

THE COUNCIL

Minutes

This paper details the Confirmed Minutes of the last meeting of the Council held on 25 and 26 November 2019, in Library Seminar Room 4, second floor at the Open University, Milton Keynes, MK7 6AA

The council **approved** these Minutes as a correct record at its meeting held on Tuesday 10 March 2020.

Mr Jake Yeo
University Secretary

Sue Thomas
Working Secretary to the Council
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Attachments:

C-2019-07-M Minutes of the meeting of the Council held on 25 and 26 November 2019

THE COUNCIL

Minutes of the meeting of the Council held on 25 and 26 November 2019, in Library Seminar Room 4, second floor at the Open University, Milton Keynes, MK7 6AA.

Present: Mr Malcolm Sweeting (Chair), Professor Tim Blackman (Vice-Chancellor), Ms Cath Brown (President, OU Students Association), Professor John Brooks (Vice-Chair), Dr Jovan Byford, Mrs Frances Chetwynd, Mrs Mary Curnock Cook, Mr John D'Arcy, Ms Maggie Galliers, Ms Ruth Girardet, Ms Anna Henderson, Mrs Rachel Lock, Mr Robert McCracken, Mr Tim Parry, Mr Bob Spedding, Dr Barbara Tarling, Professor John Wolffe

In Attendance: Mr Jake Yeo, Deputy University Secretary, Dr Laura Lauer, Head of Governance, Ms Sue Thomas, Senior Manager, Governance, Mr Laurence Holden, Group Finance Director, Mr Paul Traynor, Chief Financial Officer.

Apologies: Dr Jonathan Nicholls, University Secretary, Dr Richard Heffernan, Dr Greg Walker, Mr Paul Greenwood, Mr Sandy Begbie

1 DEVELOPMENT SESSIONS

1.1 Council members participated in two development sessions:

- a) Alamgir Sheriyar, Prevent Regional Co-ordinator from the Department for Education gave a presentation on the Prevent Duty. Council members had an opportunity to discuss case studies and deepen their understanding of the University's processes.
- b) Dr Liz Marr, Acting Pro-Vice-Chancellor (Students) and Wendy Fowle, Senior Manager, Access, Participation and Success briefed the Council on the University's Widening Access and Success Strategy and outlined the key issues in the University's draft Access and Participation Plan (APP) 2020/21 to 2024/25. The APP would be discussed in the Senate before returning to the Council for approval before submission to the Office for Students in early 2020.

2 MATTERS ARISING AND ACTION TRACKER

C-2019-07-01

The Council **noted** the report of actions arising from the last meeting of the Council. It was suggested that as some of the actions were longer-term they should not be closed as the Action Tracker indicated, but remain open for further consideration.

Action: Working Secretary

3 AUDIT COMMITTEE

C-2019-07-02A&B

The Council **noted** the confirmed minutes of the meeting held on 2 October 2019 and the unconfirmed minutes and confidential minutes of the meeting held on 6 November 2019.

4 FINANCE COMMITTEE C-2019-07-03

The Council **noted** the unconfirmed minutes and confidential minutes of the meeting of the Finance Committee held on 6 November 2019

5 ACADEMIC GOVERNANCE REVIEW C-2019-07-04

5.1 The Council considered the report from Advance HE to be insightful and an excellent starting point for further reflection within the University. An Advisory Group of the Senate had been established to consider the interrelated nature of the recommendations and develop a robust implementation plan and timescale to be presented to Senate in January 2020. The Governance and Nominations Committee (GNC) had discussed the report at its last meeting and welcomed the opportunity for dialogue with the Senate on the provision of academic assurance and relevant other matters. The GNC had nominated four of its members, Ms Maggie Galliers, Professor John Brooks, Mr John D'Arcy, and Dr Greg Walker, to work with the Chair of the Advisory Group and the Head of Governance.

5.2 Further information was sought on how those members nominated would be able to engage with the Advisory Group of the Senate and provide valuable input particularly around the relationship between the Senate and the Council. The Vice-Chancellor explained that the Review was predominantly an issue for the Senate as it focussed on academic governance, but there were some important recommendations relating to the relationship between the Council and the Senate. The intention was for these to be considered in depth by the Advisory Group assisted by contributions from the four nominees from the GNC. The Council was also informed that four other members of the Council (three internal and one student) were appointed or elected members of the Advisory Group. Whilst it was essential to include an external perspective to the Group's deliberations, it would also be important to develop a consensus view between Council members on key issues. It was proposed that the Head of Governance would work with the GNC nominees to facilitate their engagement with the Advisory Group of the Senate.

Action: Head of Governance

5.3 In response to a question, the Vice-Chancellor explained that at its meeting on 16 October 2019 the Senate had primarily discussed how to take the recommendations forward rather than the content of the recommendations themselves. The general direction of the report had however been welcomed.

5.4 The Council **noted** the report of the Academic Governance Review and report of next steps in taking the recommendations forward.

6 PREVENT (COUNTER-TERRORISM) DUTY C-2019-07-05

6.1 The Council was reminded of the successful Prevent Review Meeting (PRM) conducted by the Office for Students (OfS) in May 2019. The University was considered to have met the Prevent statutory guidance with some follow up actions to complete. It was suggested that it would be helpful for the Council to receive a report at six-monthly intervals rather than annually, to enable it to understand more clearly the issues the University faced in relation to the Prevent Duty.

Action: Prevent Co-ordinator/Working Secretary

6.2 The data return showed a very small number of cases requiring intervention or referral. It was acknowledged that the University faced different issues to traditional universities as students did not attend the premises, and this was primarily the use of social media or

online activities. The Council queried whether this number was what would be expected, and assurance was given that the number of referrals was closely monitored.

- 6.3 Members of the Council commented that it was important for it to receive assurance that the University had strong auditable processes and that it understood the context in which students at the University might be exposed to grooming behaviours. Following discussion of a case study involving homophobic statements, Council members requested clarity on the University's duties with regard to Prevent and its obligations under the Equality Act and Criminal Justice Act regarding hate crime.

Action: Prevent Team

- 6.4 The Council **noted** the Prevent (Counter-Terrorism) Duty Annual Accountability Statement and Data Return 2018-19.

7 OU STUDENTS ASSOCIATION ANNUAL REPORT AND FINANCIAL STATEMENTS 2018/19 C-2019-07-06

- 7.1 The President, OU Students Association presented the Annual Report and Financial statements to the Council and reported that the process of incorporation of the Students Association as a Charitable Company Limited by Guarantee was now complete subject to conclusion of some minor elements. The President also reported that the Association had greatly enjoyed working with the Acting Pro-Vice-Chancellor (Students) and her team and that the joint work completed so far provided real potential for the future in changing the way the University worked with and supported students.

- 7.2 The Council commended the constructive and generous report and acknowledged the evidence of a strong, mutually beneficial relationship between the Association and the University. The work identified in paragraph 13 of the report in relation to improving understanding and representation of Black and Minority Ethnic students was also commended.

- 7.3 The Council **noted** the Open University Students Association Annual Report for 2019.

8 REVIEW OF GOVERNANCE PROCESSES UPDATE C-2019-07-07

- 8.1 The Chair of the Review of the Management of Governance Group explained that as part of the streamlining of governance processes to improve the flow and quality of information to Council members, a series of continuous improvements had been introduced or trialled. These included the use of an improved meeting room, decision trackers on substructure minutes, the organisation of development sessions and dinner for this meeting and the procurement of an electronic board pack system for papers.

- 8.2 Members of the Council acknowledged the developments but expressed concern over the lateness of some of the papers for the meeting. Several of the papers were very long and with the use of a new electronic system, it would be essential for authors to improve the structure of papers to ensure key points were presented clearly and supplementary information provided separately. Members of the Vice-Chancellor's Executive who usually sponsored papers being presented to the Council, should take greater ownership of papers and the associated timelines.

Action: Head of Governance and Chair, Review of the Management of Governance Group

- 8.3 The Council **noted** the report of the review of governance processes.

Session held on 26 November 2019

- Present: Mr Malcolm Sweeting (Chair), Professor Tim Blackman (Vice-Chancellor), Ms Cath Brown (President, OU Students Association), Professor John Brooks (Vice-Chair), Dr Jovan Byford, Mrs Frances Chetwynd, Mrs Mary Curnock Cook, Mr John D'Arcy, Ms Maggie Galliers, Ms Ruth Girardet, Mr Paul Greenwood, Ms Anna Henderson, Mrs Rachel Lock, Mr Robert McCracken, Mr Tim Parry, Mr Bob Spedding, Dr Barbara Tarling, Dr Greg Walker, Professor John Wolffe
- In Attendance: Mr Jonathan Nicholls, University Secretary, Mr Jake Yeo, Deputy University Secretary, Dr Laura Lauer, Head of Governance, Ms Sue Thomas, Senior Manager, Governance, Mr Laurence Holden, Group Finance Director, Mr Paul Traynor, Chief Financial Officer,
- In attendance for specific items: Minutes 10 and 11: Mrs Dagmara Rochowski, Head of Strategic Planning and Ms Louise McCourt, Head of Strategic Opportunities and Insight, Minute 12: Professor Josie Fraser, Acting Deputy Vice-Chancellor, Minute 16: Ms Caragh Molloy, Group People Services Director and Mrs Jane Jones, Senior Accountable Executive, Minute 17: Mr Chris Youles, Chief Information Officer
- Apologies: Dr Richard Heffernan, Mr Sandy Begbie (proxy form received)

9 CHAIR'S COMMENTS

- 9.1 The Chair welcomed Mr Paul Traynor, Chief Financial Officer to his first meeting of the Council. On behalf of the Council, he thanked Mr Laurence Holden, Group Finance Director, for his service to the University and wished him well in his retirement.
- 9.2 The Chair reported that he would raise members' concerns over the late despatch of papers with the Head of Governance.

Action: Head of Governance

10 DECLARATIONS OF INTEREST

Ms Anna Henderson for item C4 (paper C-2019-07-17)

11 MINUTES

C-2019-05-M & C-2019-06-M

- 11.1 The minutes of the ordinary business meetings of the Council held on 16 July 2019 and 24 September 2019 were **approved** subject to the following amendment (inserted text in *italics*):

C-2019-05-M, Minute 18: Forecast Outturn

The forecast deficit of £115.7m *was an exceptional adjustment* and represented an adverse variance from budget of £36.1m and was subject to the risks identified in the paper.

12 CHAIR'S ACTION

C-2019-07-08

Deputy Vice-Chancellor (DVC) Appointment Procedures

- 12.1 In response to a question, the Vice-Chancellor confirmed that the rationale for advertising internally only for the role was that he considered sufficient numbers of talented individuals were evident within the University and that the appointment would create opportunities. The Vice-Chancellor recognised the potential advantages of advertising externally and each senior vacancy would be considered on a case by case basis.
- 12.2 The Council noted this rationale but considered the DVC post to be a very senior position and commented that other equally senior posts had been advertised externally. It was acknowledged that at this point, with a number of key projects reaching critical phases, for example the implementation of the new Associate Lecturer (AL) contract, it could be beneficial to have a senior leader with strong institutional knowledge in the post. The Vice-Chancellor confirmed that if it was not possible to make an appointment to the DVC role from internal applications, then the post would be advertised externally.
- 12.3 It was suggested that the appointment panel should include an external member to provide an additional perspective. The University Secretary advised the Council that the appointment procedures had been through Chair's Action for expediency, and this approval had been on the recommendation of the Senate. It would be unusual for the Council to reverse a decision made in this way. It was however agreed to examine the practicalities of involving an external assessor.

Action: Head of Governance

University Secretary

- 12.4 The Chair informed the Council that this was the last meeting for the University Secretary, Dr Jonathan Nicholls as he would be leaving the University at the end of December 2019. He paid tribute to Dr Nicholls' insight and wisdom and support for the University during a challenging period.
- 12.5 The process for the appointment of a successor was progressing well and it was hoped to make a recommendation for the appointment before the end of the year.
- 12.6 The Council **noted** the action taken by the Chair on behalf of the Council since the last meeting held on 16 July 2019.

13 VICE-CHANCELLOR'S REGULAR REPORT

C-2019-07-09

- 13.1 The Vice-Chancellor introduced his report and explained how it emphasised his perception of the University as a "movement for change". His vision was for planned growth over the years ahead and the Vice-Chancellor's Executive (VCE) would be considering this in relation to the extension of the existing Strategy for the University.
- 13.2 The Council was informed that the Middle States Commission on Higher Education Evaluation Team had visited during 10-13 November 2019. The visit had been very successful and although a formal report was not due until the Spring of 2020, indications were that the criteria for accreditation had been satisfied.
- 13.3 Professor Blackman also welcomed Paul Traynor, Chief Financial Officer to his first meeting and reiterated the thanks expressed to Mr Laurence Holden, Group Finance Director. He also recorded his gratitude to Dr Jonathan Nicholls as he stepped down as University Secretary. Mr Jake Yeo, Deputy University Secretary would become Acting University Secretary from January 2020 until the new University Secretary was in post. Several reporting line changes would also be put in place for members of VCE for improved alignment and to minimise disruption.

13.4 The University had received notification from the University and College Union (UCU) of eight days of industrial action over a two-week period between 25 November to 4 December 2019. This industrial action related to the contribution changes to USS pensions and the 2019/20 pay award. The University had put in place plans to mitigate the effects of the action on students. The Universities and Colleges Employers Association (UCEA), of which the University was a member, had offered further dialogue with the UCU on workload, gender/ethnicity pay and casual employment.

13.5 In summarising other developments, the Vice-Chancellor reported that OpenLearn had recorded 70 million users and FutureLearn had recorded 10 million learners.

13.6 The Council noted the intention for further development and enquired where student success fitted into the plans for growth. The Vice-Chancellor confirmed that ensuring more students achieved their study goals continued to be a key strategic objective for the University and progress against this was regularly reported to the Council in the Institutional Performance Report. The University's Access and Participation Plan would also be instrumental in identifying areas where students required further support to succeed.

13.7 The Council **noted** the report from the Vice-Chancellor

14 AUDIT COMMITTEE ANNUAL REPORT TO THE COUNCIL AND THE VICE-CHANCELLOR, 2018/19 C-2019-07-10

14.1 The Chair of the Audit Committee introduced the Annual Report and drew attention to his summary of the Committee's work and consideration of the Financial Statements. He was particularly pleased that the overall message from the Financial Statements was positive and recommended them to the Council. The Committee had encouraged enhanced reporting on general compliance with regulatory and other responsibilities and in particular compliance with the requirements of OfS registration. A comprehensive report was provided to the Council in paper C-2019-07-16 and although currently reported as compliant the key risk areas were reported as Information Security, Data Quality for Funding / Regulatory Bodies, Health and Safety, UK Visas and Immigration and Compliance with OfS requirements. Mr Spedding also recorded his thanks to members of the Committee for their commitment and diligence during the year.

14.2 The Council acknowledged the thorough oversight of the progress and risks associated with the Core Systems Replacement Project (CSR) by the Audit Committee. It was suggested that as the Project reached a critical phase in early 2020, an update report before the next meeting of the Council in March 2020 would be helpful. Attention was also drawn to the recently published report of the independent review into the well-publicised problems with migration to a new IT platform at the TSB Bank and whether any issues relevant to the University were apparent. The University Secretary explained that the CSR Project Delivery Board was due to meet twice before the end of the year as activity intensified before a final decision was made as to whether the first phases of the project went live in March 2020. The Audit Committee was in the process of arranging an additional meeting in late January 2020 to provide an overall quality assurance evaluation for the CSR Programme before the University took key decisions in respect of implementation.

Action: Secretary/Chair of Audit Committee

14.3 The Council **noted** the Audit Committee's Annual Report for 2018/19.

15 2018/19 CONSOLIDATED FINANCIAL STATEMENTS C-2019-07-11

- 15.1 The Group Finance Director introduced the University's consolidated financial statements for the year ended 31 July 2019 which had been comprehensively reviewed by the Finance and Audit Committees. As was the case for all Higher Education Institutions that were members of the Universities Superannuation Scheme (USS), the Statements included the impact of the 2017 valuation of the Scheme which increased the provision for deficit recovery by £111.1m. The gain on the partial disposal of the interest in FutureLearn Ltd was disclosed as Other Comprehensive Income and was reported within the Total Comprehensive Expense for the year. During the year, income had increased by 6%, mainly as a result of increased tuition fee income from growth in directly taught student numbers. The adjusted operating result for 2018/19 was £2.2m, or 0.5% of operating income. The Group Finance Director reflected that this was a very encouraging position for the University and the Highlights section and Vice-Chancellor's Introduction reflected this by presenting a strong, forward-looking message.
- 15.2 Attention was drawn to the responsibilities of the Council in the preparation of the Financial Statements set out in paragraph 16 of the paper. The Group Finance Director informed the Council that the Audit Committee had been assured on all of these aspects when it reviewed the corporate governance statement, the statement of responsibilities of the University's Council and the independent auditors' report contained within the consolidated financial statements and received written and oral reports from the University's external auditors, PricewaterhouseCoopers.
- 15.3 The Council commended the content and presentation of the Financial Statements and:
- a) **approved** the University's consolidated financial statements for the year ended 31 July 2019;
 - b) **authorised** the Chair of Audit Committee, Vice-Chancellor and Group Finance Director to sign on its behalf the University's consolidated financial statements for the year ended 31 July 2019; and
 - c) **noted** the audit representation letter that will be signed on its behalf by the Vice-Chancellor and Group Finance Director

16 ANNUAL ACCOUNTABILITY RETURNS 2019 C-2019-07-12

The Council **approved** the content of the Assurance Returns as set out in Appendix A, B and C to paper C-2019-07-12 for signature by the Vice-Chancellor, as Accountable Officer, and submission to the Office for Students (OfS) and the Scottish Funding Council (SFC) as required.

17 FINANCIAL FORECASTS TO 2023/24, INCLUDING FORECAST FOR 2019-20 C-2019-07-13

- 17.1 The Treasurer introduced the paper and informed the Council that the Office for Students (OfS) had published guidance in October 2019 for the annual financial return. As a result, the Financial Forecast return had been merged with the Finance Statistics return that was previously submitted to the Higher Education Statistical Agency (HESA). This had resulted in a significantly more detailed Financial Return being presented to the Council than in previous years. It had been challenging to present realistic forecasts for both external and internal reasons so detailed modelling had been undertaken to present sensible and viable forecasts. The Treasurer assured the Council that the Finance Committee had scrutinised the annual financial return for the year ending in 2019 and commentary for the OfS at its meeting on 18 November 2019 and recommended it to the Council.

- 17.2 The Chief Financial Officer commented that members of the Finance Committee in their scrutiny of forecasts for student numbers had questioned the efficacy and accuracy of marketing data. The University would be working to improve this, and further information would be presented to the Council at a future meeting. Attention was also drawn to the specific references in the forecasts to strategic investment in replacing core IT administrative and student facing systems and for implementation of a new contract for Associate Lecturers. The detailed commentary also aimed to reflect the breadth and depth of the University and its provision across four nations.
- 17.3 The Council commented that apprenticeship student numbers and associated income were forecast to increase over the financial forecast period. It was acknowledged that although this could be a significant area of growth for the University, it was also an area of considerable risk.
- 17.4 It was noted in the Schedules that fee levels had been increased in line with the Retail Price Index (RPI-X) as the maximum increase allowable however in the commentary there was a reference to fees increases being kept to a minimum. Concern was expressed that this appeared to be inconsistent. The Group Finance Director clarified that unlike other providers, the University set its fees below the maximum threshold permitted. Attention was drawn to the comments made in relation to the setting of fees by the Strategic Planning and Resources Committee (C-2019-07-21).
- 17.5 The Council **approved, on recommendation of Finance Committee**, the financial forecasts to 2023/24 and commentary that fulfil the regulatory requirement for submission to the Office for Students (OfS).

18 INSTITUTIONAL PERFORMANCE UPDATE **C-2019-07-14**

- 18.1 The Chair welcomed Ms Dagmara Rochowski, Head of Strategic Planning and Ms Louise McCourt, Head of Strategic Opportunities and Insight to the meeting.
- 18.2 The Council welcomed the broadly positive performance across the institutional headline measures particularly student recruitment for the autumn 2019 presentations which had exceeded targets for total Undergraduate FTE student numbers by approximately 3.5%. In response to a question, the Vice-Chancellor acknowledged that there were pressures from this increase, but the University's business models incorporated flexibility and the increased student numbers were being managed.
- 18.3 In reflecting on student success, members noted that module pass rates had increased yet the overall proportion of students succeeding had decreased which could impact upon data submitted to the Higher Education Statistics Agency (HESA). This was acknowledged as an issue and significant resources had been directed to helping students succeed in their studies. A positive trajectory was beginning to be evident and it was hoped that impacts from these initiatives would be demonstrated from early 2021. The Vice-Chancellor commented that the results from the National Student Survey (NSS) in relation to feedback and assessment for the University were amongst the highest in the sector. The next Institutional Performance Report would include further information on preparations for the 2020 NSS.
- 18.4 The Council commented that the measures relating to technology to enable success appeared inwardly focussed and it was suggested that more forward-looking measures be included and more specifically focussed on student facing systems and technology. It was acknowledged that these measures required improvement and further work in this area would commence in early 2020. The measures did however include evaluation of critical incidents which included student facing systems. A member expressed concern that the report did not include reference to incidents relating to external suppliers as one

of the four incidents reported had originated from a source external to the University. It was agreed that the definitions of critical incidents would be examined further and reported back to the Council in the next report.

Action: Head of Strategic Planning

- 18.5 The reduction in research bids and income and postgraduate module completion were also noted and the Council enquired whether the University needed to focus more strategically on these areas. The Vice-Chancellor agreed that postgraduate provision was an area which required further examination but as it was a relatively small part of the University's income, a timescale had not yet been set for this work.

19 STRATEGIC RISK REGISTER **C-2019-07-15**

- 19.1 The Council commented that current scores for all risks had not shown any improvement and in one case had worsened. Risk response actions for each risk had been reviewed but it was not clear from the report what being "on track" signified. There were also no target scores for the risks identified. The Head of Strategic Planning explained that target scores were not included as work focussed on identifying risk response actions which incorporated an element of delay for improvements to be apparent. The Council reiterated previous views expressed that descriptions of the actions were long and should be more succinct to present the Register in a clearer way.
- 19.2 Several risks had a direct impact on Associate Lecturers (ALs) and concerns were expressed that sufficient progress was not being made in the reduction and control of information held on AL's personal IT devices. Concern was also expressed that in relation to the new AL contract (also reported in paper C-2019-07-20) the risk of the University not having sufficient AL capacity to meet demand was underappreciated.

Action: Vice-Chancellor

- 19.3 Attention was also drawn to Risk 1 relating to Information Technology. Concern was expressed that the Risk Response Actions listed were merely actions to catch up to an acceptable position in IT practice. It was hoped that the pace of improvements would increase to improve the position. The University Secretary explained that the Higher Education sector as a whole had been lagging behind in IT development and practice though the position was improving.
- 19.4 The Council reflected that the presentation of the Risk Register was a critical way to focus discussion at meetings on key strategic issues. It was noted, for example, that the AL contract, CSR and Student Success were all substantive items for discussion on the agenda. The University Secretary informed the Council that the Register had been revised recently to help improve its presentation and that the intention was to reduce the number of strategic risks.
- 19.5 The Chair emphasised the importance of the Council regularly reviewing the Strategic Risk Register. He would also discuss with the Vice-Chancellor the on-going appropriateness of the risks in the light of his vision for the University and the views of the Vice-Chancellor's Executive.
- 19.6 The Council **approved** the updated Strategic Risk Register.

20 ANNUAL QUALITY REPORT 2018/19 **C-2019-07-18**

- 20.1 The Chair welcomed Professor Josie Fraser, Acting Deputy Vice-Chancellor to the meeting. Professor Fraser explained that the Annual Quality Report was presented to the

Council in accordance with its responsibility for, on the recommendation of the Senate, ensuring the welfare of students and the quality of institutional educational provision. It was intended to aid the Council in confirming it was content for the Vice-Chancellor to sign the statements of assurance required by the Scottish Funding Council and the Office for Students.

- 20.2 Professor Fraser explained that the Academic Quality and Governance Committee (AQGC) presented the report to the Senate. The detailed report set out the quality assurance processes governing taught provision of the University and their outcomes during the preceding committee year (2018/19). This information was based on a range of evidence including outcomes from quality processes reported to AQGC and other committees, student engagement and institutional quality-related performance indicators.
- 20.3 Members of the Council commended the report and in particular the appendices which provided useful summaries. Clarity was sought on how actions in the Action Plan were monitored and where responsibility lay for ensuring they were completed. It would also be useful to understand how the University's academic quality was benchmarked against that of other institutions. The Deputy Vice-Chancellor explained that AQGC and VCE had responsibility for ensuring actions were followed up to provide assurance that academic quality was maintained. The rigour and robustness of the Quality Review processes were endorsed by representatives of the OU Students Association.
- 20.4 The Council:
- a) noted:
 - i) that the report would be used as the annual report on institution-led review submitted to the Scottish Funding Council; and
 - ii) that the Senate had recommended to the Council that it endorse the statements of assurance required by the Scottish Funding Council and Office for Students;
 - b) endorsed:
 - i) the statement of assurance required by Scottish Funding Council; and
 - ii) the statement of assurance required by the Office for Students.

21 OFS CONDITIONS OF REGISTRATION C-2019-07-16

- 21.1 The University Secretary explained that the assessment of compliance mapping presented an update on how the University was managing compliance with the Office for Students (OfS) ongoing conditions of registration. It was still an evolving piece of work, but it represented significant progress in demonstrating how the University had taken a proactive approach to managing the ongoing conditions of registration to ensure continued compliance. The University Secretary's Office had responsibility for monitoring compliance, and it was hoped that an active and constructive relationship would eventually be established with the OfS.
- 21.2 The Chair of the Audit Committee emphasised and commended the progress achieved in the last year in relation to compliance reporting and recording.
- 21.3 The Council **noted** the report.

22 OFS CURRENT ISSUES C-2019-07-17

Minutes 22.1 to 22.10 are recorded as Confidential Minutes (C-2019-07-CM).

LUNCH BREAK

23 FUTURELEARN

- 23.1 The University Secretary reported that FutureLearn had recently recorded its 10 millionth learner since its establishment in December 2012. Since entering into partnership with SEEK, key appointments were in the process of being made and work would be under way to refine the strategic direction and launch micro-credentials for learning. The Board was being convened and a search agency was assisting with the appointment of the independent Chair of the Board. This appointment would likely be made between meetings of the Council and it was proposed that the Pro-Chancellor, Vice-Chancellor, and Treasurer act on behalf of the Council to appoint the independent Chair of the Board, when a name was recommended, in accordance with the Council's responsibility as a shareholder under the Shareholders' Agreement.
- 23.2 The general atmosphere was one of buoyancy and anticipation. The University met on a weekly basis with representatives of SEEK and a visit to Melbourne had taken place which provided an opportunity to meet representatives of other institutions that had embraced the development of micro-credentials as part of their qualification frameworks. A workshop had been held recently for members of the Senate to shape and influence the development of micro-credentials.
- 23.3 Members of the Council acknowledged the excitement and potential surrounding the development of micro-credentials with SEEK but expressed some caution as to how such outputs could be delivered in addition to the University's traditional modules. Clarity was also sought as to how Faculties would benefit from such endeavour. Members who attended the workshop commented that it had been interesting with considerable engagement but there was a lack of transparency over how decisions would be made and how finance would be generated and flow. It was essential that decisions were communicated to the staff and the Senate to avoid misunderstandings. The University Secretary assured the Council that these issues were under active consideration. The Vice-Chancellor commented that the Deputy Vice-Chancellor was playing a major role in bringing together opportunities offered by FutureLearn with the University's mission.
- 23.4 It was acknowledged that this was a critical point for the University, and it should make every effort to learn from its Australian partners who had embraced and embedded such activity in their operations. The business opportunities offered required quick, agile action and consideration should be given to the prioritisation of the development of micro-credentials. The University Secretary agreed that this opportunity could be transformational for the University and agreed that a position paper would be presented to the Council at the next meeting.

Action: University Secretary

- 23.5 The Council **noted** the report and **agreed** that the Pro-Chancellor, Vice-Chancellor and Treasurer act on behalf of the Council to appoint the independent Chair of the FutureLearn Board.

24 ASSOCIATE LECTURER CONTRACT: UPDATE

C-2019-07-20

- 24.1 The Chair welcomed Ms Caragh Molloy, Group People Director and Mrs Jane Jones, Senior Accountable Executive, to the meeting.
- 24.2 The Council was informed that the sponsorship of the project had recently transferred to the Group People Director from the Deputy Vice-Chancellor. This reflected the key elements of cultural change and engagement in the project. Academic leadership was provided by Mrs Jane Jones as the Senior Accountable Executive. In recognition of the complexity and breadth of the Programme, a separate Culture Change and Engagement Team and a Transitions Group had been established. These brought together colleagues from the University and Colleges Union (UCU) and Management sides to enable the University to facilitate change to culture and ways of working during the transition period and beyond. The Programme Team was taking a continuous improvement approach to developing systems, processes, policies and ways of working. Work continued with the Change and Improvement Team and other pan-university change initiatives (i.e. Core Systems Replacement, Student Success, People Services Transformation and Apprenticeships) to manage dependencies and help to assure that there was capacity across the University to deliver the changes.
- 24.3 Clarification was sought on the current position of the negotiations and the Voluntary Severance Scheme offered to ALs. The Group People Director confirmed that negotiations on contractual terms were complete and attention now focussed on the process of implementation. The Severance Scheme had been introduced as an option for colleagues who had given excellent service to the University but did not wish to participate in the skills audit or adopt the new contractual ways of working. In response, the point was made that, while a best endeavours approach had been taken, the Severance Scheme was not viewed in a positive way by some ALs and there were some concerns over the potential effects on the student experience.
- 24.4 Members considered that the contractual changes would be a very positive advance for the University but sought information on career development for ALs in their new roles. The Vice-Chancellor explained that this was one aspect of the transfer of the project sponsorship to the Group People Director. The changes required were cultural as well as contractual and attention would be focussed on issues such as appropriate line management and support for career development. It would be important to identify some key metrics, rather than rely on narrative benefits, to gauge success and it was acknowledged that these were not clearly defined at the present time. This was a significant investment in the University's staff and ways of working which would have very positive benefits for students.
- 24.5 The Council **noted** the report.

25 CORE SYSTEMS REPLACEMENT UPDATE

C-2019-07-19

- 25.1 The Chair welcomed Mr Chris Youles, Chief Information Officer to the meeting.
- 25.2 The Council was informed that the first integration testing phase had been completed successfully and that progressing to the second, more challenging, phase of testing was due to commence imminently. In October 2019 the Vice-Chancellor's Executive had approved a recommendation to review the timing of the second Model Office deployment from 2021 to 2022 to provide sufficient time to allow a full academic year of study on the two pilot modules and facilitate the completion of all Human Resources and Finance deployments during 2021 before that deployment was undertaken. Clarification was sought on the impact of this deferral on interdependent projects such as the AL contract implementation. The Chief Information Officer emphasised that the revised implementation would allow for the Human Resources and Finance elements to be fully

implemented and release resources in Academic Services and Faculties to support the operational aspects of the Model Office.

- 25.3 The Chair of the Audit Committee reflected that there was a need to balance the desire for expediting the project with assurances over delivery of a high-quality product. It would also be essential to ensure that potential users were closely involved at this stage. The Chief Information Officer considered that there was sufficient involvement, but that work was underway to develop this further. Members reflected that the timings for the project were very intense with implementation for the Human Resources and Finance elements scheduled for March 2020. A key aspect of success would be the readiness of staff to adopt and engage with the new ways of working. The Chief Financial Officer acknowledged that the timetable for the project was a significant challenge and that it contained very limited contingency time in the event of problems. The Project Delivery Board was monitoring the situation closely.
- 25.4 The Council sought clarity on the financial position of the CSR project as this was not clear from the paper. The Chief Information Officer confirmed that there had initially been an underspend due to slow progress in backfilling of staff but the position had improved and the project was on track against its budget. In response to a query the Chief Information Officer explained that staff payslips would be different in design and samples and interactive demonstrations would be available in early 2020. Work was continuing in relation to the complexity of core and non-core payments for ALs under their current contract.
- 25.5 The Council **noted** the report.

26 STRATEGIC PLANNING AND RESOURCES COMMITTEE C-2019-07-21

- 26.1 The Chair drew attention to the comments expressed in the minutes of the meeting held by correspondence on the approach to setting fees and on the role of the Strategic Planning and Resources Committee (SPRC). It was acknowledged that the recommendation for fees for 2020/21 was a holding position reflecting uncertainties associated with the forthcoming election, Brexit and reviews in the Nations.
- 26.2 The Council emphasised the importance of having a substantive discussion of fees setting and fees strategy. The SPRC had played an important part in this discussion in the past and members requested that a more fundamental review of fees was instigated for the next year.
- 26.3 The Council:
- a) **approved** SPRC's recommendation on the Fees and Financial Support Strategy (SPRC-2019-01-CM, minute 3 and SPRC-2019-01-01) that the University applied an inflationary increase in line with the maximum permissible increase of 2.8% as confirmed by the Office for Students (OfS) for 2020/21 for all fee levels.
 - b) **noted** the unconfirmed Confidential Minutes from the meeting (SPRC-2019-01-CM).

27 THE SENATE C-2019-07-21

The Council **noted** the unconfirmed minutes of the meeting of the Senate held on 16 October 2019

28 REMUNERATION COMMITTEE C-2019-07-21

- 28.1 The Chair of the Remuneration Committee informed the Council that in addition to approvals of operational decisions on remuneration, the Committee intended to consider more strategic issues including the gender pay gap, pensions and variable pay and total remuneration packages. An additional meeting had been arranged for January 2020. The annual report from the Committee would be circulated to members of the Council after the meeting.

Action: Secretary to the Council

- 28.2 The Council **noted** the unconfirmed Minutes from the meeting held on 24 September 2019 (REMCOM-2019-05M).

29 GOVERNANCE AND NOMINATIONS COMMITTEE C-2019-07-24

The Council:

- a) **noted** the unconfirmed Minutes from the meeting (GNC-2019-04-M); and
- b) **approve** the appointment of Maggie Galliers as a Council member of Audit Committee for an initial term from 7 November 2019 to 31 July 2022. The Council recorded its thanks to Greg Walker who had stepped down from the Audit Committee.

30 DEPUTY VICE-CHANCELLOR ROLE C-2019-07-25

- 30.1 The Council requested that in view of the appointment being a senior University Officer post consideration should be given to inclusion of an external assessor as a member of the Appointment Committee.

30.2 The Council:

- a) **approved** the creation of the post of Deputy Vice-Chancellor (DVC) on the recommendation of the Senate. The Council recommended that applications should be subject to external assessment.
- b) **noted** that the Chair had taken action to approve the appointment procedures to enable a selection panel to be assembled in a timely fashion

31 DECLASSIFICATION OF COUNCIL PAPERS

To be confirmed

32 REVIEW OF MEETING

A member expressed concern that there was insufficient visibility for the Council of risks and issues relating to cyber security. It was listed as the most important risk in the Strategic Risk Register but a report had not been presented to the Council and it was important for the Council to be diligent in its evaluation of this key risk. The University Secretary assured the Council that the Vice-Chancellor's Executive considered regular updates on cyber security and summaries of these reports were presented to meetings of the Audit Committee. An appointment was due to be made to the role of Chief Information Security Officer and once in post, there would be a review of this risk. An additional meeting of the Audit Committee was due to take place in January 2020 and it was agreed that a report would be made to that meeting.

Action: Secretary of Audit Committee

33 DATES OF NEXT MEETINGS

The date of the next full meeting is Tuesday 10 March 2020 at The Open University offices in Edinburgh. There will be a Council Dinner on Monday 9 March 2020

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