

## THE COUNCIL

### Minutes

This paper details the confirmed Minutes of the last meeting of the Council held on 12 May 2020 via Microsoft Teams.

The Council **approved** these Minutes as a correct record at its meeting held on 14 July 2020.

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#### Attachments:

C-2020-04-M          Minutes of the meeting of the Council held on 12 May 2020

## THE COUNCIL

### Minutes

Minutes of the meeting of the Meeting of the Council held on 12 May 2020 via Microsoft Teams

Present: Malcolm Sweeting, John Wolffe, Barbara Tarling, Bob Spedding, Tim Parry, Tim Blackman, John Brooks, Mary Curnock-Cook, Maggie Galliers, Robert McCracken, Cath Brown, Frances Chetwynd, Anna Henderson, Ruth Giradet, Paul Greenwood John D'Arcy, Greg Walker, Rachel Lock, Jovan Byford, Richard Heffernan

Apologies: Sandy Begbie (Proxy received)

In attendance: Dave Hall (University Secretary), Laura Lauer (Head of Governance), Paul Traynor (Chief Financial Officer), Becky Sexton (Senior Manager, Governance), Sue Thomas (Senior Manager, Governance), Chris Youles, Chief Information Officer (for minute 8), Caragh Molloy, Group People Director (for minute 9), Fary Cachelin, Executive Dean, Faculty of Wellbeing, Education and Language Studies (minute 10), Liz Marr, PVC Students (for minute 14), Anna Barber, Director Strategy (for minutes 15 and 16)

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## 1 DECLARATION OF INTERESTS

There were no declarations of interest.

## 2 MINUTES

2.1 The Council **approved** the minutes of the ordinary business meeting of the Council held on 10 March 2020 and the extraordinary meeting held via Microsoft Teams on 16 April 2020 subject to the following amendments (deletions shown in ~~strikethrough~~ and insertions in *italics*):

2.2 Meeting: 10 March 2020 - Minute 8.2 to read:

The Council also noted that the proportion of qualifiers stating that OU study has helped them achieve career and personal goals had declined by 4%. This was disappointing but it was acknowledged that the data was obtained from a survey which was sent to the cohort, before impact of the Enhanced Employability and Career Progression programme, running from March 2017, and the Careers and Employability Services expansion in 2017 could be evaluated. ~~The Vice-Chancellor also commented that the data might relate to younger students who tended to place less importance on employment prospects.~~ Further analysis was taking place.

2.3 Minute 24.2 to read:

24.2 The Council

a) **approved** the reappointment of:

i) *Erika Lewis to Audit Committee for a second term to 31 July 2024 and*

ii) *Caroline Banzsky to Investment Committee for a second term to 31 July*

b) **noted** the minutes of the meeting held on held on 29 January 2020

2.4 Meeting: 16 April 2020 - Minute 7.1 to read:  
~~Further More detailed information on this meeting the CSR Project would be presented to the Council at its next meeting in May 2020.~~

2.5 Minute 7.3 to read:  
~~The Chair of the Audit Committee added commented that helpful clarification on the project had been obtained but the Council should be provided with information on the potential impact on project costs if it overran and assurances on the structures within the project robust assurance to Council had yet to be provided on a range of concerns, including project costs and plans to remedy structural deficiencies, and it was hoped this evidence would be available at the next Council.~~

### 3 MATTERS ARISING AND ACTION TRACKER C-2020-04-01

The Council **noted** the Action Tracker.

### 4 CHAIR'S BUSINESS

4.1 The Chair explained that Section F of the agenda relating to the Council's membership and diversity would be taken as the next item rather than at the end of the meeting to ensure all members were able to participate in the discussion.

4.2 He also informed the Council that he had joined a virtual meeting of the Committee of University Chairs which had discussed the effects of the coronavirus pandemic on institutions. It was clear from the debate that the pandemic had not impacted upon the University as significantly as other campus-based institutions.

### 5 GOVERNANCE AND NOMINATIONS COMMITTEE C-2020-04-14A&B

The Council:

- a) **agreed** the proposed arrangements for the Council Governance Review
- b) **noted** the minutes of the meeting held on 25 March 2020.

### 6 COUNCIL MEMBERSHIP AND DIVERSITY C-2020-04-15

6.1 Members encouraged an institutional approach to diversity, noting that indicators in the Institutional Performance Report (C-2020-04-09) in relation to promotion of female staff and proportions of disabled and Black, Asian, and Minority Ethnic (BAME) staff in senior roles had declined. Action to redress this imbalance would require a clear policy on affirmative or other actions in relation to protected characteristics to ensure compliance with the law. People Services was working on a plan to increase staff diversity and Council would receive this once completed.

**Action: Group People Director**

6.2 It was noted that the proposal had been discussed at Academic Quality and Governance Committee and would be considered at the meeting of the Senate on 17 June 2020. Feedback from the Associate Lecturers' Executive and OU Students' Association was also being sought.

6.3 As these discussions had not yet concluded, the Council **approved** in principle a temporary, fixed-term increase in the number of external co-opted members of Council from 9 to 11 in order to redress the imbalance in Black, Asian, and Minority Ethnic (BAME) representation on the Council.

**7 VICE-CHANCELLOR'S REGULAR REPORT**

- 7.1 The Vice-Chancellor presented an oral update in order to capture fast-moving political and institutional developments; future reports will be made in writing. He recorded his appreciation for members of the Vice-Chancellor's Executive (VCE).
- 7.2 Registrations remained stable or slightly down, but enquiries were buoyant. This was attributed to uncertainty prospective students faced over caring responsibilities and income security. The University was preparing for a possible late surge in registrations.
- 7.3 The Emergency Management Team, led by the University Secretary, was being refocused as a Recovery Group. Recovery work was being aligned to the four nations' recovery plans with the priority being the safety of the University's staff. The University's operations had coped well, although staffing capacity was a key issue of concern. A barometer survey of staff, with a coronavirus focus, was currently underway.
- 7.4 The University's budget-setting exercise remained on track, but it was noted that, in common with the sector, the OU had received a reduction in its Office for Students (OfS) Teaching Grant.
- 7.5 Work on the University's strategy to 2022 was beginning and would be considered in depth at the Council's Development Day in September, with an introductory paper presented to the Council at its July meeting.
- 7.6 The OfS was currently consulting on the introduction of a new time-limited condition of registration requiring providers not to engage in activity which could be viewed as exploiting the current situation. The University would respond as an institution and through Universities UK.
- 7.7 The Vice-Chancellor reflected that some institutions would have to reorganise their provision or possibly merge following the pandemic. He explained that the University had a small overseas profile compared to many other institutions so was less impacted by the pandemic, although the University validated several overseas institutions and qualifications. The OU's agile response had received praise from both the Scottish First Minister and the Secretary of State for Education. Contact was continuing with Government departments and ministers to discuss issues such as fee levels, skills training and support for modular study.
- 7.8 The Council welcomed Professor Blackman's announcement that the University would participate with the clearing system run by the Universities and Colleges Admissions Service (UCAS) this year.
- 7.9 The Council **noted** the report.

**8 CORE SYSTEMS REPLACEMENT (CSR): UPDATE** **C-2020-04-02**

Minute 8.1 to 8.7 is recorded as a confidential minute (C-2020-04-CM)

**9 ASSOCIATE LECTURER (AL) CONTRACT: UPDATE** **C-2020-04-03**

- 9.1 A Delivery Board had been established to provide improved oversight and governance of the project chaired by the University Secretary. Negotiations continued with the University and College Union (UCU) and currently focused on role descriptions and additional duties. A review of Phases 3 and 4 would be undertaken once the AL workload capacity for 2020/21 and 2021/22 was known and matched against student number projections. Any revision to previously communicated plans for the final two phases of the ALVS scheme would be subject to Union negotiation.

- 9.2 The Council welcomed the improved evaluation of risks of the project, including system and line manager capacity. It was also noted that the risk of the implementation of the new contract having a negative effect on the student learning experience was graded as medium however in the light of the high uptake of the Voluntary Severance Scheme consideration should be given to reassessing this risk as high. *Further analysis and clearer presentation of the benefits were required to provide a balanced assessment of the project.* Further information was also sought as to how ALs would be integrated into academic communities in Faculties. The timeline in the paper was presented at a very high level and it was unclear why the skills audits and interim IT solutions were progressing slowly. Concern was expressed over the implications for module presentations in the autumn of 2021.
- 9.3 Members also reflected that the paper was vague over the cost of the project particularly around the cost of improved IT systems and the Voluntary Severance Scheme, and queried whether this was indicative of a culture of laxity over budgets and adherence to timelines within projects as the University maintained strong reserves. It was recommended that such controls were improved. The Chief Financial Officer assured the Council that the approach to budgeting within projects was changing and greater detail was now requested on specific costs and sponsors were required to be more rigorous in their oversight.
- 9.4 The University Secretary acknowledged that the realisation of the benefits of the new contract for student success was a key issue for the Delivery Board to focus upon, but he saw improved behaviours, management and greater sharing of practice as important outcomes. The outcomes of this and the CSR project were not well defined at the outset and improved articulation was now in place. The Delivery Board should include representation of students and this would be followed up with the President of the OU Students Association shortly.

**Action: University Secretary**

- 9.5 The Chair reflected that significant progress was being made with the project with an improved governance structure and clearer focus on the benefits to the University and students. Further updates would be made to the Council at its next meeting in July 2020.

## **10 MENTAL HEALTH STRATEGY**

**C-2020-04-04**

- 10.1 Professor Fary Cachelin, Executive Dean, Faculty of Wellbeing, Education and Language Studies and VCE sponsor of the strategy, explained that the strategy was a high level externally facing statement in line with the Universities UK (UUK) #stepchange framework. A detailed action plan would be developed with appropriate metrics and targets.
- 10.2 The Council acknowledged the requirement to provide a high-level statement of aspiration and intention to funding bodies and agreed that from this perspective the draft Strategy was an appropriate starting point. However, the Council was disappointed that the Strategy did not include more information and examples of good practice as the University had significant experience and expertise in supporting students who had declared mental health issues. Further work was required to develop the Strategy and implementation plans to ensure the many initiatives in place were co-ordinated. The metrics also required development to ensure meaningful data was collected
- 10.3 The Council requested that a further report be presented to the Council on the development of the implementation plans

**Action: Executive Dean, Faculty of Wellbeing, Education and Language Studies**

10.4 The Council:

- a) **approved**, on the recommendation of the Senate, the Student and Staff Mental Health and Wellbeing Strategy.
- b) **approved** the strategy for submission to the Higher Education Funding Council for Wales (HEFCW) and the Scottish Funding Council (SFC).
- c) **noted** the strategy implementation plan

## **11 FORECAST OUTTURN**

**C-2020-04-05**

11.1 The Chief Financial Officer informed the Council that the University had seen modest impact on its finances as a result of the coronavirus pandemic. The most significant financial impact had been the effect of the pandemic on stock markets and long-term investments. Government initiatives announced on 4 May 2020 to support the higher education sector would have limited immediate impact for the University other than improvements to cash flow from the Student Loan Company. Planning for the next financial year had commenced and it was acknowledged that the environment after the pandemic could be very different for the University. A detailed paper would be presented to the next meeting of the Council.

**Action: Chief Financial Officer**

11.2 In response to a question, the Chief Financial Officer confirmed that the financial outturn did not include the issue identified with the CSR project.

11.3 The Council **noted** the 2019/20 consolidated forecast outturn.

## **12 FINANCIAL STRATEGY**

**C-2020-04-06**

12.1 The Council supported that the proposed revisions to the Financial Strategy. It was acknowledged that the University had an obligation to act prudently to protect its reserves and financial integrity, but it also had a responsibility to use its assets to support its mission and strategic objectives. The Chief Financial Officer assured the Council that the change would not result in reserves being depleted but it would change the amount that the University would be able to access to invest in its infrastructure

12.2 Attention was drawn to details of variances within budgets reported for major strategic projects and the Council queried whether relationships between project managers and the Finance Teams were sufficiently close to provide adequate control of expenditure. The Chief Financial Officer explained that reporting was being improved and significant investment had been made in systems as part of the financial transformation project which would result in more realistic budget setting. Concern was also expressed that staff found it difficult to obtain funding for initiatives, many of which were relatively low cost, and that budget holders were in danger of stifling innovation. The Chief Financial Officer offered to discuss specific examples of budget management outside of the meeting.

**Action: Chief Financial Officer**

12.3 The Council also supported the proposal to increase long-term equity investment assets by £70m to a total of £150m. which would provide the University with enhanced returns and diversification. The Chair informed the Council that he was very confident that the Investment Committee working in conjunction with the Finance Committee would consider sensible, prudent and sustainable options. Consideration would also be given to selecting funds which had a strong ethical focus.

12.4 The Council **approved** the changes to the Financial Strategy.

**13 OFS CURRENT ISSUES**

**C-2020-04-07**

The Council **noted** the report of the actions of the University's principal regulator, the Office for Students, and on guidance issued by the Quality Assurance Agency with respect to the maintenance of quality and standards during the pandemic.

**14 ACCESS AND PARTICIPATION PLAN (APP): OFS APPROVAL**

**C-2020-04-08**

14.1 The Pro-Vice-Chancellor (Students) drew attention to the letter received from the Office for Students (OfS) approving the University's APP 2021-2024. OfS also advised that it judged that the University was at risk of a future breach of condition A1<sup>1</sup>. Enhanced monitoring was currently suspended due to the coronavirus pandemic, but it could be reinstated at a future date, so the University would need to focus upon the issues identified by the OfS. There was provision to request a review of the OfS decision, but this action was not being recommended.

14.2 The Council noted that the OfS had requested changes to targets to be more ambitious and queried whether they would actually be achievable. The PVC (Students) agreed that the targets were challenging, and engagement had commenced with the OfS on data analysis. Work was underway to create a dashboard for accurate monitoring and regular reports on progress against the targets would be made to the Council.

**Action: PVC Students**

14.3 In response to a question on the identification of students who might require additional support to succeed, the PVC Students explained that ALs were able see information from students who had declared disabilities or caring responsibilities. Ethnicity was not identified. Analytics were also used to identify students who might be struggling to introduce targeted interventions. This would be an area to explore further however it would not be important to label students in specific ways and in doing so possibly increase the potential for failing.

14.4 The importance of the APP and its interactions with other initiatives and projects was also highlighted. These interdependencies needed to be clearly identified and linked together in a coherent and strategic way. The Vice-Chancellor assured the Council that the work starting on the University's strategy would attempt to do this and the Council would be able to consider it at the Development event in September.

14.5 The Council:

- a) **noted** approval of the University's Access and Participation Plan by the OfS, and the University's monitoring plans;
- b) **approved** the recommendation that the University did not seek a review of this decision

**15 INSTITUTIONAL PERFORMANCE UPDATE**

**C-2020-04-09**

15.1 Attention was drawn to the metrics used to measure the Dynamic and Inclusive Culture indicator, and whether there was a way to evaluate increasing agility of the institution and the reduction of bureaucracy in the light of the Students First Critical Review and work by

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<sup>1</sup> A1 Have in force an access and participation plan approved by the OfS in accordance with the Higher Education and Research Act 2017 (HERA). Take all reasonable steps to comply with the provisions of the plan

Pecan Consultants. The Director of Strategy reflected that it was challenging to develop measures to evaluate organisational agility, but questions in staff surveys of staff might be an option and would be discussed with the Group People Director.

**Action: Director of Strategy**

- 15.2 Indicators relating to research were predominantly showing as amber and the Council queried whether this was a significant cause for concern. It was acknowledged that this was a challenging environment at present with the Research Excellence Framework (REF) postponed and laboratory work difficult to pursue due to the coronavirus pandemic. The PVC (Research, Enterprise and Scholarship) was devising plans to improve cost recovery in relation to research and was also working to support submission of high value bids for funding.
- 15.3 The Council reiterated that several intertwining strategies were focused on the objective of improving student success. Assurance was sought that this approach was sufficiently coherent and detailed to see significant improvement against this key objective. The Director of Strategy explained that there were improvements with student success indicators including pass rates and completions and a fall in students withdrawing from their studies without achieving any credit. The University was working hard to ensure different policies and approaches were devised in a broader strategic context.
- 15.4 Opportunities for increasing income diversification for the University were likely to be adversely affected by the coronavirus pandemic. Numbers of apprenticeships students were currently good, but it was acknowledged that recruitment was likely to flatten due to the pandemic and requests for deferrals might increase. This was being monitored carefully. The Finance Committee was intending to examine the benefits to the University from entering into partnerships. A strategy for the University and FutureLearn was also being developed for consideration by the Council in the autumn.
- 15.5 The Council **noted** the current institutional performance against the strategic measures.

**16 STRATEGIC RISK REGISTER REVIEW C-2020-04-10**

- 16.1 The Chair reported that following the debate at the last meeting of the Council, significant work had been carried out on the Strategic Risk Register (SRR) to present risks more clearly around the University's priorities and key projects. The Chair of the Audit Committee commended the streamlined process for risk reporting with a focus on key strategic risks and improved clarity on roles and responsibilities. It was suggested that specific risks associated with the coronavirus, both current and future, be identified separately.
- 16.2 The Council:
- a) **approved** the Strategic Risk Register summary
  - b) **noted** the revised approach to risk reporting

**17 FINANCE COMMITTEE C-2020-04-11**

The Council **noted** the unconfirmed Minutes of the meeting on held on 24 March 2020

**18 AUDIT COMMITTEE C-2020-04-12**

The Council **noted** the unconfirmed Minutes of the meeting on held on 24 March 2020

**19 THE SENATE**

**C-2020-04-13A & 13B**

The Council:

- a) **approved**, on the recommendation of the Senate, the revised Appointment Procedures for the Director, KMI
- b) **noted** the unconfirmed Minutes of the last meeting of the Senate held on 1 April 2020.

**20 DECLASSIFICATION OF COUNCIL PAPERS**

The following papers were declassified:

| <b>Paper Number</b> | <b>Title</b>                     | <b>Classification</b> |
|---------------------|----------------------------------|-----------------------|
| C-2020-02-CM        | Confidential Minutes             | Remain Confidential   |
| C-2020-04-02        | CSR Update                       | Remain Confidential   |
| C-2020-04-03        | AL Contract                      | Remain Confidential   |
| C-2020-04-06        | Financial Strategy               | Remain Confidential   |
| C-2020-04-13B       | Senate Confidential Minutes      | Remain Confidential   |
| C-2020-04-14A       | GNC Confidential Minutes         | Remain Confidential   |
| C-2020-04-15        | Council Membership and Diversity | Remain Confidential   |

**21 DATE OF NEXT MEETING**

The next ordinary business meeting of the Council would be held on:

14 July 2020

It was possible that an additional meeting would be convened in June 2020.

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