified;

- v) that an executive summary with the Hallam Deal information circulated prior to the meeting would have been helpful;
- vi) on how critical the role of staff was in the delivery of the Hallam Deal to underpin the delivery of the ambitious University Strategy in the context of the continuing uncertainties and challenges in the University's operating environment.

57.2 A progress report on the implementation of the Hallam Deal would be made to the Board in 2018/19.

Action: Director of HROD

BG/18/58 **Research and Knowledge Exchange – The Creating Knowledge Implementation Plan (CKIP)**

58.1 Creating Knowledge was one of the four pillars of the University Strategy, Transforming Lives. The Board received a presentation from the Pro Vice-Chancellor (Research) on the delivery of the Creating Knowledge agenda by the University, including research strategy, innovation and consultancy, the quality of the University's research performance and its national ranking based on research grant and contract income. Delivery was challenging in the context of the social, political, constitutional and economic uncertainties in the University's regional, national and international operating environments which continued to be reframed following the United Kingdom's decision in 2016 to leave the European Union.

58.2 Members of the Board commented:

- i) on the significance of the Creating Knowledge pillar for the delivery of the University Strategy. Governors welcomed the illustrations and celebration of the University's achievements in the presentation;
- ii) that although not straightforward given the regional, national and international operating contexts, opportunities to lobby key individuals and organisations, including UK Research Innovation, to influence the national strategic agenda and highlight the contribution being made by the University, should be explored and taken;
- iii) on the University's approach to bids for research grant and contract income which they considered was appropriate;
- iv) on the approach to growing research income, including opportunities for collaborative bids, and unfunded research;
- v) on the earlier discussion about the Hallam Deal which included the academic careers framework. The relationship between this framework for the development of academic staff and the approach to opportunities for academics to carry out research were outlined:
- vi) that they were pleased to see the link between research and teaching;
- vii) the approach to staff time to support the University's targeted approach to increasing research and knowledge exchange income, which was one of the goals of the CKIP;

viii) on the research in Sheffield Business School which was impressive and the approach to its promotion which had been covered in a governor's visit to the Business School.

BG/3/18/8.1

BG/18/59

Vice-Chancellor's report

59.1

The Board received the report and the Vice-Chancellor highlighted the significant developments for the University since his report to the Board in March 2018.

59.2

Promoting inclusivity and equality in our community

Following the University's recent press releases in connection with alleged racist incidents, a continuing key priority for the University and the Students' Union was a programme of measures to raise awareness of and promote welcoming and respectful behaviour. The programme built on the many initiatives and training and resources already in place for University students, staff and partners to raise awareness of the issues of racism and promote inclusivity and equality in our community.

59.3

Governors congratulated the University on its improved ranking in the Guardian 2019 league table.

BG/3/18/8.2

BG/18/60

Office for Students - registration process

60.1

The Board received the report on the University's application for registration with the Office for Students (OfS) which was submitted in May 2018. A response from the OfS was expected in September 2018 and a report would be made to the Board at its meeting in October 2018.

Action: Clerk to the Board

60.2

Members of the Board commented:

- i) that they welcomed the 2018/19 access and participation plan which was ambitious;
- ii) that the report, supported by analysis, gave an overview of how the University was doing;
- iii) on the investment (page 70) planned for 2018/19. It was suggested that a comparison with other institutions' investment would be useful;
- iv) on the provision of information to students (page 71). It was suggested that other known costs, in addition to tuition fees, should be provided by the University in its information for prospective students.

BG/3/18/8.3

BG/18/61

President of the Students' Union Report

61.1

The Board received the report. The President highlighted the activities carried out by the Sheffield Hallam Students' Union (SHSU) including those of its elected officers. Governors congratulated the SHSU on its performance at Varsity 2018 and work to achieve the target for students involved in volunteering which was set by SHSU Board of Trustees.

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- 61.2 The University Secretary reported that he had received a report on the SHSU elections held in Spring 2018 from the Returning Officer and was satisfied that the elections were conducted fairly and properly.
- 61.3 **Students' Union - Financial Monitoring**
- The Board received a financial monitoring report and a minute confidential to the Board was recorded.
- BG/18/62 **Delivering the University Strategy in the Faculty of Development and Society**
- 62.1 The Board received a presentation on the delivery of the University Strategy, Transforming Lives, in the Faculty of Development and Society. The size and shape of the Faculty and its strengths, weaknesses, opportunities and threats were summarised. In response to a question the Faculty's work to address weaknesses was outlined.
- BG/3/18/8.5 BG/18/63 **University Performance Report: data to end of April 2018 (period 9)**
- 63.1 The Board received the report. The Chief Finance and Planning Officer highlighted:
- i) the forecast operating surplus for 2017/18 which was favourable to budget. The funding of phase 1 of the Campus Masterplan would have limited impact on the 2017/18 financial statements. The implications of the Masterplan for the 2018/19 budget and financial forecasts, which would be submitted to the Office for Students following the July 2018 meetings of the Finance and Employment Committee and the Board, were being considered;
 - ii) the undergraduate and overseas student applications which would be discussed by the Board under the student recruitment item;
 - iii) that the Board would receive a report on the Destination of Leavers from Higher Education at its meeting in July 2018;
 - iv) the new regulatory and compliance risk which would be included in future reports (minutes BG/18/54 and 60 refer).
- BG/3/18/8.6 BG/18/64 **Student Recruitment for 2017/18 and 2018/19**
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- 64.1 The Board received the report. The Director of Admissions and UK Student Recruitment reported that the challenges being experienced in the full-time undergraduate market due to the ongoing demographic dip and increased competition in markets for students generally had been anticipated and previously discussed with the Board. The Board noted the actions being taken (paragraphs 49-50) and the discussion covered the University's approach to:
- i) mitigating student recruitment risk. The analysis and use of sector intelligence was informing the actions;
 - ii) entry requirements, tactics by competitors and student behaviour;
 - iii) offer conversions which remained key to recruitment

		success;
		iv) areas of concern in the portfolio and areas which had seen improvement or had maintained their position relative to that reported to the Board in January 2018;
		v) Clearing in summer 2018 and how it had changed over recent years;
		vi) extended degree provision;
		vii) applications for full-time postgraduate (home) taught courses;
		viii) challenges in the market for higher degree apprenticeships including employer demands and economic factors;
		ix) international student recruitment and the forecast for September 2018 entry.
	64.2	Governors had been invited to visit Clearing on Thursday 16 August 2018.
BG/3/18/8.8	BG/18/65	Appointment of External Auditors
	65.1	The Board <u>resolved to approve</u> the re-appointment of Grant Thornton as external auditors for the audit of the financial statements for the year ended 31 July 2018 onwards for a further two years, subject to annual performance assessment by the Audit and Risk Committee.
BG/3/18/8.9	BG/18/66	Financial Regulations - amendments
	66.1	The Board <u>resolved to approve</u> the updated Financial Regulations as recommended by the Finance and Employment Committee.
BG/3/18/8.10 Confidential	BG/18/67	SHU Law Limited
	67.1	Following recommendations from the May 2018 meeting of the Finance and Employment Committee, the Board <u>resolved to approve</u> : (i) the signing of the letter of comfort, by the Chair, in respect of the ongoing funding of SHU Law to deliver educational activities on behalf of the University (appendix 1); and (ii) the revised composition of the Board of Directors of SHU Law (paragraph 17).
BG/3/18/8.11	BG/18/68	Banking Arrangements
	68.1	The Board <u>resolved to approve</u> that Santander Corporate and Commercial be appointed to act as our bankers for the Corporate Reward Current Account, Business Reserve Account, Corporate Bonus Accounts, Corporate Notice Account and/or the Time Deposit Account.
BG/3/18/9.2	BG/18/69	Academic Assurance Committee (AAC)
	69.1	The Board <u>resolved to</u> : i) <u>approve</u> the AAC revised terms of reference; ii) <u>delegate</u> authority to the AAC to invite external independent persons to provide expertise to the Committee when required.

BG/3/18/9.4
Confidential

BG/18/70

Appointments to the Board of Governors

- 70.1 The Board noted that the periods of office for the following student nominees would end in June 2018:
- i) Luke Renwick, President of the Students' Union who was a member of the Board and the Nominations Committee;
 - ii) Davey Silver, Students' Union, Education Officer who was a member of the Board and the Universities of Sheffield Military Education Committee.
- 70.2 The Board resolved to approve the appointment of the following student nominees to the Board of Governors for the period July 2018 to June 2019:
- i) Abdullah Okud, President Elect of the Students' Union;
 - ii) Nabeela Mowlana, Welfare and Community Officer Elect of the Students' Union.
- 70.3 The Board received the report that at its meeting in July 2018 the Nominations Committee would consider the next steps with regard to the Board vacancies for external members and also the turnover of members on the Board's committees.

BG/3/18/8.7
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BG/18/71

Estate Developments

- 71.1 The Board received the report which included a summary of estates major projects showing overall risk status (appendix 1) and the estate capital plan schedule (appendix 2). The Director of Estates and Facilities reported on the progress of the:
- i) Campus Masterplan: Owing to tight timescales a recommendation by the Infrastructure New Ventures and Investment Committee to the Finance and Employment Committee would be made to the Chair of the Committee to take Chair's action to release a proportion of the budget, approved by the Board of Governors, to finance the design of phase 1 of the Masterplan and the delivery of the decant space for the occupants of the Science Park;
 - ii) proposed Sheaf Street tower. Negotiations with the former owners of the Nelson Mandela building site on a way forward with the proposed tower development had taken place. Subsequent to the Board meeting a link to the proposal video on the internet was sent to members of the Board;
 - iii) new building for food engineering. Planning permission had been granted by Sheffield City Council. Work on the final costs was nearing completion.
 - iv) Advanced Wellbeing Research Centre (AWRC). Following approval from the Department of Health for the AWRC business case the funding agreement had been signed by the Vice-Chancellor. A request for additional funding would be made to the Vice-Chancellor, Chair of the Finance and Employment Committee and the Chair of the Board for approval prior to the Board's next meeting. The Board would receive a report on the Chair's action taken at its meeting in July 2018.

Action: Director of Estates and Facilities

BG/18/72 **Chairs' Report**

72.1 The Chair invited the Chairs of the committees of the Board to report on the business covered at their meetings. The Board received the reports in 72.2 to 72.5.

72.2 The Chair of the Audit and Risk Committee reported that

- i) At its meeting in March 2018 the Committee:
 - a) received KPMG's privacy diagnostic report which formed the first of a two part review of the University's work to ensure compliance with the General Data Protection Regulation (GDPR). The Committee was assured that the University had made a strong start in preparing for the implementation of GDPR and was operating at a comparable if not higher maturity level than other higher education institutions;
 - b) discussed the provision of internal audit services. A report on the tender process including a recommendation for the appointment of internal auditors would be made to the July 2018 Board meeting.
- ii) At its meeting in June 2018 the Committee:
 - c) considered KPMG's report on Devolved Governance and Decision Making Follow Up Review. Subsequent to the Board meeting the report was circulated to the Board;
 - d) received Grant Thornton's external audit plan for year ended 31 July 2018. The approach to assessing the University's ability to operate as a going concern would be reviewed as part of the year end process.

72.3 The Chair of the Finance and Employment Committee reported that the unconfirmed minutes of the meeting held in May 2018 and business from that meeting were on the Board's agenda.

72.4 **First meeting of the Board's task and finish group:
Financing the Campus Masterplan**

The Board's task and finish group had been established to progress the funding options available to the University in delivering phase 1 of the Campus Masterplan. At its first meeting in May 2018 the Group had:

- i) discussed a report which set out the current situation in relation to the capital funding arrangements of the University and the options for funding in the future;
- ii) appointed financial advisers to the University.

72.5 The overall purpose of the Academic Assurance Committee (AAC) was to provide the Board of Governors with independent assurance as to the quality and standards of the University's academic provision (i.e. taught and research degree). The Chair of the AAC reported that at its meeting in May 2018 the Committee had discussed the:

- i) Annual Quality Review (AQR) 2017 Action Plan and the draft plan for 2018. The significant shift involved in moving the unit of learning from the module to the course sat behind many of the actions and members of the Board commented on the significance of this for the delivery of the

University Strategy. A report would be made to the Board.

Action: Provost

- ii) best way to receive the student view on the quality of teaching, including the annual Student Voice report, so that following consideration of the information the AAC could assure the Board. The Chair would discuss the matter with the Officers in the Students' Union including the timely issue of the Student Voice report to the AAC before it was recommended to the Board.

BG/18/73 **The Chancellor**

- 73.1 The Board received the report that:
- i) Baroness Kennedy's appointment for an initial period of four years would be from 26 July 2018 to 31 July 2022;
 - ii) Professor the Lord Winston's period of office as Chancellor would end on 26 July 2018;
 - iii) the University would mark the retirement of Lord Winston and the appointment of Baroness Kennedy in a ceremony to be held on 26 July 2018.

BG/3/18/9.5i
BG/3/18/9.5ii

BG/18/74 **Minutes of the Committees of the Board**

- 74.1 The Board received the:
- i) confirmed minutes of the Audit and Risk Committee meeting held on 15 March 2018;
 - ii) unconfirmed minutes of the Finance and Employment Committee meeting held on 23 May 2018 which were tabled.

BG/3/18/9.6

BG/18/75 **Minutes of the Equality and Diversity Committee**

- 75.1 The Board received the unconfirmed minutes of the Equality and Diversity Committee meeting held on 23 April 2018.

BG/3/18/10

BG/18/76 **Schedule of Meetings and Outline Forward Planning Programme**

- 76.1 The Board received the forward planning programme and noted that the next Board meeting would be held on Tuesday 24 July 2018.

76.2 **Events to be arranged for the Board**

A timed programme for the University to provide update and development events to the Board was tabled. The events, which would be arranged to be held on the same dates as scheduled Board meetings, would provide time, prior to the meeting, for:

- i) briefings for governors on issues of relevance to the Board's responsibilities and decision making;
- ii) a visit to a faculty in which the work of the faculty would be showcased;
- iii) roundtable discussions for governors with:
 - a) students;
 - b) academic staff;

c) professional services staff.

BG/18/77 **Chair's Closing Remarks**

77.1 On behalf of the Board the Chair thanked Luke Renwick (President of the Students' Union) and Davey Silver (Education Officer) for their service to the Students' Union and the Board of Governors.