

## COUNCIL

### Confirmed Minutes

This paper presents the confirmed minutes of the last meeting of Council held on 22 November 2022 in Library Seminar Room 4, Open University, Walton Hall, Milton Keynes, MK7 6AA.	
<b>Action Required</b>	
Council <b>approved</b> these minutes as a correct record at it's meeting held on 7 March 2023.	
<b>Present</b>	
Malcolm Sweeting (Chair), Tim Blackman, Robert McCracken, Margaret Greenaway, Nick Barratt, Carol Howells, Gary Elliott-Cirigottis, Eileen Scanlon, Sas Amoah, Catherine Halliwell, Andrew Dickinson, Rachel Lock, Julia Goodfellow, Ceri Doyle (via Teams), Paul Kett, John Brooks, Rob Parker, Tevin Tobun (via Teams), Rashik Parmar, Thomas Frawley, Paul Gray Observer: Gareth Jones – Deputy President, OU Students Association	
<b>In Attendance</b>	
Minute 8 Four Year Forecasts	Haf Merrifield, Director of Strategy
Minute 12 Strategic Risk Register	Haf Merrifield, Director of Strategy,
Minute 13 Behavioural Framework	Caragh Molloy, Group People Director Matt Flury, Head. Organisation Development
Minute 14 EDI Plan	Professor Marcia Wilson, Dean EDI
Minute 17 AL Contract Update	Josie Fraser, Deputy Vice-Chancellor
Minute 18 ERP Report	John D'Arcy, Chair, ERP Delivery Board Karen Ward, Programme Director
Minute 19 Prevent Report	John D'Arcy, Chair, Prevent Steering Group
Minute 21 Baseline Performance Measures	Haf Merrifield, Director of Strategy,
<b>Apologies</b>	
None received	

#### 1 WELCOME

The Chair welcomed Thomas Frawley to his first meeting of Council and Gareth Jones, Deputy President, OU Students Association who was joining the meeting as an observer.

#### 2 CONSTITUTION

C-2022-08-01

Council **noted** the key extracts of its constitution and statement of primary responsibilities.

#### 3 DECLARATIONS OF INTERESTS

There were no declarations of interests.

#### 4 MINUTES

C-2022-04-M/CM, C-2022-05-M, C-2022-06-M

The Minutes and Confidential Minutes of the meetings held on 5 July 2022, 27 September 2022 and via correspondence 7-14 September 2022 were **approved** subject to the inclusion of Andrew Dickinson in the list of those present at the meeting on 5 July 2022.

**5 MATTERS ARISING AND ACTION TRACKER C-2022-08-02**

The Council **noted** the report of matters arising and the action tracker

**6 CHAIR'S REPORT AND ACTION C-2022-08-03**

The Council **noted** the report of action taken by the Chair.

**7 VICE-CHANCELLOR'S REGULAR REPORT C-2022-08-04**

7.1 In reflecting on some of the issues raised in his report the Vice-Chancellor commented that

- a) Interviews had been held for the PVC Students post and an appointment was in the process of being confirmed and would be announced shortly.
- b) A report would be presented to Council later in the meeting on FutureLearn, but thanks were recorded to members of the Finance Committee and directors, particularly Philip Robert-Tissot and the Chief Financial Officer who had worked tirelessly to reach the outcome achieved.
- c) Communications had been issued to University staff about the financial outlook and emphasised that data and evidence would be shared in a transparent approach.
- d) The Office for Students (OfS) had confirmed that the University would not be subject to investigation in relation to the B3 condition of registration (student outcomes) in 2022 as its focus would be on full time provision. The University was however expecting an inspection of apprenticeship provision by OFSTED.
- e) The University and College Union (UCU) had announced strike days for 24, 25 and 30 November. The employers' body UCEA was currently consulting employers on options for reform of the national pay machinery.
- f) The next 2-3 years would be challenging for the University. Protection and development of the student experience would be the main priority, but it would be essential to remain focussed on innovation too. A development session would be arranged for the March meeting on innovation.

7.2 Council:

- a) Emphasised the importance of clear, open and transparent communications to students and staff.
- b) Considered that the Government's support for apprenticeships in England could provide opportunities for the University.
- c) Enquired whether the University should more actively promote that students could study at full-time intensity, and if so, whether this would have implications for its status as a part-time institution. There should also be more promotion of post-graduate taught study.
- d) Asked whether funding for research was at risk due to the financial outlook for the next four years.

7.3 The Vice-Chancellor confirmed that:

- a) Ten new apprenticeship programmes were currently in development. The University was keen to pursue this area further if sufficient funding was made available.

- b) The majority of OU undergraduate students were classified as part-time. Work was underway to look at the implications of full-time study, for example, on systems and on flexibility offered for study.
- c) The post-graduate curriculum had been rationalised as it was not making a sufficiently significant contribution to the University's operation. Re-development would be a longer-term option.
- d) There were no plans to disinvest from research. Strategic research funding would be driven by societal challenges.

7.4 Council **noted** the report.

**8 2021/22 CONSOLIDATED FINANCIAL STATEMENTS C-2022-08-05**  
**AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL AND THE**  
**VICE-CHANCELLOR, 2021/22 C-2022-08-06**

8.1 The Chief Financial Officer and Treasurer:

- a) Confirmed that the financial statements complied with regulatory requirements and had been audited by the external auditor, PricewaterhouseCoopers. Audit Committee had reviewed them on two separate occasions and no matters of significance had been reported.
- b) Reported that the Treasurer attended the meeting of Audit Committee on 3 November 2022 and advised on matters raised by Finance Committee following its consideration of the financial statements. Finance Committee advised that it was satisfied it was appropriate to make the assumption of going concern for the financial statements.

8.2 The Chair of Audit Committee explained the duties of Audit Committee and confirmed that the financial year end process had operated smoothly. The Committee had concluded that the financial statements presented a fair, balanced and understandable position, and were recommended to Council for approval.

8.3 Council:

- a) **commended** the work carried out to produce a clear report and set of statements
- b) **approved** the University's consolidated financial statements for the year ended 31 July 2022
- c) **authorised** the Chair of Audit Committee, Vice-Chancellor and Chief Financial Officer to sign on its behalf the University's consolidated financial statements for the year ended 31 July 2022.
- d) **noted** the audit representation letter that would be signed on its behalf by the Vice- Chancellor and Chief Financial Officer

**9 FOUR YEAR BUDGET PLANNING C-2022-08-07**

9.1 The University Secretary and Director of Strategy:

- a) Explained that the paper set out the context and approach that would be required to ensure that the University returned to a balanced budget position. It recommended initial targets for a four-year plan to approach the 2% target surplus by 2025/26 and meet the target by 2026/27.
- b) Informed Council that if the approach was approved, a briefing would take place with Senate on 23 November 2022, and this would be followed by briefings for all staff. The intention was to present robust evidence for the approach alongside an explanation of the background to the

position and communicate it in a clear and transparent way linked to the University Strategy.

9.2 Council:

- a) Acknowledged the challenging economic circumstances facing the University and the impact of these on student numbers and University income. Concern was expressed however that the University was not seen to permanently operate in a cycle of growth and restraint. It would also be essential not to focus entirely on targets set but to invest in potential growth and innovation.
- b) Supported the proposed approach but reflected that the target operating surplus could be greater, for example, 4 or 5%.
- c) Expressed concern that reference in communications to potential job losses would cause concern for staff as they might not be expecting that news. It could also be detrimental to staff morale.
- d) Reiterated that the key elements of the approach had to be centred on the student experience and staff wellbeing. Protection of the Access and Participation Plan (APP) targets would also be essential.
- e) Considered that reductions in costs would differ across units and the implications of this must be considered. There was also a risk that the unit planning process focussed on inputs from managers, and it was essential all staff had the opportunity to contribute.
- f) Reiterated the need for clear communications to students especially in relation to changes in teaching provision.
- g) Emphasised that the longer-term actions listed should be linked explicitly to the University Strategy and not just the financial challenges so there would be a clear longer term operating model. This would be an opportunity for staff to work together differently to improve capacity and productivity.
- h) Reflected that opportunities could also be identified at this time. It was important that the proposed approach did not drive defensive behaviour but developed a commonality of purpose and trust to developing different approaches to working.

9.3 The Vice-Chancellor thanked members for the helpful feedback and commented that:

- a) Approval was required of the approach towards returning the University to surplus. Financial stewardship was a responsibility of the Council and detailed implementation plans would evolve over the coming year.
- b) The process would take a holistic approach with ideas evolving from staff engagement as well as from VCE.
- c) Communications to staff would refer to the requirement for savings in staff expenditure which could result in a reduction in jobs. All staff would be encouraged to engage with proposals and actions through the planning process.
- d) Finance Committee would be asked to consider options in respect of the target operating surplus.
- e) The University was affected by economic cycles and market conditions beyond its control. It had improved how it planned for and responded to such events.

9.4 Council **approved** the proposed approach to ensuring that the University returned to achieving target operating surplus by 2026/27.

**10 FINANCIAL FORECASTS TO 2025/26 INCLUDING FORECAST FOR 2022-23** **C-2022-08-09**

10.1 The Chief Financial Officer explained the paper set out the Annual Financial Return 2022 to be submitted to the OfS as part of the University's annual accountability return.

10.2 Council suggested it could be helpful to clarify interactions across the University to demonstrate efficiency.

10.3 Council **approved** the financial forecasts to 2026/27 and commentary that fulfilled the regulatory requirement for submission to the OfS.

**11 FINANCIAL STRATEGY** **C-2022-08-08**

11.1 The Chief Financial Officer explained that the revisions to the Strategy proposed no changes to the maintenance of liquidity or operating surplus. The proposed amount of required reserves was identified using methodology recommended by the Charity Commission. It was however a judgement and was reviewed annually.

11.2 In view of earlier discussion, Finance Committee would reflect upon the level of operating surplus for future years.

11.3 Council **approved** the Financial Strategy

**12 FUTURELEARN: REPORT**

12.1 The Chief Financial Officer reported that the University and SEEK Investments had sold their stakes in FutureLearn as a going concern. Completion of the contractual arrangements was due to take place on 30 November 2022 and an announcement would be issued on completion.

12.2 Council **noted** the report.

**13 STRATEGIC RISK REGISTER** **C-2022-08-11**

13.1 Council:

- a) Requested that the presentation be changed to show that whilst risks still showed as red, actions that were closed or ongoing were part of activity to bring the risk to its target score.
- b) Emphasised the emerging risk of the impact of the four year budget plan on staff capacity and wellbeing.
- c) Noted the risk escalation process in operation.

13.2 Council **approved**:

- a) the University's Strategic Risk Register summary
- b) the revised University's Risk Appetite statement for the 2022/23 academic year

**14 BEHAVIOURAL FRAMEWORK**

**C-2022-08-12**

- 14.1 The Group People Director and Head of Organisational Development informed Council that following approval by Council in November 2021 of the principles for a behavioural framework, a programme of engagement had been undertaken across the University on a set of Values in Action Principles. Feedback had been very positive. The intention was to embed the values into people processes, recruitment and conduct policies.
- 14.2 Council
- a) Supported the Values in Action Principles but suggested the passive tone could be strengthened in places to incentivise adoption.
  - b) Considered that greater distinction was required between management and leadership. The Principles did not refer to leadership.
  - c) Asked what action senior leaders would be taking to model the values and give them visibility.
  - d) Sought clarification on the consequences of staff not adopting the Principles.
  - e) Enquired whether the Principles would be embedded in training on equality, diversity and inclusion (EDI) issues and be aligned to the EDI Plan.
- 14.3 The Group People Director and Head of Organisation Development explained that:
- a) The Principles would give confidence to managers to identify and address inappropriate behaviour and disciplinary processes could be invoked if the Principles were not adopted.
  - b) The differences between management and leadership would be clarified.
  - c) Emphasis would be given to the importance of taking personal responsibility for behaviour at all levels in the organisation.
  - d) The Principles had been developed with input from the Dean, Equality, Diversity and Inclusion.
- 14.4 The Vice-Chancellor confirmed that VCE had initiated the development of the Principles and considered it to be a reciprocal initiative, modelled at all levels across the University.
- 14.5 Council **approved** the Values in Action Principles.

**15 EQUALITY DIVERSITY AND INCLUSION (EDI) PLAN**

**C-2022-08-13**

15.1 The Dean, Equality, Diversity and Inclusion explained that:

- a) Following approval of the University Strategy and Equality Scheme, the EDI Plan had been developed to provide strategic direction and guidance on how the University can work towards embedding equity, diversity and inclusion. It had eight priority areas with objectives and actions designed to generate institutional change.
- b) An extensive consultation process was organised and the majority of feedback received was positive and constructive. However some comments received were negative and were labelled as “anti EDI”.

15.2 Council:

- a) Welcomed the Plan to enable and empower managers to challenge beliefs and support staff to understand EDI issues.
- b) Enquired how implementation would be actioned at all levels of the organisation and monitored.
- c) Suggested more emphasis be given to the Plan being “people-led” rather than “institution-led”.
- d) Expressed disappointment over the negative comments received although acknowledged they were a small proportion of the overall feedback. However, a zero tolerance approach had to be taken in relation to such attitudes. Education, mentoring and raising awareness were required to change behaviours.

15.3 The Dean, EDI:

- a) Emphasised the need for accountability and education to promote change through the organisation. Managers needed to be equipped to bring the Plan to life and implement it.
- b) Acknowledged that mistakes could be made, and that staff needed to work with compassion to understand EDI. Where people feared making mistakes this often resulted in a lack of action being taken to address issues.

15.4 Council **approved** the EDI Plan.

**16 ANNUAL QUALITY REPORT**

**C-2022-08-14**

Council:

- a) **Noted** the 2021/22 Annual Quality Report and commended it for its clarity and content.
- b) **Approved** the recommendation from Senate on the associated statement of assurance required by the Scottish Funding Council (SFC)

**17 APPOINTMENTS TO COUNCIL COMMITTEES**

**C-2022-08-15**

Council **approved** the appointments of:

- a) Thomas Frawley, Eileen Scanlon and Julia Goodfellow to Governance and Nominations Committee, with immediate effect;
- b) Paul Kett to Audit Committee, with immediate effect;

- c) Carol Howells to Nominating Advisory Committee and Nick Barrett as the named alternate with immediate effect, until 31 July 2024.
- d) Paul Gray to Finance Committee, with immediate effect.

**18 AL CONTRACT PROGRAMME: UPDATE**

**C-2022-08-16**

- 18.1 The Deputy Vice-Chancellor reported that the project had entered the embedding phase. The Programme team would work with teams in Academic Services and Faculties to ensure the processes were robust and support transition to business as usual.
- 18.2 Council
  - a) Recorded its thanks to the Deputy Vice-Chancellor for her ongoing commitment to the project
  - b) Noted a report that it was still challenging to see the benefits of the Programme to the student experience and many ALs reported contract issues and limited signs of integration into Faculties.
- 18.3 The Deputy Vice-Chancellor explained that cultural change was a long-term objective and integration into Faculties would take time to embed. Executive Deans would be expected to ensure this progress did not stall and to ensure communities were becoming established within their faculties.
- 18.4 Council **noted** the report.

**19 ERP UPDATE**

**C-2022-08-17**

- 19.1 The Chair, ERP Delivery Board informed Council that the Programme had been reset to achieve its expected benefits. The recommendations of a review of payroll stabilisation carried out by KPMG had been taken on board positively and work had started on implementation.
- 19.2 Council **noted** the report.

**20 PREVENT (COUNTERTERRORISM) DUTY - ANNUAL REPORT**

**C-2022-08-26**

Council:

- a) **noted** the Annual Prevent Duty Report
- b) **approved** the Accountability Declaration and Annual Data Return for submission to the OfS.



- 21 STUDENT SERVICES PORTFOLIO: UPDATE** **C-2022-08-18**
- 21.1 The University Secretary reported that work was progressing across the Portfolio, however the top risk remained the recruitment and retention of high calibre staff to deliver the full breadth and depth of digital working.
- 21.2 Council:
- a) Commended the emergent design principles.
  - b) Welcomed the shift in approach to the Portfolio but emphasised the importance of engaging the entire organisation in the digital vision which would require strong enablers.
  - c) Asked whether the governance structures of the Portfolio had been refocussed to reflect the emergent design principles
  - d) Requested that a technology resiliency strategy for the University be presented to the next meeting in March 2023 to include the points raised.
- 21.3 Council **noted** the report.
- 22 OU STRATEGY 2022/27:  
BASELINE INSTITUTIONAL PERFORMANCE REPORT** **C-2022-08-19**
- Council **approved** the baseline institutional performance reports.
- 23 OFFICE FOR STUDENTS COMPLIANCE MONITORING** **C-2022-08-20**
- Council **noted**:
- a) The report on compliance with the general and specific ongoing conditions of registration and current areas of risk
  - b) Information on OfS regulatory activity
- 24 OU STUDENTS' ASSOCIATION ANNUAL REPORT AND  
FINANCIAL STATEMENTS 2021/2022** **C-2022-08-21**
- 24.1 The President, OU Students Association introduced the Annual Report of activities. Attention was drawn to the plans for the forthcoming years including development of the 2023-26 Strategy and streamlining operations. Challenges for the year ahead included supporting student volunteers who were stretched and re-examining revisions to the Association's Byelaws.
- 24.2 Council **noted**:
- a) annual report of activities for 2021-22 and details of donations and affiliations.
  - b) audited accounts for 2021-22 which were presented to Finance Committee on 27 November 2022.
- 25 FINANCE COMMITTEE** **C-2022-08-22**
- Council **noted** the report of the meetings held on 11 October 2022 and 3 November 2022.
- 26 AUDIT COMMITTEE** **C-2022-08-23**
- Council **noted** the report of the meetings held on 5 October and 3 November 2022

- 27     **REMUNERATION COMMITTEE**     C-2022-08-24  
Council **noted** the Annual Report of the Remuneration Committee
- 28     **SENATE**     C-2022-08-25  
Council **noted** the report of the meeting held on 12 October 2022
- 29     **HEALTH AND SAFETY: ANNUAL REPORT**     C-2022-08-27  
Council **noted** the annual report on Health and Safety
- 30     **COUNCIL: FORWARD PLANNER**     C-2022-08-28  
Council **noted** a report on future business being presented to Council

**Future Meeting Dates**

07 March 2023 – Online

09 May 2023 – Nation visit - Belfast - **date to be reviewed** as 8 May 2023 confirmed as an additional Bank Holiday which may present travel difficulties.

11 July 2023 – Milton Keynes

Further information on venues and arrangements would be issued when available

Post meeting note:

*Confirmation sent to Council members on 16 December 2022 confirming:*

*9 May 2023: Meeting to go ahead as an online meeting*

*11 July 2023: Meeting to be held in Milton Keynes*

*21/22 November 2023: Meeting to be held in Belfast*

Dave Hall  
University Secretary

Sue Thomas  
Working Secretary to the Council