



COUNCIL

**The 264th meeting of Council was held on Friday 8 July 2022
from 9am to 1pm in the Terrace Room, Bramber House**

MINUTES

Attendees:

In attendance:

PART 1 - PROCEDURAL MATTERS

1. Apologies for absence

1.1 Apologies were received from Aleema Shivji, Gerhard Wolf, Paul O'Prey.

2. Declarations of interest

2.1 No declarations were reported.

3. Minutes

3.1 The minutes of the meetings held on 1 April 2022 were approved as an accurate record.

3.2 The minutes of the meetings held on 6 May 2022 were approved as an accurate record.

4. Matters arising

4.1 No matters were raised, all actions were either on the agenda or not yet due.

5. Chair's Action and Report

5.1 It was reported that the Chair had not taken any action on behalf of Council since the last meeting.

6. Vice-Chancellor's Report

6.1 Council received a report from the Vice-Chancellor providing updates on matters arising since the May 2022 meeting and those not covered elsewhere on the July 2022 agenda. It also celebrated significant achievements and appointments.

6.2 Council had received a presentation on the recently published NSS results, although the University had gone up by 1% in overall satisfaction they were disappointing. The University had further work to do analysing the results and agreeing the next steps to improve the student experience.

- 6.3 Council also received a presentation on the Research Excellence Framework 2021 results; they were a great set of results for the university. The Vice Chancellor thanked everyone who worked hard to achieve the uplift in performance.
- 6.4 The University had been named best in the world for development studies for the sixth year running in the 2022 QS World University Rankings. The ranking was based on the assessment of the quality, impact and range of international development research and courses offered by the School of Global Studies, the University of Sussex Business School, Sussex Sustainability Research Programme (SSRP), School of Media, Arts and Humanities, Centre for International Education (CIE), and the campus partner organisation, Institute of Development Studies (IDS).
- 6.5 Other recent accolades for the university included the prestigious 2022 Times Higher Education (THE) World Impact Rankings which confirmed the university had risen to joint 37th globally for delivering on the United Nations' Sustainable Development Goals. Sussex scored highest for its performance in the category of Partnership for the Goals, which measured international partnerships and global sustainability activity, where the university scored 99.8 out of 100 placing us 3rd in the world.
- 6.6 The University had recently developed an agreement with UCU to end the current UCU disputes, including the marking and assessment boycott. 16 weeks of negotiations would now take place with six workstreams reviewing the range of requests made by the union. As part of this agreement a cost of living payment would be made to the majority of staff, with the lowest paid members of staff receiving the largest payment.
- 6.7 The Vice Chancellor provided updates on the five key strategic areas for 2021-22. There had been positive progress on the Governance Effectiveness Review and the Size and Shape Programme. There had been progress on Education and Research Investment Programme and improving the Student Experience, but there remained risks to the delivery which were being closely monitored and mitigated. Work to enhance the University community had progressed with the development and revision of the People and Inclusive Sussex strategies; this was a key priority for advancing this work, the strategies would now move into implementation.
- 6.8 The university was on track to meet its recruitment targets and exceed financial projections for the academic year. The recruitment data aligned with the patterns identified through Size and Shape.
- 6.9 The recent staff survey results were disappointing but leaders were now analysing results and creating action plans.
- 6.10 The new Student Centre had been opened for a soft launch, it had received overwhelmingly positive feedback and already had a high footfall.
- 6.11 There had been a change in Education and Universities Ministers which could change the direction of new higher education policy.

PART 2 - MATTERS FOR DISCUSSION AND/OR DECISION

7. Senate

- 7.1 Council received a report from Senate outlining the business discussed and approved at the Senate meeting on 15 June 2022. The report provided assurance on the University's ongoing compliance with quality and standard B conditions of registration with the Office for Students. It also confirmed the outcome of the Size and Shape working group which was established following a motion approved by Senate, the working group had reviewed the university's academic drivers and agreed the principles by which academic and research decisions would be made going forward.
- 7.2 Senate reviewed the projects within the first phrase of Education and Students Portfolio and Research and Enterprise Portfolio. The Education and Students Portfolio included the timetable review project which was looking at how the university's diverse module portfolio could be delivered within the estate structure; whilst also meeting the requests from the unions about staffing hours.
- 7.3 The university's force majeure regulations were extended to ensure the university could progress students outside of the committee infrastructure in a situation outside of the university's control; these regulations would be superseded by the new academic framework when it was introduced into 2024.
- 7.4 Senate received an update on the progress of the Halpin Senate Sub-Committee and School Board review, the aim of this work was to streamline the management of academic and research business as well as providing clarity on alignment between School governance and Senate Sub-Committee governance.
- 7.5 It was reported that the increase in academic appeals was been investigated, the number had increased from one school in particular, the review aimed to understand the trends. All cases had been followed up upon, assessed and supported.
- 7.6 Council thanked the reports from Senate and agreed it brought clarity on Senate's priorities and business.
- 7.7 Council noted the outcomes of the recent 2022 Senator elections.

8 Strategic Performance and Resources Committee

- 8.1 Council received a series of updates from the Chair of Strategic Performance and Resources Committee. The Committee had received a progress update on the revision of the People's Strategy and that the proposed strategy would be shared more widely with other stakeholders for engagement and feedback. The final iteration would be returned to SPRC and Council in November 2022. The Committee had reviewed the recent Staff Survey data, it had discussed its disappointment in the reduced engagement and lower results, there was a long way to travel to improve the University's culture. The HR dashboard was provided to the Committee for the first time, it was agreed it provided helpful contextual information about the challenges at the University.
- 8.2 The Committee received an update on progress of the Education and Research Investment Programme and the processes in place to monitor and mitigate the challenges around inflation and staffing capacity. Capital Programmes Committee was providing robust oversight of the progress and challenges, this revised governance approach mitigated the challenges seen on other significant projects.

- 8.3 The Committee recommended the recommended the Financial Monitoring 2021/22 and Budget 2022/23 to Council. Council noted that on the basis of assumptions set out in Appendix 1 of the report, the 2021/22 forecast surplus range was for an operating surplus before Education and Research Investment Programme (ERIP) between £15m and £24m with a mid-range assumption of £22m before ERIP and pension adjustments. The mid-range forecasts put the university in a good place to achieve the ERIP investment pool target of £200m to invest by 2025/26.
- 8.4 Council noted that the 2021/22 forecast Comprehensive Loss range of £41m to £50m loss, included a £60m charge on recognising the USS 2020 valuation. It also noted that under the assumptions referred to above, the University would not currently breach lenders' financial covenants in 2021/22 given the improved position in student numbers. Furthermore, there were no foreseen circumstances which would result in the University not continuing to operating as a going concern and the projections currently showed very low risk of breaching in future years.
- 8.5 Council noted that there was a risk of cost escalation as a result of insufficient allowances made during ERIP preparation, and inflation running higher than anticipated; this may result in the need to reduce the amount of projects which may be delivered in the remaining ERIP plan period. It was assessed that with the current challenges in inflation and supply chains, the Network Replacement Project and Student Information System were likely to be around £13m above original predications, though efforts were being made to constrain costs.
- 8.6 There was an improving performance of temporary cash investments and the volatility of medium and longer-term investments which had been impacted by market instability caused by global geopolitical and economic conditions.
- 8.7 Council welcomed the positive position and the investment in the surplus, it was noted that there were external challenges that would impact the university's finances but the investments were being made in the right places and the financial position put the institution in a strong place to face the challenges. The Education and Research Investment fund and the proposed projects would continue to be reviewed in light of the increased costs.
- 8.8 The University needed to be in the strongest position to address potential reduction in fees and to mitigate a potential recession. Council asked for more modelling on the potential impact of changes on the longer term financial position.
- 8.9 Council discussed student withdrawals and the likelihood of student withdrawals increasing during a tough economic climate. Council asked for the Student Experience Committee to receive a deep dive into student withdrawals and retention at its November meeting, considering drop out rates, groups of students who have withdrawal, points of withdrawal and how reasons for withdrawal are collated and used to inform strategies.
- 8.10 Council reviewed the proposed accommodation prices for 2023-24, the proposed rents had been identified through marketing analysis and in line with the newly approved affordability policy. The rent increases were below current inflation. Alternative hardship support was available for students in addition to the affordability policy. Council agreed that rent costs and impact of affordability policy should be monitored to ensure the approach had the intended impact and student experience was continually considered.

- 8.11 Council noted that the University's executive team was in discussion about extra one-off funding for 2022/23, that the USSU budget was not yet finalised and that the University's executive team were not at this stage concerned about USSU's financial viability.
- 8.12 Council approved the fee framework for tuition fees for 2023/24 entrants which included continuing to follow HM government maximum fee for Home UG and other OfS regulated fees; Standard Home PGT and International PGT & PGR fees would be frozen at 2022/23 levels with no inflationary increase proposed; and International UG fees are to increase by 3% (subject to rounding for administration purposes). Home PGR fees would follow existing policy and the setting of 'non-standard' and Online Distance Learning (ODL) fees would be delegated to the Director of Finance.
- 8.13 Council considered the revised Inclusive Sussex Strategy, it was reported that the revised strategy had been shared with the incoming Vice Chancellor, incoming Assistant Director HR Equalities, Diversity and Inclusion and an Independent Council member. If approved by Council, the revised strategy would be published and implemented. A review of the governance and oversight of EDI work would be undertaken to ensure effective coordination, oversight and accountability for the implementation.
- 8.14 Council approved the refreshed Inclusive Sussex Strategy.
- 8.15 Council received an update on admissions for 2022-23 and initial outcomes of the strategic intake management groups. It was reported that Undergraduate (UG) applications remained slightly up on last year (+2% from 20,191, to 20,629), following a 21% increase last cycle. However, they remained below the 2017 peak of over 25,000 applications at this stage. The UG growth in applications contained a small Home uplift (of 1%) and a larger Overseas increase (of 5%, from 4,124 to 4,350). There were also known drops in the numbers currently registered with our International Study Centre (not included in these application numbers) which would make maintaining international numbers in 2022 challenging.
- 8.16 PGT applications were up 45% overall, but this hid a dramatic 57% increase for international (from 10,595 to 16,654) and a *fall* in Home (down 21% from 2,015 to 1,593). Overseas PGT applications were at a record high. However, the global pandemic continued to have a particular impact on PGT applications PGT offers were up 23% (from 8,570 to 10,572) and accepts up 24% (from 4,418 and 5,488).
- 8.17 The Provost had implemented a revised annual student number planning aggregated from business planning. To deliver the proposed and potential growth, it would require engagement with the community and disseminating the targets within Schools. To deliver the increase resource would need to be invested in the right areas of the University.
- 8.18 There were economies of scale with the growth, some would be on existing courses and other growth would be through the development of new courses. International growth could potentially be impacted by inflationary costs and exchange rates, it could result in scholarship cuts in other countries and students' willingness to study away from home.
- 8.19 Council discussed how the profile of UG offers and students had changed over the past few years; it was reported that lowering the grade offers had impacted teaching and students' support needs. It was hard to know how the impact of the pandemic would impact students and their learning when they went to University.
- 8.20 Council received an update on progress against the University's KPIs, there was revised data on 7 of the 16 KPIs. The progress against the Spirit of Sussex award was disappointing, the team were reviewing whether the target was not the right one or whether the action plan

would not have the intended impact. Council discussed whether the KPI set was the right one, there was a combination of realistic, stretch and unachievable targets. The arrival of the new Vice Chancellor was an opportunity to consider the aims and aspirations of the KPIs. It was noted that there was not consistent awareness of the KPIs across the institution and this needed to be improved to ensure there was collective understanding of the aims.

- 8.21 Council received an update on the Network Replacement Programme. The scope of the project had been finalised and clear business benefits defined; good progress had been made in both IT and Estates workstreams. The IT workstream was ready for the procurement phase and, as expected, forecast costs had reduced as actual costs became clear. However, development on the Estates side had revealed the initial costs to be inadequate and at an early stage of design; therefore a significant amount of uncertainty remained.
- 8.22 Council noted that the update and the recommendation to progress Network Replacement Placement works from Strategic Projects and Resources Committee and Capital Programme Committee and the progress made since the Outline Business Case. It noted that the current estimates of full costs of the project, which had risen from £34m in ERIP and Outline Business Case £34m to current Draft Final Business Case of £42m, including heavy provisions of uncertainty on estates cost.
- 8.23 Council approved the IT budget of £18.5 m including contingency and optimism bias to allow IT procurement to commence and noted that the Final Business Case would be brought to Council for approval in November 2022 with much lower levels of uncertainty, and before contractual commitments were made on the IT procurement. In parallel an independent readiness review would inform the decisions of the Steering Group and provide assurance the University could proceed to the next stage with confidence.
- 8.24 Council considered the final business case for the Student Information System, which formed part of the Council approved Education and Research Investment Programme, it would provide an accurate and secure system of record, compliant with relevant regulatory frameworks. It would support the lifecycle of academic activities associated with students' progress throughout their course of study, making effective use of data reporting for improved evidenced based decision making.
- 8.25 It was reported that the project had been subject to a deep dive at Capital Programmes Committee (CPC) and further scrutinised at Strategic Performance and Resources Committee (SPRC). Based on the experience of a previous project there had been a low risk tolerance; all recommendations from the independent review of the last process had been considered and integrated into project management process. The Chairs of CPC and SPRC reported that the committees had received assurance on delivery and cost of the project with a identified experienced provider.
- 8.26 Council sought ongoing assurance on the delivery of the project which would be provided via CPC. It was agreed ongoing expectation management was required to ensure the provider met the University's expectations.
- 8.27 Council approved the implementation of the business case for the Student Information System.

Resolved:

- 8.28 Council approved by consensus the financial monitoring for 2021/22, the interim budget for 2022/23 and forecast for 2023/24.

- 8.29 Council approved by consensus the Council student accommodation rents for 2023/24.
- 8.30 Council approved by consensus the tuition fee framework for 2023/24 entrants.
- 8.31 Council approved by consensus the revised Inclusive Sussex.
- 8.32 Council approved by consensus the IT budget of £18.5m including contingency and Optimism bias to allow IT procurement.
- 8.33 Council approved by consensus the business case for Student Information System for recommendation to Council.

Action:

- 8.34 Provide additional modelling on the longer term university's finances given the external challenges.
- 8.35 Schedule a Council discussion around inflation and the potential impact on University ways of working.
- 8.36 Establish a process for monitoring the impact of affordability policy to ensure the approach had the intended impact and student experience was continually considered.
- 8.37 Establish a benefits register for significant projects so that the expected benefits for the university and value for money for projects could be understood and tracked.
- 8.38 Provide a definition of optimism bias.
- 8.39 Return the final business case for Network Replacement Programme to return to Council in November.

9. Capital Programmes Committee

- 9.1 Council received an update from Chair of Capital Programmes Committee. The Committee had approved a procedure which ensured it received deep dives on all significant projects; deep dives had been held for the Student Information System and the Network Replacement Programme. Assurance had been received on lessons learnt from previous projects.
- 9.2 The Enabling Works Contract, subcontractor and consultants had been appointed for West Slope. The Student Centre project had carried out a soft launch, which had been well received by students and facility.
- 9.3 CPC and SPRC had previously considered proposals for the University to purchase Block J. The executive had negotiated an exit price to release the vendor and the University as a purchaser from existing contractual obligations. The project would no longer go ahead.
- 9.4 Inflationary challenges meant that project costs were increasing, evidenced in the three significant projects, this would inevitably reduce the spend power of the £200m ERIP plan. Spending the full £200m within the intended timeframe would be difficult. There would also be a follow on capital and project plan beyond 2025/26. The Review of 2021/22 identified that the plan had been overly ambitious and in hindsight was too aggressive, front loaded and exceeded the delivery capacity of the University which created delivery risk, stretching capacity within the University. Risks were being strongly mitigated through project governance and a focus on increasing capacity. Enhanced project start-up criteria had been

introduced to avoid further overloading the system and preventing further risk to the delivery of in-flight programmes and projects.

10. Audit and Risk Committee

- 10.1 Council received an update from the Chair of Audit and Risk Committee. The Committee had scrutinised the Institutional Risk Register including receiving updates from other Council Committees with the responsibility for oversight of the mitigation strategies. The likelihood of risk of not delivering the Education and Research Investment Programme within the agreed timeframes and costs had increased since the last meeting. The overall rating of the People risk had decreased significantly and was now rated amber; this revised rating was predominantly as a result of the executive's agreement with UCU to end ASOS and begin a 16 week period of negotiations on the union's demands.
- 10.2 Six internal audit reports had been completed since the last Council meeting, all amber/green. The IT security report was a follow up review on a previously red rated audit, which demonstrated the improvements in controls in this area. KPMG had provided a thematic review report which highlighted that established teams or areas that had been reviewed before received predominantly green/amber recommendations whereas newly established teams received higher risk ratings and a higher number of recommendations.
- 10.3 Council received a report from the executive outlining its response to the KPMG review of governance processes around the USS Pension decision. The report outlined how the executive would respond to the recommendations, the timelines for implementing changes and a proposal for oversight which would ensure Council were assured of an effective and impactful response to the external review. Council were assured of the action plan to respond to the review and agreed it should be reported routinely to the Audit and Risk Committee in line with the executive's response to internal audit recommendations.
- 10.4 Audit and Risk Committee provided assurance to Council on the University's ongoing compliance with the Office for Students' conditions of registration and the controls in place to identify potential risks of non-compliance.
- 10.5 An additional Audit and Risk Committee meeting was held on 4 July to review the outcome of the external audit tender process. The outcome of the additional meeting and the recommendation to appoint BDO as the External Auditor was reported to Council during the meeting. On the basis of the robust tender process and the recommendation of the Audit and Risk Committee, Council approved the appointment of BDO as the External Auditor. Council noted the small number of providers available or bidding for external auditor contracts, this was a longer term risk.

Resolved:

- 10.6 Council approved the appointment of BDO as the University's External Auditor for the five financial years beginning 2022/23; with an option to extend the contract for another two years subject to Council's further approval. The proposed appointment was subject to agreement of terms and conditions of contract.

11. Chairs' Committee

- 11.1 Council received an update from the Chair of Chairs Committee. The Committee in its nominations role had considered the succession planning of independent members including the re-appointment of one member at the end of their second term. The Committee had considered a nomination for the interim Provost to provide leadership capacity and continuity

to support the new Vice Chancellor whilst they considered their future leadership team. The Committee considered the longer term strategy for Council including reducing the size of Council, in line with a recommendation from the Halpin Governance Effectiveness Review.

- 11.2 The Committee had received an update on the Governance Effectiveness Review, all working groups had continued to meet and consider the recommendations from Halpin's report, all actions had been reviewed with the majority being taken forwards for implementation. There had been positive progress within each working group and the implementation had been collaborative. The Enhancing Council working group and Senate had approved the Council, Senate and Vice Chancellor Ways of Working document for recommendation to Council; it aimed to summarise the relationship between the three parties as well as the intended expectations for communication, collaboration and respect for set roles and responsibilities. Council approved the ways of working document.
- 11.3 Chairs Committee provided assurance to Council that the University continued to demonstrate due regard to the Prevent Duty and the controls in place to identify potential risks of non-compliance.

Resolved:

- 11.4 Council approved by consensus the appointment of Professor Keith Jones as the interim Provost from 25 July 2022.
- 11.5 Council approved by consensus the appointment of Jane Parsons as an independent Council member for a third and final term of Council.
- 11.6 Council approved by consensus the Council, Senate and Vice Chancellor Ways of Working document.

12. Student Experience Matters

- 12.1 Council received a report from the Chair of the Student Experience Committee. It was reported that the Committee had had a discussion on what makes the Sussex community led by the USSU representatives. It had received an update from the Pro Vice-Chancellor Education and Students on resolution of the industrial action and lifting of the marking and assessment boycott, successful soft launch of the student centre, the ongoing timetable review and progress on the projects that will support the delivery of the Learn to Transform strategy. It also received an update from the Head of Careers, Employability and Entrepreneurship on the impact of the World Readiness and Employability Strategy.
- 12.2 Council received an update from USSU representative on Council, progress on USSU's objectives over the academic year and the next steps for collaboration with the University. The change in CEO provided an opportunity to review USSU structures and the boundaries with the University; a tender process was underway to identify an independent organisation to undertake the review. Following the review the Memorandum of Understanding between USSU and the University would be reviewed and amended, alongside potential changes to the funding model. There was a positive feeling about the opportunities the review could bring.

13. Remuneration Committee

- 13.1 Council received a report from the Chair of Remuneration Committees A and B. Remuneration Committee B would support the University executive, where appropriate, in

the UCU negotiations acting as a sounding board and considering potential changes to pay and conditions.

- 13.2 The Committee had reviewed the current discretionary pay review process as evidence showed that lower paid members of the community were not getting as much exposure to pay review process. The reviewed aimed to begin to address issues with equity and equality.
- 13.3 The Committee considered a proposal to introduce a Professor Grading Framework which would be aligned to the review of Academic Promotions Criteria; it aimed to ensure opportunity for progression and positively promoting equality objectives.

PART 3 – MATTERS FOR APPROVAL NOT REQUIRING DISCUSSION

14. Regulations

- 14.1 Council received recommendations to make minor changes to four regulations to improve the effectiveness of university governance. All four regulations, as outlined in Regulation 8: Responsibility for creation and amendment of regulations, were the responsibility of Council.

Resolved:

- 14.2 Council approved the amendments to Regulation 5: Council.
- 14.3 Council approved the amendments to Regulation 7: Officers of the University.
- 14.4 Council approved the amendments to Regulation 9: Procedure for written and email resolutions.
- 14.5 Council approved the amendments to Regulation 29: Other regulations concerning the university site and buildings, computing regulations and miscellaneous administrative regulations.

PART 4 - MATTERS FOR INFORMATION

15. Joint Brighton Sussex Medical School Board

- 15.1 Council noted the draft minutes of the Joint Brighton Sussex Medical School Board meeting held on 9 June 2022.

16. Any Other Business

- 16.1 No matters were raised.

17. Dates of next meetings

Dr Tim Westlake
Secretary to Council
July 2022