

BOARD OF GOVERNORS

Minutes of the meeting held on Friday 5 October 2018

Present:

Lord Kerslake, Chair	Ms M Munn
Mr D Bradley	Prof J Patnick
Mr D Bye	Mr A Okud
Ms K Finlayson	Mr K Taylor
Prof Sir C Husbands	Dr S Timothy
Prof C Kinsella	Prof P Wiles
Mr N MacDonald	Mr M Conway, University Secretary and Clerk to the Board
Ms N Mowlana	

Apologies for absence from Prof J Bale, Dr P Jones, Mr C Kenny, Ms P Thompson and Dr J Morrissy

In attendance**For item**

Mr R Calvert, Chief Operating Officer
 Prof R Eccleston, PVC Research and Global Engagement
 Prof S Hagen, Interim PVC Science, Technology and Arts
 Ms D Harry, Chief Finance and Planning Officer
 Prof C Hughes, Provost
 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
 Prof C Wigginton, PVC Faculty of Social Sciences and Humanities
 Ms N Rawlins, Director of Student Recruitment and UK Admissions 8.2
 Mr M Swales, Director of Estates and Facilities
 Ms T Goodwill, Governance Services, Minute Secretary

Paper reference

Minute reference

BG/5/18/1
Tabled

BG/18/101

Election of a Deputy Chair of the Board of Governors

101.1

The Board:

- i) resolved to appoint Meg Munn to the role of Deputy Chair, from 5 October 2018 until the first meeting of the Board in autumn 2019;
- ii) resolved to approve the amendment to the responsibilities of the Deputy Chair so that item 5iv reads: To act as Chair of the Remuneration Committee, *ex officio*;
- iii) noted that the approved change to 5iv would inform the review of the Articles of Government by the Board Effectiveness Working Group (BEWG). The Board would receive progress reports and consider other recommendations from the BEWG in 2018/19 (minute BG/18/96 refers).

Action: Clerk to the Board and the BEWG

BG/18/102

Report from the Chair of the Remuneration Committee following the September 2018 meeting

102.1

The Committee of University Chairs' Higher Education Senior

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Staff Remuneration Code had been published. The Chair of the Remuneration Committee explained the reasons for the recommended changes to the Committee's terms of reference and membership which followed the Board's formal adoption of the Code (minute BG/18/94 refers).

BG/5/18/10.2ii 102.2

The Board received the report and discussed the approach to the reform of the Remuneration Committee including the:

- i) regulator's accounts direction in connection with severance arrangements and the content of the University's annual report and financial statements (ARFS) which would be published for the year ended 31 July 2018. For the first time the ARFS would include the annual report of the Remuneration Committee;
- ii) approach to severance arrangements which required the Remuneration Committee to make recommendations to the Board for approval. The reasons for severance and an individual's severance arrangements would be recorded in the minutes of meetings. Members of the Board commented on the approach previously to reporting severance arrangements to the Board and asked that prior to any future Board decisions they be given time to consider the severance arrangements recommended by the Committee. Given that minutes and supporting documents containing such personal data were confidential, the Committee would advise on how best to meet the Board's reporting needs including the mechanism by which confidential documents would be made available to members of the Board;
- iii) offer of reward and remuneration to staff in posts which were Board appointments and the content of the financial statements in connection with them. It was confirmed that individuals' decisions to waive an offer by the Committee would be reported in the financial statements.

Action: Chair of the Remuneration Committee and Clerk to the Board

102.3

The Board resolved to approve changes to the terms of reference and membership of the Remuneration Committee with effect from 5 October 2018.

BG/5/18/10.2iii 102.4

Annual Report of the Remuneration Committee: for publication

The Board resolved to approve the 2017/18 annual report of the Remuneration Committee for publication in the ARFS subject to the addition of the content highlighted in the report and the approved terms of reference and membership replacing the text in the draft report.

Action: Chair of the Remuneration Committee and Clerk to the Board

BG/5/18/10.3 Confidential Remuneration Committee content	BG/18/103 103.1	<p>Annual Review of Effectiveness and annual reports of the Committees for 2017/18</p> <p>The Board:</p> <ul style="list-style-type: none"> i) <u>received</u> the annual reports from the Finance and Employment Committee, Nominations Committee and Remuneration Committee following the committees' annual reviews of effectiveness and discussion of the draft annual reports; ii) <u>noted</u> that the annual reports of the Academic Assurance Committee (AAC) for its first year of operation and the Audit and Risk Committee (ARC) would be received by the Board at its meeting in November 2018. <p>Action: Clerk to the Board and Chairs of the AAC and ARC.</p>
	BG/18/104 104.1	<p>University Leadership Team</p> <p>The Vice-Chancellor and members of the University Leadership Team joined the meeting.</p>
	BG/18/105 105.1	<p>Declaration of Interests</p> <p>There were no declarations of interest.</p>
BG/4/18/M	BG/18/106 106.1	<p>Minutes of the meeting held on 24 July 2018</p> <p>The minutes were <u>approved</u> as a correct record.</p>
BG/4/18/action	BG/18/107 107.1 107.2	<p>Matters Arising/Action Tracker</p> <p>The Board <u>noted</u> the action tracker.</p> <p>Matters Arising: Minute 18/60 Office for Students (OfS) initial conditions of registration and general ongoing conditions of registration</p> <p>The OfS regulatory framework would come into force in August 2019. The University Secretary reported that following the University's application for registration which had been made to the OfS in May 2018:</p> <ul style="list-style-type: none"> i) the University had met the initial conditions of registration and was on the OfS' published register as an existing provider of higher education for students starting to choose a course and a provider for study from the beginning of the 2019/20 academic year; ii) a report on the OfS' general ongoing conditions of registration which a provider must satisfy after it has joined the register in order to maintain its registered status would be made to the Board. <p>Action: Clerk to the Board</p>

107.3 **Matters Arising: Minute 18/89.1iv A briefing note on the National Collaborative Outreach Programme (NCOP)**

A briefing note on the performance of the NCOP against its aims had been created from information provided to the Office for Students in the University's monitoring return submitted in July 2018. The note had been posted on the governors extranet.

BG/5/18/6

BG/18/108 **Responsibilities and operation of the Board**

108.1

The Board:

i) received the Standing Orders, Statement of Primary Responsibilities and Scheme of Delegation which recorded its responsibilities and operation. The Clerk to the Board reported that outcomes from an autumn 2018 review of strategy management and governance arrangements, which was commissioned by the University Leadership Team, and an earlier review of devolved governance by the internal auditors, would inform updates to the Pillar Boards and academic governance sections of the Scheme of Delegation. The updated Scheme would be posted on the governors' extranet;

Action: Clerk to the Board

ii) noted the proposed timeline for the review of the three documents following the reform of the Instrument and Articles of Government under the oversight of the Board Effectiveness Working Group (BEWG). The Clerk to the Board reported that proposed reforms to the University's constitutional documents were being discussed with legal advisors and further work was ongoing in the context of guidance on the regulation and funding of higher education providers following the Higher Education and Research Act 2017. The work which included the update of terms and descriptions used in the documents would be progressed in 2019.

iii) received the report that in addition to the three documents mentioned in (i) above the procedures for the appointment of members of the Board of Governors and its committees would be revised following reform of the University's constitutional documents.

Action: Clerk to the Board

108.2

On behalf of the Board the Chair thanked the Clerk to the Board for his work to progress the reform of the Instrument and Articles of Government and the related work on the documents which record the Board's responsibilities and operation.

BG/18/109

Other Urgent Business

109.1

There was no other urgent business.

BG/5/18/8.1 Confidential	BG/18/110 110.1	<p>Financial Monitoring: Provisional Outturn 2017/18</p> <p>The Board <u>received</u> the provisional outturn report for 2017/18 which had been received by the Finance and Employment Committee at its meeting in September 2018. The Chief Finance and Planning Officer reported that the report was subject to audit. The outturn outcomes were similar to the final forecast, there were some timing differences and the overall performance was reasonable. In response to a question the reasons for the favourable staff costs variance including the University's approach to cost management and recruitment to fill vacancies, were outlined.</p>
BG/5/18/8.2 Confidential	BG/18/111 111.1	<p>Student Recruitment for 2018/19</p> <p>At the October 2018 strategy event the Board had discussed the short and medium term strategic and financial challenges facing the University in its delivery of the Transforming Lives strategy. The Director of Student Recruitment and UK Admissions introduced the report on the University's performance against full-time undergraduate, postgraduate and international student recruitment targets in what was considered to be a challenging recruitment cycle for higher education providers. The Board <u>received</u> the report and discussed the University's approach to:</p> <ul style="list-style-type: none"> i) its stretching target for full-time undergraduate recruitment. The actions underway for 2019/20 entry (paragraphs 33 -39) covered student number planning, marketing and recruitment activity, entry requirements and making offers. There was a risk buffer in the full-time undergraduate student income forecast owing to the demographic fall in the number of 17 and 18 year olds; ii) Clearing in August 2018, including how the University's performance compared with that of competitors. Governors who had joined the tour of Clearing led by the Director of Admissions and UK Student Recruitment commented that the University's operations had been impressive; iii) variations in recruitment performance across the University's portfolio of subjects; iv) the higher degree apprenticeships market including the effects of HE sector policy on funding, income and quality assurance.
BG/5/18/8.3 Confidential	BG/18/112 112.1	<p>Campus Masterplan Phase 1: Funding</p> <p>At the October 2018 strategy event the Board had discussed the short and medium term strategic and financial challenges facing the University in its delivery of the Transforming Lives strategy. With reference to raising finance and what sort of finance for phase 1 of the Campus Masterplan (minutes BG/18/8 and 33 refer) the Chief Finance and Planning Officer had presented a detailed assessment of the financing options considered by the Board's task and finish Group since the July 2018 Board meeting (minute BG/18/87 refers). Potential financing options included a private placement, long term and short-term bank debt. The financial risks of each of the options, which had been assessed in the context of the University's operating and funding</p>

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environment and the existing loan arrangements with Barclays Bank, were highlighted. The pros and cons of each of the options and the quantitative and qualitative factors informing the partial refinance (bank loan) option agreed by the University Leadership Team (ULT) and recommended by the Board's task and finish Group were reviewed. The Chair of the Group had reported the outcomes of the Group's September meetings to the Board Officers and the Finance and Employment Committee (FEC) at meetings on 19 September 2018. The Board Officers and FEC supported the partial refinance (bank loan) option and direction of travel recommended to the Board to deliver phase 1.

112.2 In addition to the management of the financial challenges the successful delivery of phase 1 of the Masterplan was dependent on the management of timescales, design, organisation, sequence and phasing of proposed individual but interrelated estate projects. At the October 2018 strategy event the Director of Estates and Facilities had presented a summary to the Board of the Masterplan principles and the University's approach to the proposed phase 1 estate projects in the context of the long term vision for the estate.

112.3 The Board resolved to approve the:

- i) recommended route of 'Partial Refinancing - Bank Funding';
- ii) delegation of authority to the task and finish Group to negotiate terms and conditions with the existing and potential funders;
- iii) budget for phase 1 as detailed in the appendix noting that authorisation for spend would be made through project gateway approval by the FEC.

112.4 In due course and subject to the outcome of the negotiations with the existing and potential funders the Board would be asked to approve the formal offer including the Heads of Terms. The FEC and the Board would continue to receive progress reports from the Board's task and finish Group.

Action: Chair of the Board's task and finish Group and Chief Finance and Planning Officer

BG/5/18/9.1 BG/18/113 **President of the Students' Union Report**

113.1 The Board received the report on the progress that the Sheffield Hallam Students' Union was making in connection with its student opportunities and engagement. The President reviewed the priorities for 2018/19 including the five manifesto pledges. The events taking place as part of the 2018 Black History month and proposed events for 2019 were outlined.

113.2 Governors commented that the National Student Survey outcomes were a marked improvement. In response to a question an improvement in the footfall in the Students' Union building was reported.

BG/5/18/9.2 BG/18/114 **Estate Developments: Chair's Action** Confidential

114.1 The Board received the report and noted that Chair's Action had

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been taken by the Chair of the Board of Governors to approve the increase in funding for the National Centre of Excellence for Food Engineering project as recommended by the Vice-Chancellor and the Chair of the Finance and Employment Committee.

BG/5/18/9.3

BG/18/115

Health and Safety Update

115.1

The Board received and accepted the report on the action taken by the University to address the issues identified by the Health and Safety Executive (HSE) following its assessment of the University's compliance with the Ionising Radiations Regulations 2017. Subsequent to the Board meeting the HSE confirmed that it was satisfied with the action taken and that no further action was required by the University.

BG/18/116

Chairs' Reports

116.1

The Chair of the Board invited the Chairs of the committees of the Board to report on the business covered at their meetings. The Board received the reports in 116.2 to 116.4.

116.2

The Chair of the Finance and Employment Committee (FEC) reported that the business from the September 2018 meeting had been covered on the Board's agenda.

116.3

The unconfirmed minutes of the FEC meeting held in September 2018 would be received by the Board at its November 2018 meeting.

Action: Clerk to the Board

116.4

The Chair of the Audit and Risk Committee (ARC) reported that the unconfirmed minutes of the ARC meeting held in September 2018 were on the Board's agenda and that the ARC had:

- i) appointed Chris Kenny as the deputy chair of the Committee;
- ii) received a report that the University complied with the mandatory requirements and good practice set out in the Office for Students' Audit Code of Practice. The Board received the report (minute A/18/46 refers) that the liability of the supplier of the University's internal audit service had been restricted as permitted under the terms of the framework agreement used to procure the service.

BG/5/18/10.4i
BG/5/18/10.4iii

BG/18/117

Minutes of the Committees of the Board

117.1

The Board received the unconfirmed minutes of the:

- i) Academic Assurance Committee meeting held on 25 May 2018;
- ii) Audit and Risk Committee meeting held on 20 September 2018 which were tabled.

BG/18/118

Equality and Diversity Committee meeting held on 19 July 2018

118.1

The Board received a report on the work of the Equality and

Diversity Committee which included:

- i) monitoring progress of the equality objectives delivery plan;
- ii) the Equality Analysis Framework including due regard in decision making;
- iii) the University's commitment to the Race Equality Charter including its launch event in October 2018;
- iv) a programme of unconscious bias training.

BG/5/18/12
Confidential
Tabled

BG/18/119

Honorary Awards 2018

119.1

The Board received and accepted the tabled report which confirmed the recipients of Honorary Doctorates in 2018.

119.2

Improving the diversity of characteristics in the nominations to be made for Honorary Awards in 2019

It was noted that to improve the diversity of characteristics in its community of Honorary Doctors the University would encourage a wide range of nominations for 2019 from across the University community, including from faculties, the Sheffield Hallam Students' Union, members of staff and the Board of Governors. A call for nominations was made subsequent to the meeting.

BG/18/120

Purpose of the October 2018 strategy event

120.1

The purpose of the governors' 2018 strategy event was to:

- i) improve the Board's understanding of the wider context of the Higher Education sector;
- ii) understand the short and medium term strategic and financial challenges facing the University, with particular reference to the Campus Masterplan and the funding options available to the University in delivering it (minute BG/18/112 refers);
- iii) learn about the UPP Commission work on civic engagement, understand the potential and opportunities of the strategic partnership, and explore what successful strategy implementation would look like; and
- iv) formally confirm that the Transforming Lives Strategy which the University was following and implementing remained the right one.

120.2

October 2018 strategy event outcomes

The Chair reported that at the conclusion of the 2018 strategy event the Board confirmed that the Transforming Lives Strategy remained the right one. The Board would receive a report on the strategy event outcomes at its meeting in November 2018. The Board's forward programme of business would be updated with strategic topics for discussion at meetings in 2019.

Action: Clerk to the Board and ULT

BG/5/18/13

BG/18/121

Schedule of Meetings and Outline Forward Planning Programme

121.1

The Board received the forward planning programme and noted that the next Board meeting would be held from 4.00pm

until 7.00pm on Tuesday 27 November 2018.

121.2 **Update and development day: January 2019**

Governors were invited to let the Clerk know of any topics for the update and development day which would be held prior to the Board's meeting on Tuesday 29 January 2019.

Action: Clerk to the Board