

THE COUNCIL

Minutes

This paper details the confirmed Minutes of the last meeting of the Council held on 11 May 2021 via Microsoft Teams.

The Council **approved** these Minutes as a correct record at its meeting held on 13 July 2021.

Dave Hall
University Secretary

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Attachments:

C-2021-03-M Minutes of the meeting of the Council held on 11 May 2021

THE COUNCIL

Minutes of the meeting of the Council held on 11 May 2021 via Microsoft Teams.

Present: Malcolm Sweeting (Chair), John Brooks, Tim Blackman, Sarah Jones, Bob Spedding, Mary Curnock Cook, Maggie Galliers, Robert McCracken, Catherine Halliwell, Anna Henderson, Ruth Girardet, John D'Arcy, Ceri Doyle, Rukhsana Malik, Paul Gray, Lopa Patel, Tevin Tobun, Rachel Lock, Eileen Scanlon, Carol Howells, Danielle Smith, Rob Parker, Paul Greenwood.

In Attendance: Dave Hall (University Secretary), Laura Lauer (Head of Governance), Laurence Holden (Interim Group Finance Director), Sue Thomas (Senior Manager, Governance), Hâf Merrifield (Director of Strategy) and Claire Mitchell (Head of Strategic Opportunities and Insight) for minutes 7 and 8, Josie Fraser (Deputy Vice-Chancellor) for minute 9, Chris Youles, (Chief Information Officer), for minutes 10 and 11.

1 WELCOME

The Chair welcomed Rukhsana Malik, representative of the Senate, to her first meeting of the Council.

2 DECLARATION OF INTERESTS

None declared.

3 MINUTES

C-2021-01-M & C-2021-02-M

The Council **approved** the minutes of:

- a) the meeting held by correspondence between 11 and 18 March 2021
- b) the ordinary business meeting held on 23 February 2021 subject to the following revision requested by Jovan Byford:

Minute 1.4 to read:

Unfortunately, Jovan Byford was dissatisfied with the approach taken by the Vice-Chancellor's Executive in respect of the IHRA Working Definition and very regrettably decided to resign from the Senate and the Council. Arrangements were underway to elect a replacement member.

4 MATTERS ARISING

C-2021-03-01

- 4.1 The Chair requested that further consideration be given to how actions arising from meetings of the Council are recorded and tracked.
- 4.2 The Council **noted** the Matters Arising and Action Tracker.

5 CHAIRS' BUSINESS

The Chair confirmed he had no items of business to raise.

6 VICE-CHANCELLOR'S REGULAR REPORT

C-2021-03-02

6.1 The Vice-Chancellor acknowledged that the decision taken by the Vice-Chancellor's Executive (VCE) on 18 March 2021 to delay implementation of the new contract for Associate Lecturers (ALs) in October 2021 had resulted in a significant reaction from approximately 15% of ALs which had not been anticipated. Negotiations with the University and College Union (UCU) on the mitigations designed to address two key concerns arising from the delay, greater job security and financial uplift, were now close to conclusion. An update was provided in paper C-2021-03-05. As a result of the strength of feedback received from ALs, the agenda item on the new strategy (C-2021-03-04) now requested the Council to agree that the University's current values should be revisited as part of the strategy development.

6.2 In reflecting on the other issues raised in his report the Vice-Chancellor:

- a) highlighted that VCE had approved additional resources to support the increase in student numbers including extra recruitment to staff tutor and AL roles. There was still a risk however that registration to some modules may need to be capped to ensure students registered received appropriate support.
- b) reported that whilst fee income was growing due to increasing student numbers, fee levels were likely to be scrutinised as the Government in England intended to implement a flexible Lifelong Loan Entitlement (LLE) offering every student four years' financial support by 2025. The University's fees were currently below the fee cap in England and would be until 2023/24 but it was currently unclear how the new loans would be linked to the fee cap.
- c) drew attention to very positive outcomes from external agencies and organisations in recent weeks. The Quality Assurance Agency's Quality Enhancement Review confirmed that the University met all requirements and received several commendations. The University had been re-awarded Bronze status for the Athena SWAN Charter. In addition, the School of Engineering and Innovation recently received their Silver Athena SWAN award. The Business School had also received confirmation that its EQUIS accreditation would be renewed though this would not be made public until June 2021.
- d) reported that the Universities and Colleges Employers Association (UCEA) representing 146 higher education employers including the University, had made a final pay offer of 1.5% for 2020/21. The trades unions were currently considering this offer.
- e) sought approval from the Council for the appointment of Professor Dev Kodwani to the FutureLearn Board to replace Professor Josie Fraser.

6.3 The Vice-Chancellor concluded by recognising that the capacity of his Executive Team was under significant pressure and acknowledged the stresses under which staff were working during this last period of lockdown. The current operational dashboard was showing significant areas of amber and red and the University was doing all it could to support staff wellbeing across the whole University.

6.4 Members of the Council:

- a) congratulated the University on an impressive performance and achievements despite the very challenging situation. Information was sought on what the Vice-Chancellor and VCE considered to be the main priorities upon which to focus due to the pressures on capacity. The Vice-Chancellor explained that his priority was to continue to support core growth but in a way that did not compromise student success.
- b) reflected that two major change programmes had experienced problems and enquired what expertise the Executive Team felt it needed at all levels to ensure the Core Systems Replacement (CSR) Programme, the AL Contract Programme and the new University Strategy were successful. The Vice-Chancellor assured the Council that the University was not short of resources or expertise. The change programmes were large scale, complex programmes and some issues had not become evident until the work had commenced. The growth in student numbers was providing additional resources to invest to support change programmes. Additional appointments had been made to support the AL Contract Programme and capability and capacity for the Student Systems part of the CSR Programme was being reviewed.

6.5 The Council:

- a) **approved** the appointment of Professor Dev Kodwani to the FutureLearn Board to replace Professor Josie Fraser.
- b) **noted** the report from the Vice-Chancellor

7 COMPETITIVE LANDSCAPE REVIEW

C-2021-03-03

7.1 The Director of Strategy and Head of Strategic Opportunities and Insight summarised the key factors likely to have an impact as both threats and opportunities for the University and the wider higher education sector. These included demographic changes, the political environment, market growth, increasing competition, changing student expectations and high levels of uncertainty and rapid change. The views of the Council were sought on whether there were any omissions to this work as it would play an important role in shaping the new University strategy.

7.2 Members of the Council welcomed the review and:

- a) reflected that increasing competition should not always be viewed as a threat as it could result in a growing and vibrant market.
- b) asked how the review would impact upon the development of the new Strategy. It was suggested that the University should focus on its core markets and work to keep its core curriculum relevant and ahead of market demands before expanding into other markets.
- c) suggested that further work be carried out on other institutions' behaviour particularly around moving into new areas and marketing part-time and online learning offers. They might demonstrate abilities to respond more quickly to opportunities. The Director of Strategy confirmed this would be undertaken with a nuanced approach considering differences between the four nations.
- d) sought clarification on the subjects most popular with younger students. The Director of Strategy confirmed that the Marketing Team had commissioned work on this area.

7.3 The Council **noted** the paper.

8 DEVELOPING THE UNIVERSITY STRATEGY

C-2021-03-04

8.1 The Director of Strategy reported that the response to the consultation with the University community had been positive and enthusiastic. Key points from the consultation in relation to the University's values included the need to clarify the four nations nature of the strategy, the significance of the University's research and the University's commitment to valuing its staff. The views of the Council were sought on whether the University's current values should be revisited as part of the Strategy development and the extent to which the Strategy should set out an ambition to reach beyond traditional markets.

8.2 The Council:

- a) considered that the paper on the competitive landscape had been helpful to inform decisions on the Strategy but it was at a high level and the detail would be constantly evolving. It would be important for the Council to be kept regularly apprised of changes to the landscape.
- b) saw opportunities for the University to be at the forefront of strategic goals relating to Equality, Diversity and Inclusion and Environmental Sustainability.
- c) noted that new opportunities such as new technical qualifications could become areas for expansion through various Government initiatives but advised caution about entering new markets as ambitious intentions might not be supported by the current infrastructure. The Director of Strategy pointed to comments received from the consultation on a desire for the University to continue with its core curriculum but also expand as long as sufficient capacity was available.
- d) acknowledged that the University's staff were its key asset and that it was essential that the organisation's values were kept relevant. However, the emphasis should be on enacting and working in accordance with the values and being able to evaluate this.

8.3 The Vice-Chancellor thanked the Council for its very helpful comments. He explained that in response to feedback received from the strategy engagement and comments received following the postponement of the implementation of the AL contract, the values needed to incorporate important aspects of the University's principles and behaviours such as trust, transparency and respect, which were not currently explicit. The values did therefore need to be reviewed in a careful and considered way which would ultimately help the University to move forward and embrace change positively.

8.4 The Director of Strategy **agreed** to bring a revised proposal for reviewing the University's values to the next meeting.

8.5 The Council **noted** the paper.

9 AL CONTRACT PROGRAMME

C-2021-03-05

9.1 The University Secretary explained that the decision to delay the implementation of the new contract for Associate Lecturers (ALs) had been taken because there was judged to be a critical risk of business failure by continuing on the existing timelines. Mitigations were announced to support ALs following the decision, but the strength of reactions from ALs to the decision was not anticipated. The University Secretary regretted the stress that the decision had caused ALs and staff tutors but reiterated that the correct course of action had been taken. A new Implementation Board had been established, chaired by the Deputy Vice-Chancellor with members drawn from a wide range of stakeholders.

Work to achieve implementation and the organisational changes required to integrate ALs into faculties would be prioritised. The Deputy Vice-Chancellor explained that the project team had been expanded and was now focussed on four workstreams as set out in the paper.

9.2 The Council:

- a) acknowledged the difficult decision made and sought assurances that lessons would be learned from the situation.
- b) noted that significant work was required to deliver the mitigation measures designed to address ALs' primary concerns of greater job security and the expected financial uplift for additional leave and professional development time. These mitigations were complex and payroll issues remained unresolved.
- c) regretted that the potential impact of the delay to implementation of the new contract on students' studies and success was not clearly identified as a risk. The OU Students Association had written expressing concern that the decision to delay implementation had not been discussed with student representatives in advance.

Post Meeting Note: Letter (12 April 2021) from the President, OU Students Association and student member of the Council is available in the Document Library in Convene.

- d) noted the risk of industrial action by the UCU remained if agreement could not be reached on the detail of the mitigating actions.

9.3 The Deputy Vice-Chancellor:

- a) reassured Council that lessons had been learned from the situation. Whilst acknowledging it had been difficult to be open whilst engaged in detailed negotiations, the Implementation Board would be operating in a more transparent way engaging with more staff and students.
- b) explained that a team was being established to monitor payment of provisional FTE salaries for the period October 2021 to August 2022 and resolve issues arising. A contingency plan which had support from the UCU had been devised in respect of paying FTE salaries.
- c) reported that the University's partner NTT (formerly itelligence) were continuing to work on issues arising with payroll systems. Reverting to legacy systems was not a viable option.
- d) clarified that a detailed risk register had been compiled for the Programme and this included issues relating to impacts on student success and reputational damage. The Board received weekly reports from Academic Services and assignment marking deadlines were being closely monitored.
- e) confirmed that a management guarantee on the mitigations was currently under consideration by the UCU.

9.4 The Vice-Chancellor acknowledged the significant work being undertaken by the Deputy Vice-Chancellor and the Project Team. Internal Audit were examining the decision to delay implementation and their report would be presented to the Audit Committee at its next meeting. He acknowledged greater consultation should have occurred with the OU Students Association.

9.5 The Council **noted** the report of the AL Contract Change Programme

10 CSR ERP – UPDATE

C-2021-03-06

10.1 The University Secretary reported that the issues in relation to ERP1 Payroll remained serious and a deep-dive investigation was currently being undertaken by NTT. The Chief Information Officer explained that the causes of these issues appeared wide-ranging and not all technical with some related to legacy data, training and adoption. The teams were working through the problems and some improvements were evident, but the situation remained challenging. To support the priority given to the AL Contract implementation, key staff working on the CSR ERP project were being asked to focus on the new contract and this has had implications for ERP including the delay of ERP phase 3.

10.2 The Council:

- a) enquired as to the level of operational readiness that had been in place when the decision was taken to go live with the ERP implementation.
- b) reiterated concerns that the teams in Payroll and Finance were working under significant pressure and the demands of implementing the mitigations for ALs would add to that pressure. In light of the urgency to resolve payroll issues, members sought assurance that the teams would have sufficient capacity to work on other areas including delivery of an interim workload allocation process.
- c) sought clarification on the numbers and significance of the issues and errors in payroll runs

10.3 The Chief Information Officer explained that readiness at the time was deemed to be comprehensive but had been undermined by technical issues. The University was conscious of the challenges and had assigned additional resources. A range of options for workload allocation solutions were currently being considered. The errors in the payroll system were focussed on staff who held numerous contracts. Staff who held single contracts were not experiencing problems with their pay.

10.4 The Council **noted** the report.

11 CSR STUDENT SYSTEMS - UPDATE

C-2021-03-07

11.1 The Chief Information Officer reported that the Student Programme was in the Explore phase and a range of options were being considered. A report would be presented to the next meeting of Audit Committee and the Finance Committee would be considering a revised budget.

11.2 The Council:

- a) noted the wide-ranging Explore phase but sought assurance on the viability and stability of the existing systems.
- b) emphasised the high risks of this part of the project as it was at the core of the University's teaching and learning however the paper did not examine the impact of the new systems from students' perspectives.
- c) considered that the focus should not necessarily be on an "adopt not adapt" strategy but the risks inherent in business changes needed to be balanced against using a robust product not entirely meeting the University's unique requirements.

11.3 The Chief Information Officer:

- a) explained that the most significant challenges with existing systems related to their integration rather than the systems themselves. A key data base would be upgraded later in the year which was expected to last four years. Support for elements of the CIRCE system was now no longer supported by Microsoft and it was not known how long the current provider would continue support.
- b) assured the Council that the Business Validation Group (BVG) was working to highlight the scale of adapting systems to meet the University's requirements and work was ongoing in teams to identify where efficiency improvements could be made.
- c) reported that more detailed information on the revised budget and programme plans would be presented to the meeting of Audit Committee on 15 June 2021.

11.4 The Council **noted** the report

12 DEFINITION OF ANTISEMITISM

C-2021-03-08

12.1 The Vice-Chancellor reported that prior to the meeting of the Senate on 21 April 2021 an amendment to the motion proposing adoption of the IHRA definition was received. It requested that the recently published Jerusalem Declaration be adopted alongside the IHRA Definition. The Senate voted by a large majority to accept the amendment and the amended motion. The Senate was therefore recommending to the Council that the University adopt both the IHRA Working Definition of Antisemitism in full and, in order to provide additional clarification and reinforcement, the definition of antisemitism and accompanying guidelines in the Jerusalem Declaration on Antisemitism.

12.2 The Senate also agreed that the University's adoption of the two definitions should be set in the context of the Equality Act and the University's Statement of Principles on Academic Freedom, which would both take precedence when interpreting the definition of antisemitism.

12.3 The Council

- a) acknowledged the depth and breadth of the debate at the Senate on the issue. It was noted that as the request to adopt the Jerusalem Declaration had been received as an amendment to the original motion to accept the IHRA definition, adopting one or the other had not been possible.
- b) noted a report that the OU Students' Association had found it challenging to consult widely with the entire student body. Opinions however had been received from the Association's Senate representatives, Central Executive Committee and the Board of Trustees.
- c) welcomed the proposed review of the effect of adopting both definitions after one year.
- d) advised caution over publicly announcing the adoption (if approved) at this point in light of the current situation in Gaza

12.4 The Council **approved the recommendation** from the Senate that the University adopts the IHRA Working Definition of Antisemitism in full and, in order to provide additional clarification and reinforcement, also adopts the definition of antisemitism and accompanying guidelines in the Jerusalem Declaration on Antisemitism.

13 USS PENSION: UPDATE

C-2021-03-09

- 13.1 The Group Finance Director (Interim) introduced the report and drew attention to the University's draft response to the consultation currently being conducted by Universities UK (UUK) seeking employer members' views on issues relating to the March 2020 valuation of the Universities Superannuation Scheme (USS). The University had engaged extensively with staff via emails and a series of webinars explaining the implications of the scenarios and polling views on the staff engagement questions posed by UUK.
- 13.2 The Chair reported that the Chairs of the Council Committees had met the Group People Services Director and concluded that none of the three scenarios and outcomes presented by the USS were ideal for the University. The Chairs had supported the draft response prepared for submission to UUK on behalf of the University.
- 13.3 The Council emphasised the importance of the affordability of pension contributions for staff and supported the response from the University's executive to the UUK consultation on the USS March 2020 valuation.
- 13.4 The Council **noted** the response.

14 NATION UPDATE: OU IN SCOTLAND C-2021-03-10

- 14.1 The Director, OU in Scotland (OUiS) introduced the report and described the activities, levels of growth and progress against objectives being achieved in Scotland.
- 14.2 The Council:
- a) welcomed the positive report and recorded its thanks to the staff in Scotland for their hard work and achievements and in particular the support offered to students.
 - b) noted that the report did not refer to the importance of research and enterprise. The Director, OUiS explained that the Pro-Vice-Chancellor (Research, Enterprise and Scholarship) was considering the importance of research across the four nations.
- 14.3 The Council **noted** the report.

15 INSTITUTIONAL PERFORMANCE UPDATE STRATEGIC RISK REGISTER C-2021-03-11 C-2021-03-12

- 15.1 The Director of Strategy reported that the Institutional Performance Report provided further confirmation of the growth in student numbers. A briefing note with additional information on factors behind the growth in numbers and increase in success measures was available in Convene. VCE had reviewed the Strategic Risk Register and recognised that interdependences existed across a number of strategic risks; notably Risk 1 (Capacity), Risk 4 (Covid-19), Risk 7 (AL contract implementation) and Risk 10 (Recruitment, reward and retention of staff) and these would receive further attention at the next meeting of the Audit Committee. Work was ongoing to ensure a holistic approach was in place to ensure these dependencies were recognised and reflected within future reporting.
- 15.1 The Council:
- a) reflected that despite the current challenges, the University was in a very good position. Key metrics were showing improvement compared to the position three years ago. The work behind the measures showing improvements in student success was commended and it was hoped that work in research would also have an impact in the near future. It was noted that the report did not include reference to

issues with payroll or the possibility of capping numbers on some modules and it was suggested that measures should be included on these areas.

- b) noted that the measures relating to technology were not strategic in their approach and ALs were not included in the measures relating to the culture of the University.
- c) questioned whether the indicators showing improvements in module pass and completion rates might be a result of students being furloughed from employment and having more time to focus on their studies. The Director of Strategy commented that student numbers had grown despite the pandemic although the direct effects of the Government's furlough scheme had not been specifically examined.

15.2 The Vice-Chancellor confirmed that the measures of performance would be refreshed as part of the work developing the new strategy.

15.3 The Council:

- a) **noted** the Institutional Performance Report
- b) **approved** the Strategic Risk Register summary on the basis that it would receive further scrutiny at the next meeting of the Audit Committee.

16 COMPLIANCE WITH CONSUMER PROTECTION LAW C-2021-03-13

The Council **noted** the initial evidence to demonstrate compliance with consumer protection law and continuing adherence to Condition of Registration C1 for the 2020-21 academic year.

17 FORECAST OUTTURN C-2021-03-14

17.1 The Group Finance Director (Interim) informed the Council that the University was in a very strong position financially. Growth in student numbers had enhanced fee income and investments had performed very well.

17.2 The Council:

- a) questioned the strength of controls on forecasting and budgeting especially in relation to major strategic projects. The Group Finance Director (Interim) confirmed that controls were very strong, and this had been verified by the University's external auditors. The challenges centred on the systems and not always being aware of the precise requirements to cost until work had commenced.
- b) sought an update on the position in relation to the absence of the Chief Financial Officer from the University. The Chair reported that he hoped to be able to issue a report to the Council imminently. The Vice-Chancellor reiterated his thanks to Laurence Holden for taking on the role of Group Finance Director in an interim capacity.

17.3 The Council **noted** the Forecast Outturn report.

18 THE SENATE C-2021-03-15

18.1 The Vice-Chancellor reported that the key discussions from the meeting of the Senate on 21 April 2021 on the definition of anti-Semitism and the implementation of the revised AL Contract had been covered earlier in the meeting.

18.2 The Council **noted** the minutes of the meeting held on 21 April 2021

19 COMMITTEE MINUTES

The minutes of the following meetings were **noted** in Convene:

Remuneration Committee	Meeting on 24 February 2021	C-2021-03-16
Finance Committee	Meeting on 23 March 2021	C-2021-03-17 (A&B)
Audit Committee	Meeting on 23 March 2021	C-2021-03-18
Governance & Nominations Committee	Meeting held on 24 March 2021	C-2021-03-19

20 ACADEMIC GOVERNANCE REVIEW UPDATE **C-2021-03-20**

This report was **noted** in Convene:

21 REPORT FROM THE OU STUDENTS ASSOCIATION

The Council **noted** a report in Convene from the President, OU Students Association summarising the activities of the Association.

22 DECLASSIFICATION OF COUNCIL PAPERS

All paper classified as Highly Confidential to remain at present.

23 DATE OF NEXT MEETING

The next meetings of the Council will be held on:

14 July 2021 (online)
28 September 2021 Strategy Development Day - Milton Keynes
23 November 2021 Milton Keynes
1 March 2022 Online
10 May 2022 National Office – Cardiff
5 July 2022 Online

All arrangements are subject to change pending Governments' advice

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