

THE COUNCIL

Minutes

This paper details the confirmed Minutes of the last meeting of the Council held on Tuesday 1 March 2022 via Microsoft Teams.

The Council **approved** these Minutes as a correct record at its meeting held on 10 May 2022.

Dave Hall
University Secretary

Sue Thomas
Working Secretary to the Council
Email: Sue.Thomas@open.ac.uk
Tel: +44 (0)1908 655083

Attachments:

C-2022-01-M Minutes of the Meeting of the Council held on Tuesday 1 March 2022

THE COUNCIL

Minutes of the Meeting of the Council held on Tuesday 1 March 2022 via Microsoft Teams.

Participants: Malcolm Sweeting, Tim Blackman, Robert McCracken, Sarah Jones, John D'Arcy, Carol Howells, Rukhsana Malik, Rob Parker, Eileen Scanlon, Danielle Smith, Catherine Halliwell, Sas Amoah, John Brooks, Andrew Dickinson, Paul Gray, Paul Greenwood, Mary Kellett, Rachel Lock, Lopa Patel,

Apologies: Ceri Doyle, Tevin Tobun

In attendance: Dave Hall, University Secretary, Camilla Briault, Assistant Director, Governance, Paul Traynor, Chief Financial Officer, Sue Thomas, Senior Manager, Governance, Josie Fraser, Deputy Vice-Chancellor for minute 7, Rebecca Galley, Director Academic Services for minute 8, Dewi Price, Chief Information Officer for minute 8, Kevin Shakesheff, Pro-Vice-Chancellor, Research, Enterprise and Scholarship for minute 11, Haf Merrifield, Director of Strategy, for minute 12, Caragh Molloy, Group People Director for minute 17, Marcia Wilson, Dean Equality, Diversity and Inclusion for minute 17

1 WELCOME AND OPENING REMARKS

- 1.1 The Chair welcomed Camilla Briault, Assistant Director, Governance, to her first meeting of the Council.
- 1.2 The University Secretary advised the Council that due to apologies for absence being received the meeting was not quorate as lay members were not the majority of those present as stated in the Standing Orders.
- 1.3 The Council **agreed** that the meeting would proceed and the items where decisions were required would be circulated to members afterwards.

2 DECLARATIONS OF INTERESTS

There were no declarations of interest

3 MINUTES

C-2021-06-M & C-2021-06-CM

- 3.1 Members proposed the following amendments to the minutes:

Minute 20: Annual Quality Report

Insert new minute 20.1 as below and renumber subsequent minutes:

- 20.1 The Council commented that from the minutes of the Senate meeting, the Senate had not discussed the Annual Quality Report in detail as it had been scrutinised by the Academic Quality and Governance Committee (AQGC). It was the responsibility of the Senate to provide the Council with assurance on academic quality and standards so it was requested that in future, the Senate should discuss

the report and provide the Council with a summary of the discussion and any actions required.

Minute 13: University Strategy 2022-2027

Minute 13.2(c) to read (insertion in *italics*):

- c) suggested inclusion of the “student voice” in the Strategy to reflect the input from the OU Students Association during the drafting *and future delivery* of the Strategy.

3.2 The minutes would be circulated to members for approval.

4 CHAIR’S UPDATE

4.1 The Chair:

- a) Reflected on recent events in Ukraine and advised a greater awareness of the risks of cyber-attacks.
- b) Reported that the Deputy Chair would chair for the meeting for agenda items C1 and C2.
- c) Informed the Council that several improvements were being made to increase the efficiency and effectiveness of meetings. These included ceasing the pre-meeting before meetings, restructuring the agenda and the use of “starring” of routine items to enable focus on key strategic issues and prompt issue of the minutes of the Council and its Committees.

4.2 The Council **noted** the report.

5 MATTERS ARISING AND ACTION TRACKER

C-2022-01-01

The Council **noted** the Action Tracker.

6 VICE-CHANCELLOR’S REGULAR REPORT

C-2022-01-02

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

- a) Assured Council that the University Secretary and Director, Academic Services were managing a co-ordinated response to the implications of recent events in Ukraine for the University. Support was being offered to Ukrainian and Russian students and mitigation of risks of cyber-attacks were ongoing.
- b) Reported that the Joint Negotiating Committee, following consideration of responses to the employer’s consultation, had recommended to the USS Board that the benefit changes proposed to the USS Pension Scheme be accepted. These changes proposed an increase in employer contributions to 21.6% with employee contributions remaining unchanged. It was understood that the USS Board had confirmed the changes. A set of proposals from the UCU had also been circulated but these had not been supported by employers as they had required an increase in employer contributions to 25.2%.
- c) Reflected that the external landscape was likely to present challenges with consultations launched recently by the Office for Students in England on the Teaching Excellence Framework, the student premium element of the teaching grant and student outcomes. The Government had also issued a consultation on minimum entry requirements for students to be eligible for student loans though it would include exemptions for part-time students. The University was also discussing with the Department for Education how it could work with further education colleges on the provision of level 4 and 5 qualifications.

6.2 Council members:

- a) Commended the University on the very positive level of engagement with the UK Department for Education on the higher and further education reforms and enquired how it could offer assistance and support.
- b) Expressed concern that the combination of new student registrations falling below target and impacting upon the forecast surplus, the implications of the increased USS employer contributions and the outcomes of the current consultations could combine to create a “perfect storm” situation for the University. Further information was sought on the reasons why student numbers had not achieved the targets set and the risks associated with losing the student premium payments.
- c) Asked how the newly launched Strategy would help the University navigate through these potential challenges.
- d) Questioned whether the University had the capacity to improve retention of students and extend its reach simultaneously.
- e) Drew attention to concerns expressed by students on social media over the consultation on minimum eligibility requirements and the potential impact on OU students, particularly those studying at full time intensity.
- f) Reflected on the impact on staff and employee relations overall of the potentially challenging period ahead. The changes to the USS Pension benefits were significant with some modelling predicting potential decreases in defined benefits and it was important staff were supported through this time. Strategic changes were also impacting on staff, and it was essential they had time to absorb the changes and engage with them.

6.3 The Vice-Chancellor:

- a) Assured Council that detailed strategic planning was underway to prepare and plan for the potential scenarios described.
- b) Explained that the University had taken a risk with its student number forecasting to avoid the challenges last year in supporting the growth in numbers. Recruitment was not far short of the target range, but it demonstrated that growth had reverted to previous trend.
- c) Reported that initiatives to underpin new growth including the launch of new curriculum, marketing and work on retention and success had started. However efficiencies would also need to be made and these were currently being considered by the Vice-Chancellor’s Executive (VCE).
- d) Reiterated that the Government consultation was on the introduction of minimum eligibility requirements for student loan finance and not university admission. Although OU students varied the intensity of their study patterns, all OU undergraduate students were registered as part time and part time students were exempt from the proposals. The situation would be monitored carefully.
- e) Emphasised that the University was very mindful of the welfare of its staff and was listening to their concerns, responding where possible and supporting them through the current changes. Communications were being managed more effectively enabling more opportunities to engage. The staff survey had just been launched and this would provide valuable information on how staff felt about working at the University. The impacts of the changes to the pension scheme would vary according to individual circumstances and staff were encouraged to visit the USS website staff to model their own benefits.

- f) Considered it was possible to improve growth and retention together and this had been demonstrated previously. VCE had agreed that it was important for the University to be dynamic and continue to grow. Significant work was underway on improving retention including the Personal Learning Advisers pilot scheme which had made a positive start. The University's open access model meant attrition rates amongst students was high as life events often intervened to affect adult learners' progress. However associate lecturers (ALs) would be able to work with advisers to support students.

6.4 The Council **noted** the report.

7 ASSOCIATE LECTURER CONTRACT PROGRAMME: UPDATE C-2022-01-03

7.1 The Deputy Vice-Chancellor informed the Council that the project focus was now firmly on priorities for full implementation of the contractual changes by August 2022. A new Programme Director and Academic Lead had been appointed and a review of the work to be completed had been carried out and scoped. The workload management tool was being rolled out further and work continued on embedding cultural change. Several challenges remained but there was confidence in the strong planning and good understanding of priorities.

7.2 The Chair of the Audit Committee explained that the Committee was working with the Project Team to test the cultural and technological aspects of the transition.

7.3 Council members:

- a) Commended the progress being made towards the target implementation date of August 2022 but questioned whether there was a prospect of not meeting the target date.
- b) Asked whether the full benefits of the programme were being realised, particularly in relation to student success which did not appear clear from the programme.
- c) Requested that more attempts were made to capture effort in business plans. It was acknowledged this could be hard to quantify but issues such as dual running of systems or manual interventions added complexity and staff time to projects, as had been demonstrated with the ERP implementation.

7.4 The Deputy Vice-Chancellor:

- a) Emphasised that there was confidence that ALs would transfer to the new terms and conditions of service in August 2022, but some risks remained that some processes or systems support might not be fully in place which might require manual interventions. Work was underway to update budgets to reflect possible additional work much of which was quantifiable for example, extra staff tutor funding.
- b) Assured the Council that some benefits of the new contracts were already being realised. ALs had commented that they felt more secure in their employment and there were many opportunities in having colleagues on FTE contracts which would be fully realised over time. These would include flexibility to improve mentoring, support students and improve retention and progression.

7.5 The Council **noted** the report.

8 STUDENTS SYSTEMS UPDATE C-2022-01-04

8.1 The Director, Academic Services updated the Council on progress since the meeting of the Audit Committee on 8 February 2022. A workshop was held to consider a proposed implementation sequence for the Student Administration (it.education) platform with

agreement on focussing on curriculum and qualifications first, then registration and graduation. Weekly meetings were held with Deloitte who were providing assurance for the portfolio and contact had been made with other universities which had implemented similar system change. Work had also started on mapping the potential impacts of the changes on staff.

- 8.2 The Chair of Audit committee confirmed that the Deloitte assurance team were attending meetings of Audit Committee, and an additional meeting of the Committee to focus on the Portfolio was being arranged for April 2022.
- 8.3 Council members:
- a) Expressed concern that although there was significant financial outlay, the paper did not clearly explain the progress or achievements from this so far.
 - b) Sought assurances that the concerns expressed at the meeting of the Audit Committee over the decision to use live data in some test environments had been considered further.
 - c) Advised caution against agreeing too many bespoke changes to the SAP product purchased and proposed that the processes for proposing and approving changes must be rigorous and robust.
 - d) Advised that the University should be looking to develop its own expertise in SAP systems
- 8.4 The University Secretary and Director, Academic Services:
- a) Explained that the expenditure so far related to the purchase of the SAP/NTT Student Administration product and time being spent exploring it to gain a comprehensive understanding of its functionality.
 - b) Emphasised that this expenditure so far was not considered redundant and was intended to lay important foundations for systems changes required. Some of these changes had already been initiated.
 - c) Confirmed that the Audit Committee's concerns had been discussed with the relevant teams and work was underway to develop plans for the future use of data.
- 8.5 The Council **noted** the report.

9 ERP UPDATE

C-2022-01-05

- 9.1 The Chair of the ERP Delivery Board updated the Council on progress with the ERP Programme and reported that the Programme Team continued to work with the Associate Lecturer Contract Programme to support the implementation of the new AL Contract in August 2022. This has had implications for the implementation phasing and timing of ERP3. The operation of the payroll system continued to be challenging. A review had been launched to determine how much further improvement could be made to the system and the level of compliance that could be achieved to enable transfer to business as usual.
- 9.2 The Chair of the Audit Committee reported that its focus had been on ERP1, and the issues still being experienced 15 months after implementation. The Committee had welcomed the clarity of direction over the continuing issues and the external assessment.
- 9.3 The Council **noted** the report.

The Pro-Chancellor left the meeting at this point and the Vice-Chair, Professor J Brooks took the Chair

10 APPOINTMENT PROCEDURES: PRO-CHANCELLOR C-2022-01-06

10.1 The Vice-Chair:

- a) Explained that Council was being asked to approve, on recommendation from Governance and Nominations Committee, the procedures for the re-appointment of the Pro-Chancellor.
- b) Informed Council that the Pro-Chancellor had indicated his willingness to be considered for re-appointment.

10.2 Council members:

- a) Considered that the process for re-appointment was robust and fair and consideration should be given to using it as a basis for other re-appointments to the Council.
- b) Acknowledged that the processes for re-appointment and appointment of a new Pro-Chancellor would be different. The timescale for a new appointment if required, would be very challenging to ensure sufficient time for induction.
- c) Requested that if an appointment process was required, a representative of the OU Students Association should be invited as an observer to the interview panel. This was the case for the appointment of the current Pro-Chancellor but was not referred to in the paper.
- d) Requested that greater clarity be given to the four nations aspect of the Council's business in the role description for the Pro-Chancellor.

10.3 The Council supported approval but as the meeting was not quorate, the procedures would be circulated to members for final approval.

11 THE OPEN UNIVERSITY ANNUAL RESEARCH INTEGRITY STATEMENT C-2022-01-07

11.1 The Pro-Vice Chancellor, Research, Enterprise and Scholarship (PVC RES) informed Council that the University followed the Universities UK (UUK) Concordat very closely. This had been confirmed by a review by the Internal Audit team.

11.2 Council members:

- a) Welcomed the helpful additional information provided in the report this year
- b) Commented that the University had responsibilities for the induction of new research staff and the position appeared variable. The PVC RES confirmed that an action plan was in place to improve this area.
- c) Reflected that the Statement did not refer to research involving non-human algorithms or artificial intelligence. The PVC RES confirmed that the new Ethical Research Review Body would have responsibility for this area.

11.3 The Council supported approval but as the meeting was not quorate, the statement would be circulated to members for final approval.

The Pro-Chancellor re-joined the meeting at this point and took the Chair

12 INSTITUTIONAL PERFORMANCE REPORT

- 12.1 The Director of Strategy reported that work was continuing on the feedback provided by Council members on the new performance framework. This had taken longer than originally planned and would be presented to the Council at its next meeting. In response to questions on the presentation of the data, the Director of Strategy confirmed that the issues would be considered during the development of the new framework.
- 12.2 The Council **noted** the report.

13 FORECAST OUTTURN**C-2022-01-09**

- 13.1 The Chief Financial Officer drew attention to the £8.3m decrease in the forecast operating surplus and the key factors impacting upon this. The position to the year end was not expected to change significantly. Key risks to the forecast outturn for 2021/22 included variations in fee income, income from investments and the USS pension provision. Risks in relation to student numbers and inflation had been escalated and the Finance Committee would discuss these issues and the possible mitigations, at its meeting in March 2022.
- 13.2 Council members:
- a) Noted that the 0.6% operating surplus represented a negative movement from the budgeted surplus and sought clarification of the longer-term implications of this.
 - b) Expressed concern that due to the issues highlighted earlier including increased salaries, pension contributions, strategic change and external pressures the position could become serious and potentially lead to a deficit.
- 13.3 The Chief Financial Officer assured the Council that variations were normal, and the year was expected to end with an operating surplus. There were serious risks ahead and the forthcoming years were likely to be more challenging for the University.
- 13.4 The Council **noted** the report.

14 FUTURELEARN**C-2022-01-10**

Minutes 14.1 to 14.4 are recorded as Confidential Minutes (C-2022-01-CM)

15 NATION REPORT: OU IN SCOTLAND**C-2022-01-11**

- 15.1 The Director, OU in Scotland (OUiS) introduced the report and described the activities, levels of growth and progress against objectives being achieved in Scotland.
- 15.2 Council welcomed the positive report and recorded its thanks to the staff in Scotland for their hard work and achievements and in particular the strong relationships built with partners and the Scottish Government.
- 15.3 The Council **noted** the report

16 OU STUDENTS' ASSOCIATION REPORT**C-2022-01-12**

- 16.1 The President, OU Students Association presented:
- a) A report on the Association's activities including progress against strategic KPIs, the 2022 Conference and the 50th anniversary celebrations.
 - b) Revisions to the Articles of Association.

16.2 The University Secretary commented that it was regrettable that only Resolution E obtained the required 75% approval threshold from the Association's Conference in January 2022. The other resolutions (A-D) proposed forward looking changes considered material to good governance.

16.3 Council members:

- a) Noted the inspiring and enthusiastic report on the Association's activities and looked forward to being involved in the 50th anniversary celebrations.
- b) Noted their support for the changes which the OUSA Executive were still seeking to make to their Constitution.
- c) Supported approval of the revision to the Articles of Association but as the meeting was not quorate, the revisions would be circulated to members for final approval.

17 2021 GENDER AND ETHNICITY PAY GAP REPORTING

C-2022-01-18

17.1 The Dean, Equality, Diversity and Inclusion and Group People Director:

- a) Explained that the data was taken as a snapshot on 31 March 2021. The data showed that the median Gender Pay Gap (GPG) had increased from 5.7% to 13.3% and median Ethnicity Pay Gap (EPG) has increased from 12.3% to 20.1%.
- b) Reflected that this was disappointing and had been attributed to two main issues, more male Associate Lecturers (ALs) undertaking additional duties than female to support students during a period of extraordinary growth and the vertical segregation across the higher grades impacting on the increase in both Ethnicity and Pay Gaps.
- c) Assured the Council that the University was taking action to address the issues raised. These included initiatives with clear targets in recruitment, promotion and pay and reward processes. It was acknowledged however that these initiatives could take time to demonstrate an impact.
- d) Explained that the that data was compiled annually, and support staff grades were not currently included. The University was looking to include this staff category in future reports as it was important their experiences were included.

17.2 Council members:

- a) Welcomed the transparent approach to publishing the data but expressed its disappointment over the data.
- b) Emphasised the importance and value of the commitment of AL colleagues who had taken on additional duties to support students at that point in time. It was noted that ALs had expressed concern that they felt unsupported through this challenging period, and many had other commitments limiting the flexibility they could offer. The Dean EDI reiterated that during the pandemic ALs had worked tirelessly to support students, so it was essential the data report was not seen in a negative context
- c) Reflected that it would be important to evaluate the impact of the new AL contract in future gender and pay gap reports particularly in relation to wellbeing and equality of opportunity.
- d) Noted that the disparities in pay by gender and ethnicity would have consequences for pensions for those groups.

17.3 The Council **noted** the report and actions to drive change.

18 GOVERNANCE AND NOMINATIONS COMMITTEE

The Council:

- a) Noted the Minutes and Confidential Minutes of meeting held on 2 February 2022
- b) Supported approval of the updated Council Diversity Policy but as the meeting was not quorate, the policy would be circulated to members for final approval

19 THE SENATE **C-2022-01-16**

19.1 The Vice-Chancellor reported that the Senate had for the first time received a report on the University's financial position from the Chief Financial Officer. This had been very well received by members and provided valuable context to their debates on academic issues.

19.2 The Council **noted** the Minutes of meeting held on 26 January 2022

20 FINANCE COMMITTEE **C-2022-01-13A&B**

The Council **noted** the Minutes and Confidential Minutes of meeting held on 25 January 2022

21 AUDIT COMMITTEE **C-2022-01-14**

The Council **noted** the Minutes of meetings held on 8 February 2022

22 COUNCIL: FORWARD PLANNER **C-2022-01-17**

The Council **noted** the report on future business being presented to the Council

23 DATES OF NEXT MEETINGS

10 May 2022 National Office – Cardiff
5 July 2022 Online

The Council would join the meeting of the Senate on 12 October 2022 to participate in the discussion of the Annual Report on Quality.

Further information on venues and arrangements would be issued when available

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University Secretary

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