

THE COUNCIL

Minutes

This paper details the confirmed Minutes of the last meeting of the Council held on Tuesday 9 May 2017 in in the Hub Theatre, The Open University, Walton Hall, Milton Keynes, MK7 6AA.

The Council **approved** these Minutes as a correct record at its meeting held on 18 July 2017.

Jonathan Wylie
Acting University Secretary

Julie Tayler
Working Secretary to the Council
Email: julie.tayler@open.ac.uk
Tel: +44 (0)1908 332729

Attachments:

C-2017-02-M Minutes of the meeting held on Tuesday 9 May 2017

THE COUNCIL

Minutes of the meeting of the Council held on Tuesday 9 May 2017
in the Hub Theatre, The Open University, Walton Hall, Milton Keynes, MK7 6AA.

Present: Mr R Gillingwater (Pro-Chancellor, Chair), Mr H Brown (Treasurer),
Mrs N Simpson (Acting OUSA President), Dr J Baxter, Mr J D'Arcy, Dr S Dutton,
Prof J Draper, Ms R Girardet, Mr P Greenwood, Mrs F Chetwynd, Ms R Lock,
Dr T O'Neil, Mr R Spedding, Mrs R Spellman, Dr C Spencer, Prof W Stevely,
Dr B Tarling, Ms S Unerman, Dr G Walker, Prof J Wolffe.

In Attendance: Acting University Secretary, Interim Group Finance Director, Director, External
Engagement, Head of Governance, Senior Manager, Governance (Working
Secretary), Pro-Vice-Chancellor (Research and Academic Strategy), Executive
Dean (Faculty of Arts and Social Sciences)

VCE members in attendance for specific items: Director of Strategy (minute 9),
Pro-Vice-Chancellor (Learning and Teaching
Innovation) (minute 8).

Observers: Director of Communications, Vice-Chancellor's Business Manager)

Apologies: Vice-Chancellor, University Secretary, Mr S Begbie

1 WELCOME

The Chair welcomed everyone to the meeting, and thanked Jhumar Johnson and Matt Foster of the Development Office for their presentation on TESS India earlier that morning.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES OF THE LAST MEETING

C-2017-01-M

The minutes and confidential minutes of the meeting of the Council held on 7 March 2017 were **approved** as a true record.

4 MATTERS ARISING AND ACTION TRACKER

C-2017-02-01

4.1 The Chair observed that the actions arising from the last Council meeting had been completed.

4.2 The Council **noted** the Council Action Tracker at May 2017.

5 CHAIRS BUSINESS

- 5.1 The Chair reported on the status of the searches to recruit a Vice-Chair, Treasurer and Council member, which were also dealt with elsewhere on the agenda (C-2017-02-11 and C-2017-02-11A). He also observed that Charter Day on 4 May 2017 had been an excellent event that had focussed on the student experience.
- 5.2 The Vice-Chair reported on the CUC Spring Plenary event, where the main topics for discussion had been partnerships in the broadest sense, including companies, charities, China and overseas students; pension liabilities; and key performance indicators, particularly the Teaching Excellence Framework (TEF).

6 VICE-CHANCELLOR'S REPORT

- 6.1 On behalf of the Vice-Chancellor and the University Secretary, the Acting University Secretary apologised that these two key figures were absent from the meeting, but assured the Council that business continued to be dealt with by other members of the Vice-Chancellors Executive (VCE).
- 6.2 The Acting University Secretary presented the Vice-Chancellor's report on:
- a) the snap General Election on 8 June 2017, which exemplified the uncertain times within which the OU was operating;
 - b) the Higher Education and Research Act, which created a new regulator in the Office for Students (OfS), and aimed to deliver greater competition and choice for students. The Act also put the introduction of teaching quality and standards assessments into law, with the concession from the UK Government that there would be an independent review of the TEF by the end of 2019. The University had lobbied for the new legislation to be for all students and, for the first time, OfS would have an explicit legal duty to consider different forms of learning, including part-time study and distance-learning, to promote student choice. Progress had also been made on credit transfer, as OfS would be required to monitor its development, raise awareness and encourage its take-up. The launch of OfS was not scheduled until April 2018, so the University would continue to engage with the consultations;
 - c) the HEFCE grant for 2017/18, which demonstrated the continued shift from guaranteed fixed direct funding towards variable funding dependent on student demand;
 - d) the University's National Student Survey (NSS) results, which could be published as the 50% response rate threshold had been achieved across all four Nations, and had been 59% in Scotland. The OU Students Association were thanked for their support in achieving this response rate;
 - e) the annual Higher Education Funding Council for Wales (HEFCW) remit letter, which contained an explicit commitment to the enhancement of part-time provision as a 'fundamental priority', with at least some of this enhancement, and the incentives to secure it, involving higher level apprenticeships and Further Education (FE) providers as part of the solution. The work of the Director, OU in Wales and his team in achieving this outcome was acknowledged;
 - f) the appointment of an OU graduate, Robin Swann MLA, as the new leader of the Ulster Unionist Party in Northern Ireland;

- g) the OU's partnership with the BBC for a series of programmes and a digital hub under the banner of Tomorrow's World, alongside the Royal Society, Wellcome and the Science Museum;
- h) the University's successful bids with the Commonwealth Scholarship Commission:
 - i) Institute of Educational Technology (IET) - 10 Commonwealth Distance Learning Scholarships for citizens of developing Commonwealth countries to study IET's Masters in Online and Distance Education fully funded;
 - ii) Faculty of Science, Technology, Engineering and Mathematics (STEM) - scholarships for the Environmental Management MSc programme in partnership with the African Centre for Technology Studies (ACTS) in Kenya; and
 - iii) Faculty of Arts and Social Sciences (FASS) - 5 Scholarships, allowing the University to extend its Postgraduate teaching in Uganda;
- i) the OU's offer of free level 1 courses to 150 prisoners per year as part of a three-year pilot scheme supported by a grant of £600,000 from the Garfield Weston Foundation and £300,000 from the Open University Students Educational Trust (Ouset) charity; and
- j) the progress of the Student Recruitment and Support Centres (SRSCs). Phase 3 of the programme had been completed at the end of April, with the transition of services into the SRSCs supporting the Faculty of Business and Law (FBL) in Milton Keynes and the Faculty of Wellbeing, Education and Language Studies (WELS) in Nottingham. This had meant the closure of the regional offices in Leeds and Oxford. The Vice-Chancellor thanked staff for their service and wished them well for the future. There were now two regional offices remaining, Cambridge and Bristol, which were scheduled to close at the end of August. The campaign to advertise SRSC services to students, including extended opening hours and enhanced provision of curriculum specific help and support, would begin during May 2017. Communications to students would be staggered to help manage demand, and the University looked forward to testing the new consolidated service, which had been designed to provide the best possible student experience.

**7 ADAPTIVE ORGANISATION AND CULTURE
OU REDESIGN: OPERATING MODEL**

C-2017-02-02

Minute items 7.1 to 7.34 are presented in C-2017-02-CM (Confidential Minutes).

8 GROUP TUITION IMPLEMENTATION REVIEW REPORT

C-2017-02-03

GROUP TUITION IMPLEMENTATION: UPDATE

C-2017-02-04

8.1 Professor Hazel Rymer, Pro-Vice-Chancellor (Learning and Teaching Innovation) [PVC (LTI)], introduced the papers, and reminded the Council that the Group Tuition Policy (GTP) aimed to enhance the quality and consistency of the student experience, in order to improve student engagement and success, and to achieve better retention and progression. The problems encountered in the implementation of GTP in the autumn 2016 had impacted on the delivery of the tutorial experience expected by both students and the University.

8.2 The first paper (C-2017-02-03) presented the report of the implementation review, which had engaged large numbers of staff and students. The report highlighted eight key issues, the lessons learned and the actions taken. It was important that this information

was now communicated more widely; the Council were asked to consider the report and agree its wider dissemination to staff and students.

- 8.3 The second paper (C-2017-02-04) provided a progress update on the ongoing work to secure the delivery of forthcoming presentations. It provided assurances that systems were now in place and that the University was on track to deliver the October 2017 presentation safely. A working group of the Education Committee had been set up to identify any problems with the Policy from an academic perspective which would prevent it from delivering its intent.

Group Tuition Implementation Review Report

- 8.4 Referring to the KPMG report, members commented that, whilst it was useful to see the full report, revisions were necessary before it was disseminated more widely. Transparency was essential, but certain statements had the potential to bring about unintended consequences. The language was complex and not always well-judged; and the narrative was not student-friendly. Information tended to be provided without explanation, which left some statements open to different interpretations. It was difficult to identify the key issues, any explicit conclusions, or the recommendations and how they would be implemented. Quantitative and qualitative data was needed to demonstrate that the concerns expressed by staff and students were being addressed. More work was required to anonymise the feedback, as individuals could be identified through reference to their faculty role.
- 8.5 A member said that consideration should be given to how the report might be viewed externally: it could be damaging if the press were to use quotes out of context. The Acting President, OU Students Association, observed that students had already commented publically on the GTP issues; if the report were released to students then it would go public. Student communications should no longer focus on GTP, but on the way forward with OU Redesign.
- 8.6 Another member was concerned that some of the issues raised did not appear to have been addressed; for example, with regard to tutors making adjustments for disabled students or with respect to protecting provision in the nations, where there had been no request to change practice. The PVC (LTI) said that the University was endeavouring to deal with new issues raised by GTP, rather than problems that had been in existence previously and had simply been highlighted by GTP.
- 8.7 The PVC (LTI) suggested that the way forward might be to produce a more effective executive summary, which indicated how the University would act differently in the future. Once its language had been reviewed, the report should then become an appendix to the executive summary.
- 8.8 The Chair acknowledged members concerns and agreed that it was essential to get the report right before it was distributed across the University. The key omission was the lack of a strong coherent executive summary that put the report into context, and provided a root-cause analysis of the real issues and what action was to be taken moving forward. In the spirit of openness, not to publish the report was not an option. In response to a member's comment, the Chair suggested that KPMG should be asked to respond to the points made and to find more judicious language; however, the Council's comments and concerns should be addressed in the executive summary and within the context of OU Redesign.

8.9 In summary, the Acting University said that wider publication would be subject to changes to the language and careful anonymization, and to the provision of a clearer narrative from the executive about the conclusions to be drawn and the next steps.

Action: PVC (LTI)

8.10 With reference to the changes to the timings of the Tutor-Student Allocation (TSA) and the Final Enrolment Date (FED), the Acting President, OU Students Association, sought assurance that student numbers would be more accurately predicted in the future. The Acting University Secretary replied that forecasting was improving, although there were broader issues, including changes to the curriculum and the introduction of new modules, which made the situation more complex. The PVC (LTI) added that some information was already available, but the University had not previously made its predictions in August and the extent to which it could be accurate was unknown.

Group Tuition Implementation Update

8.11 The Treasurer observed that the paper identified three particular risks that appeared to be very significant; more information on the level of and ability to deal with those risks was required. The PVC (LTI) responded that the executive were aware that, unless the AL contracts could be rolled over, it would not be possible to commit to timetables for the forthcoming academic year. In response to a query from an AL member about the University's decision on the risks of early AL appointments, the PVC (LTI) said that VCE was due to discuss the matter later that week. With regard to the other risks, the PVC (LTI) said that the AL Services team were aware of the situation regarding resourcing; vacancies had been generated and interviews were ongoing. A further update had been applied to the LEM system during the past week and was stable. Upgrades had been introduced on time and within scope. The University was in a much better situation that it had been at the same time last year.

8.12 The Council:

- a) **agreed** the wider dissemination of the report to staff and students, subject to the changes identified in minute 8.9 above; and
- b) **noted** the following progress updates:
 - i) operational progress to deliver 2017 February, April and May presentations (17BDE) and development of the Group Tuition Policy Sustainable Model (GTP-SM); and
 - ii) Education Committee working group – report from the working group on Group Tuition Policy.

9 IMPLEMENTATION OF THE STUDENTS FIRST STRATEGY

C-2017-02-05

9.1 The Director of Strategy introduced the paper, which presented an assessment of the OU's progress against the key objectives in the Students First strategy. The University's vision was to have greater impact by reaching more students with life-changing learning, but to date progress had been slow in relation to some challenging targets, such as student retention. The University's lack of capability and capacity to deliver the strategy had been recognised, and OU Redesign would be significant in resolving that situation. The way in which this was implemented, together with clearer milestones, would help to increase the pace of implementation. A Major Change Board (MCB) had been established to provide a new way of prioritising and taking forward projects, and to ensure

greater rigour around scrutiny and oversight. The review of the plans for the strategic objectives in the light of OU Redesign was underway.

- 9.2 An external member asked whether the University could be optimistic about its progress and direction of travel. The Director of Strategy, said that the red, amber or green status against the various objectives would always be mixed, but he was hopeful that the balance would shift towards green. However, in the meantime, the University wanted to be transparent about its current situation and its capability.
- 9.3 Another external member suggested that a clearer update could be provided, which illustrated the University's current position, highlighted the complications, and demonstrated the action being taken to address the situation. There was a danger that the broad picture became lost amongst the words. The Director of Strategy agreed that such an approach would match the new way of working.
- 9.4 A Senate member observed that the implementation of OU Redesign would run simultaneously with the Students First strategy and would take time to implement, and asked what impact this would have on the delivery of the strategy. The Director, Strategy responded that it could and should increase the pace. Projects would be aligned with OU Redesign, which would help to ensure that they were prioritised appropriately. There was an opportunity to be clearer about the focus and the plans for the strategy, and to communicate it.

10 FORECAST OUTTURN **C-2017-02-06**

- 10.1 The Interim Group Finance Director outlined the key movements in the forecast outturn based on the results of the quarter ending 31 January 2017. The adverse variance was £1.0m from the budgeted deficit of £2.8m, and the comparative movements in the forecast from budget were explained in the paper. The net adverse movement of £0.1m from the October forecast was relatively insignificant, which included an offsetting adjustment to FutureLearn income and costs in response to the reassessed business plan.
- 10.2 The Council **noted** the 2016/17 forecast consolidated outturn deficit of £3.8 million.

11 FINANCE COMMITTEE **C-2017-02-07(A&B)**

The Council **noted** the unconfirmed minutes and confidential minutes from the meeting held on 4 April 2017.

12 THE SENATE **C-2017-02-08**

- 12.1 In response to the Chair's invitation for members to feedback on the first joint meeting of the Senate and the Council, an external member observed that it had been an unusual experience, which had been slightly stilted as members of the Council had simply been 'observers'. In future, it might be helpful to suspending the Senate standing orders in order to allow Council members to contribute to open discussion.
- 12.2 A Senate member said that it had been a useful exercise, although the workshop session had been over-structured and would have been improved by allowing more time and freer engagement between internal and external members. Such conversation should be encouraged, although there had been some nervousness amongst staff about Council members discussing the Academic Strategy.
- 12.3 An external member had welcomed the opportunity to participate in the joint meeting. A fuller discussion of the retention issues raised in the Academic Performance Report would have been useful, given the Council's role in endorsing the statement of assurance required by HEFCE and the Scottish Funding Council.

- 12.4 The Chair observed that it had been a useful meeting; however, time management was essential and holding a joint meeting should not put time pressure on key items for discussion.
- 12.5 The Council **noted** the report of the following items discussed at the meeting of the Senate held on 5 April 2017:
- a) Group Tuition
 - b) Academic Performance Report;
 - c) Academic Strategy
- 13 HEFCE ANNUAL PROVIDER REVIEW ASSESSMENT: C-2017-02-09**
OU RESPONSE
- HEFCE ASSESSMENT OF INSTITUTIONAL RISK C-2017-02-10**
- 13.1 The Acting University Secretary observed that the Council had been advised in March 2017 that the HEFCE Annual Provider Review (APR) Preliminary Assessment had identified an area of concern related to the University's student retention. The first paper provided the University's response to that concern, which had focused on the OU's plans to improve student success. The second paper presented the final outcomes of the APR, which confirmed that the University had been assessed as 'not at higher risk' in respect of financial sustainability, good management and governance matters; and 'meets requirements' for quality and standards matters.
- 13.2 The Chair commented that the University had prepared an excellent response to the Preliminary Assessment; it had accepted the issue of student retention, but had set out the University's action plans to address it.
- 13.3 An external member observed that there was a case for increased focus on new external requirements, such as student retention and progression, and the Teaching Excellence Framework (TEF). In future, the OU would have to be led by that which was measured; this was another imperative for change.
- 13.4 A Senate member suggested that the OU should seek to benchmark with international comparators, as there were not many similar organisations in the UK. The Director of External Engagement assured the Council that such benchmarks were already in place to provide a wide view, and were discussed regularly at VCE.
- 13.5 The Council **noted**:
- a) the OU response to the HEFCE Annual Provider Review Preliminary Assessment; and
 - b) that the University had been assessed as 'not at higher risk' (financial sustainability, good management and governance matters) and 'meets requirements' (quality and standards matters) respectively.
- 14 GOVERNANCE AND NOMINATIONS COMMITTEE C-2017-02-11**
- 14.1 The Chair introduced the paper, which recommended the constitutional changes necessary to implement the recommendations arising from the Council Governance Review.
- 14.2 A student member welcomed the Committee's enthusiasm for Council members to engage with more and different students. The Chair observed that members were

particularly keen to talk to students who were mid-study and who were not necessarily student representatives. An external member commented that the pre-Senate lunch with members of the OU Students Association Senate Reference Group had been extremely interesting. The student member said it had also been valuable from the students' perspective.

14.3 The Council:

- a) **noted** the minutes from the meeting of the Governance and Nominations Committee held on 25 April 2017;
- b) **approved** the amendments to:
 - i) the constitution of the Council (Appendix 1);
 - ii) the Council standing orders (Appendix 2);
 - iii) the schedule of delegation (Appendix 3); and
 - iv) the constitution and mode of operation for the Strategic Planning and Resources Committee (Appendix 4)arising from the approval of the recommendations following the Council Governance Review; and
- c) **noted** that the changes to the Council size and appointment procedures, and to the rule regarding the quorum for meetings, would also require amendments to Statutes 11 and 14, which would be done as part of the review of the Charter and Statutes.

15 VICE-CHAIR APPOINTMENT

C-2017-02-11A

- 15.1 The Chair introduced the paper, and outlined the process followed by the Governance and Nominations Committee to reach the recommendation for the appointment of a Vice-Chair of the Council. The recommended candidate had considerable academic experience and had engaged in a significant level of transformational change, so would provide the valuable external academic view of OU Redesign that had been identified earlier in the meeting.
- 15.2 The Council **approved** the appointment of Professor John Brookes as an external co-opted member for an initial term of four years, and the Vice-Chair of the Council for an initial term of three years, both commencing 1 August 2017.

16 CHAIR'S ACTION

C-2017-02-12

- 16.1 The Chair introduced the paper, which reported on action taken on behalf of the Council to approve the appointment of Mr Sandy Begbie as a Council co-opted member of the Finance Committee.
- 16.2 The Council **noted** the action taken by the Chair on behalf of the Council since the last meeting held on 23 November 2016.

17 DECLASSIFICATION OF COUNCIL PAPERS

17.1 The Chair confirmed that the following papers should remain confidential:

- a) C-2017-02-06B Finance Committee confidential minutes; and
- b) C-2017-02-11 Governance and Nominations Committee: Vice-Chair Appointment (CV only).

17.2 However, the following papers could be declassified:

- a) C-2017-02-02 Adaptive Organisation and Culture (after the Open Forum event, scheduled for 22 May 2017);
- b) C-2017-02-03 Group Tuition (once the revised document and associated executive summary had been agreed);
- c) C-2017-02-04 Implementation of Students First Strategy;
- d) C-2017-02-09 HEFCE Annual Provider Review – OU Response; and
- e) C-2017-02-11 Governance and Nominations Committee: Vice-Chair Appointment (paper only)

18 NEXT MEETING

18.1 The Chair confirmed that the next meeting of the Council would be held at the OU offices in Manchester and that there would be a presentation on the work of the Student Recruitment and Support Centre (SRSC). Further details would be circulated by the Governance Team in due course.

Action: Governance Team

18.2 The Council **noted** that the next ordinary business meeting of the Council would be held on Tuesday 18 July 2017.

19 REVIEW OF THE MEETING

19.1 The Chair welcomed the quality of the debate during the meeting, which demonstrated the Council working most effectively.

19.2 A member thanked the Acting University Secretary and the PVC (RAS) for stepping in for their colleagues at such short notice.

Julie Tayler
Working Secretary to the Council
Email: julie.tayler@open.ac.uk
Tel: 01908 3 32729