



COUNCIL

MINUTES

This paper presents the confirmed minutes of the last meeting of Council held on 11 July 2023 in Library Seminar Room 4, Walton Hall, Milton Keynes

Action Required

Council **approved** these minutes as a correct record at its meeting held on 21 November 2023.

Present

Malcolm Sweeting (Chair),
Tim Blackman, Vice-Chancellor
Robert McCracken, Treasurer
Nick Barratt, Senate representative
Carol Howells, Senate representative
Eileen Scanlon, Senate representative
Rob Parker, Senate representative
Sas Amoah, member of non-academic staff
John Brooks, external co-opted member
Ceri Doyle, external co-opted member
Thomas Frawley, external co-opted member*
Paul Gray, external co-opted member
Julia Goodfellow, external co-opted member
Paul Kett, external co-opted member
Rachel Lock, external co-opted member
Rashik Parmar, external co-opted member
Tevin Tobun, external co-opted member*
*Participation via Microsoft Teams

In Attendance

Dave Hall, University Secretary
Paul Traynor, Chief Financial Officer
Camilla Briault, Assistant Director, Governance
Sue Thomas, Senior Manager, Governance
Jhumar Johnson, Chief of Staff, Vice Chancellor's Office.

Agenda items

Minutes 7 and 8: Financial Update and Four-Year Planning Update: Hâf Merrifield, Director of Strategy
Minute 11: New School in FASS: Ian Fribbance, Executive Dean, FASS
Minute 13: SSP Business case: Emma Stace, Chief Data and Technology Officer* and Brigid McBride, Programme Director
Minute 15: ERP Report: John D'Arcy, Chair, ERP Delivery Board *
Minute 16 : Prevent Report: John D'Arcy, Chair, Prevent Steering Group*
*Participation via Microsoft Teams

Apologies

Margaret Greenaway, President, OU Students Association
Andrew Dickinson, external co-opted member
Tony Cox, Associate lecturer representative

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 MINUTES

C-2023-02-M

The Minutes and Confidential Minutes of the meeting held on 10 May 2023 were **approved**.

3 MATTERS ARISING AND ACTION TRACKER

C-2023-02-01

Council:

- a) **Requested** a comprehensive closure report for the ERP Programme for the next meeting to include costs in relation to the original budget. The paper provided for the meeting (C-2023-03-13) did not provide this information.
- b) **Noted** the report of matters arising and the action tracker.

4 CHAIR'S ACTION AND REPORT

C-2023-02-02

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

5 VICE-CHANCELLOR'S REPORT

C-2023-02-03

5.1 Reflecting on issues covered in his report, the Vice-Chancellor informed Council that:

- a) The University was on track with the four-year budget plan. The target correction of £96m was considered to be the right figure and achievable.
- b) Although participation in the marking and assessment boycott at the OU was low (approximately 10% of staff were taking action), the impact on staff managing additional workloads was significant. The University Secretary explained that 3300 students were currently directly affected by the boycott. They had been contacted and advised to register for their next module and would be offered refunds if they were unable to progress.

5.2 Council:

- a) Reflected that the University was a very good employer and that the benefits of remaining within a national pay agreement were strong.
- b) Expressed concern over the wellbeing of staff and enquired what support was available for staff affected by the UCU action if they were unable to take leave or working long hours to manage workloads.
- c) Asked if any further information was available on the debate in the House of Lords on the Lifelong Learning Bill particularly on the absence of amendments to extend the entitlement for maintenance loans to part time students.

5.3 The Vice-Chancellor:

- a) Acknowledged that the situation was stressful for staff in areas where the impact of the boycott was high. He assured Council that staff were being offered appropriate support.
- b) Reported that the University had campaigned hard for part-time students' entitlement to maintenance loans. There was sympathy for the request from the Department for Education, but the realities of the current financial situation in England meant it was not a government priority at present. The Under Secretary of State at the Department for Education, Baroness Barran, had requested a meeting with the University.

5.4 Council **noted** the report.

6 CAMPUS 2030

6.1 The Treasurer and Chief Financial Officer reported that:

- a) Ten workstreams had been created to support the project to develop the business case for the new university and relocation to central Milton Keynes. These focussed on:
 - 1. Business case co-ordination
 - 2. Financial model

3. Right to left narrative
4. Market sizing and positioning the new provider arm
5. New provider arm workforce and organisational design, academic and professional services operating models
6. Estate and facilities planning and costing
7. Engagement and communication
8. City centre development
9. Governance
10. Walton Hall planning

- b) Work had commenced on recruitment of a Chief Operating Officer for the project.
- c) Work had started on initial financial modelling. Some elements of this were straightforward such as building and capital costs but there was uncertainty over revenue streams, market size and student demand. The relevant workstreams would be looking at these areas to aid the modelling.
- d) Options for the Walton Hall campus would be kept available, and savings would be made wherever possible.
- e) More detailed information would be presented to Council in November 2023 including a timeline for the development of a full business case for consideration in July 2024.

6.2 The Vice-Chancellor also informed Council that:

- a) The University had engaged AECOM Infrastructure Consultants to support the project.
- b) A right-to-left vision setting out some early thinking on design principles and costs would be one of the discussion items for the Development Day on 26 September 2023.
- c) Discussions continued with Milton Keynes City Council (MKCC) on the value to the City that would result by having a city centre university and how these could be captured.

6.3 Council:

- a) Noted that questions had been raised by Senate members at the recent meeting, as to how a relocation project would be funded in the context of the OU's current financial situation. Senate had also sought assurance that the new project would not put the University's existing purpose and provision at risk.
- b) Sought further information on the approach to financing the project, the role and benefits of potential partnerships in the project and any timescales set by MKCC. It could also be beneficial to understand why previous attempts to establish a university in Milton Keynes had not been successful.
- c) Reflected that the project was not just about buildings in Milton Keynes but would impact upon the other Nations too. The University was a UK-wide institution, and the project should be positioned appropriately.
- d) Emphasised the importance of maintaining a balance between financial and academic considerations. The project presented an opportunity to be innovative in design of teaching models. It would also be essential to consider delivery of the project at these early stages.
- e) Noted comments that some staff did not share the enthusiasm for the project and had expressed concerns over such significant change and a lack of faith in the ability to deliver.
- f) Enquired whether the Walton Hall site, if vacated, could be leased as an asset or specified for community uses.
- g) Requested that sufficient time be allocated at the next meeting in Belfast in November to permit detailed discussions.

6.4 The Chief Financial Officer and Vice-Chancellor responded that:

- a) The potential relocation would be a long-term initiative and would provide new challenges and incentives for the University's future. The Treasurer commented that Finance Committee would be meticulous in its work on the project and was fully cognisant of the current financial situation.
- b) The relevant workstreams would focus on the management of risks to protect core activities, the operating model for the future and the mobilisation and utilisation of the Walton Hall site.
- c) Timescales were not being determined by MKCC. The timetable for establishing the business case for the project has been set by the University. Partnerships would be an essential part of the project and contribute to mitigations of risks.
- d) Staff in the Nation offices were actively involved in the project. Work also continued in Cardiff and Edinburgh to identify suitable accommodation.
- e) The report of anxieties from staff was noted however the overall feeling towards the project appeared to be positive and cautiousness expressed was focussed on the risks of adversely affecting the University's distinctiveness. The project was in line with the University's mission and the scope of potential changes would be clearly defined.
- f) Council's comments had been very helpful. The work carried out by the project workstreams would be valuable whatever decision was ultimately reached.

7 MANAGEMENT ACCOUNTS 2022-23 FORECASTS OUTTURN **C-2023-03-05**

Council noted:

- a) The 2022/23 forecast operating deficit of £23.5m representing a £13.1m negative movement from the budgeted deficit of £10.4m,
- b) The 2022/23 consolidated forecast accounting outturn deficit before Universities Superannuation Scheme (USS) provision adjustment of £85.8m, a negative movement of £19.3m from the approved deficit budget of £66.5m
- c) The favourable USS pension provision adjustment of £71.6m providing for a forecast accounting deficit of £14.2m.

8 FOUR YEAR PLAN UPDATE **C-2023-03-06**

8.1 The Director of Strategy reported that:

- a) The Plan was on track and overall confidence levels were rated as medium.
- b) Internal Audit's assessment of the approach so far had been very helpful, and work was in place to mitigate the risks of the Plan. The position had moved on since the report was compiled and management were addressing the follow-up actions identified. In particular, dependencies across the Plan had been strengthened.

8.2 Council:

- a) Recognised the significant work undertaken so far and commended the clarity of the paper which brought together several complex strands of information.
- b) Enquired whether there was an overall cumulative risk score for the Plan and whether there were plans to look further at the implications of low confidence levels.
- c) Sought clarification of the impact of the potential costs of the appointment of the COO and business case planning for the Campus 2030 project on the Four Year Plan.
- d) Asked whether the effects of the reforms to teaching and assessment had been fully evaluated to identify where they would be most likely to have an impact.
- e) Enquired whether there could be reputational issues for the University if there were staff redundancies.

8.3 The Director of Strategy and Chief Financial Officer explained that:

- a) Further information on different scenarios would be presented to the next meeting of Council. VCE sponsors were continually challenged on confidence levels. The cumulative risk score would be ascertained.

Action: Director of Strategy

- b) The University would seek to avoid compulsory redundancies but responses to external enquiries were available explaining the position if required.
- c) The intention of the reforms to teaching and assessment was to improve efficiency and student outcomes.
- d) A figure had not yet been agreed for the business planning for the Campus 2023 project but a budget of £23.9m was available for strategic change.

8.4 Council **noted** the update.

9 2023/24 BUDGET AND FINANCIAL FORECAST TO 2026/27 **C-2023-03-07**

9.1 The Chief Financial Officer explained that risks across the forecasts had been identified with a realistic approach to student numbers and inflation within different scenarios. In November 2023 Council would be able to see the first signs of impact of cost reduction measures including the MARS scheme on the University's financial position.

9.2 Council acknowledged the situation facing the University but emphasised that although the budgets proposed were stringent, there could be much more confidence of returning to surplus by 2024/25.

9.3 Council **approved** on recommendation of Finance Committee, the budget for 2023/24

10 TUITION FEES 2024/25 **C-2023-03-08**

Council **approved** an inflationary increase of 5% for all undergraduate fees for 2024/25 noting that a mechanism would be introduced to ensure that students in England did not pay above the fee cap. Students in Wales who started their studies after 2021/22 would not be subject to an increase.

11 PROPOSAL FOR THE CREATION OF A NEW SCHOOL OF CREATIVE INDUSTRIES IN THE FACULTY OF ARTS AND SOCIAL SCIENCES (FASS) **C-2023-03-09**

11.1 The Executive Dean, FASS, explained that:

- a) The proposal aligned well with the strategic aims of increasing reach and attracting new groups of students.
- b) The new School would initially focus on Film & Media and Gaming curriculum and other vocational qualifications linked to the creative arts and industries would be developed in the future. The new School would also provide an interface with the Open College of the Arts.
- c) Work had started on how the new subject areas would be taught with potential collaborations with other faculties and the Open STEM laboratories.

11.2 Council:

- a) Welcomed the proposal and considered it to be a very exciting opportunity in subject areas where student demand was high.
- b) Asked if it would be difficult to attract high calibre staff to the new School. The Executive Dean, FASS emphasised the importance of recruiting creative and innovative staff and explained that partnerships and work with performing artists were being explored.
- c) Sought clarification of the cost of the new School. This was confirmed at approximately £4m which had been approved by the Vice-Chancellor's Executive in June 2023.

11.3 Council **approved**, on recommendation of the Senate, the establishment of a new School of Creative Industries in FASS.

12 SEQUENCING & DELIVERING WORKFORCE CHANGES **C-2023-03-10**

12.1 The University Secretary explained that:

- a) The University's procedures for making redundancies were complex and incorporated legal obligations, elements from the University Charter and Statutes and local agreements with trades unions. The University employed four different categories of staff with different processes for each of them.
- b) All efforts would be made to avoid making compulsory redundancies, but it was prudent to clarify the procedures at this point.
- c) To avoid unnecessary periods of uncertainty for staff at risk of or selected for redundancy, and to mitigate the financial impact, Council was being asked to approve further delegations of authority to Strategic Planning and Resources Committee (SPRC), which already had some delegated authority from Council around redundancy decisions. The delegations would apply to academic and academic-related members of staff only, as separate arrangements were in place for support staff and for associate lecturers.

12.2 Council:

- a) Reiterated the view that the University was a fair employer and considered that the intentions of the proposed delegations to refine the various processes were sensible.
- b) Acknowledged that in the context of the Four Year Budget Plan, staff reductions would be required and it would be in all parties' interests to expedite these as supportively and efficiently as possible.
- c) Noted the concerns of representatives of Senate on Council that:
 - i) The delegations in respect of redundancies for academic and academic related staff were solely related to the need to make financial savings in the context of the Four Year Budget Plan. They would be in place to 31 July 2026.
 - ii) Council could terminate the delegations at any point.
 - iii) SPRC would be required to report regularly to Council on the use of the delegated authority.
 - iv) Use of "desirable" in the paper in relation to the need to reduce numbers of academic staff caused concern. It was pointed out that this was a direct quote from the University's Charter and Statutes.

12.3 The Vice-Chancellor assured Council that the University had been consistent and open in its identification of several options across the faculties and professional services units to deliver savings. A significant proportion of these options involved workforce reductions.

12.4 Council **requested** that:

- a) The paper be revised and recirculated to Council.
- b) The revisions to the front pages needed to clarify the points raised in minute 12 (c) above and also remove the word "desirable" and state that all reasonable measures would be taken to avoid compulsory redundancies.

Action: University Secretary

Post Meeting Note:

The revised cover sheet summarising the actions for approval was circulated to Council on 14 July 2023. Council **approved** the revised proposals.

13 STUDENT SERVICES PORTFOLIO BUSINESS CASE

C-2023-03-11

13.1 The Chief Data and Information Officer and Programme Director informed Council that the intention was for the Student Services Portfolio (SSP) to deliver an enhanced, cohesive service to improve revenue by improved attraction, retention and progression. It would also reduce costs by eliminating duplication in service provision.

13.2 Council:

- a) Noted that the Business Case had been scrutinised by Audit and Finance Committees. The Treasurer commented that this was an essential project for the University.
- b) Acknowledged the hard work behind the compilation of the Business Case and welcomed the demonstration of how the SSP would deliver the foundation for students to access enhanced services via consistency of approach and collaboration. The work on accessibility was also commended.
- c) Sought clarification as to how the SSP work would be embedded into business as usual and what outcomes would be specifically measured.
- d) Commented that many HE institutions were using customer relationship management software from Salesforce and enquired whether the University was planning to consider such services.

13.3 The Chief Data and Information Officer and Programme Director:

- a) Explained that the aim was to develop a positive culture within the Portfolio with iterative ways of working as it transferred into business as usual. The aims were to improve conversions from enquiries and retentions with strong support from the relevant business areas.
- b) Confirmed that the University was examining how Salesforce worked with universities on their student/customer journeys.

13.4 Council **approved** the investment of £42.7m over the next three years in the Student Services Portfolio project.

14 OU STUDENTS ASSOCIATION REPORT

C-2023-03-12

Council **noted** the report from the OU Students Association.

15 ERP REPORT

C-2023-03-13

Council **noted** the information in the update report but requested that a detailed closure report be presented to the next meeting of the Council in November 2023. This should include information on project costs compared to the original budget and reflections on the benefits, outcomes and achievements.

Action: Chair, ERP Delivery Board

16 PREVENT (COUNTERTERRORISM) DUTY INTERIM REPORT JULY 2023

C-2023-03-14

Council **noted** the Interim Report on the Prevent Duty

17 ANNUAL EFFECTIVENESS REVIEW

C-2023-03-15

17.1 The Chair reported that he would discuss the results from the survey with the University Secretary to see if improvements could be made to address some of the responses reflecting “moderate” satisfaction. Members commented that the response rate was low, and it was possible “moderate” was used to reflect a neutral or “don’t know” response.

17.2 Council **noted**:

- a) the review of business handling, with reference to the inputs from the member survey
- b) the mapping of business against the terms of reference for the period 1 August 2022 until 31 July 2023
- c) July 2023
- d) the review of membership and attendance

17.3 Council **agreed** the corporate governance statement.

18 FINANCE COMMITTEE

C-2023-03-16

Council **noted** the report from the meeting held on 29 June 2023.

19 AUDIT COMMITTEE

C-2023-03-17

Council **noted** the report from the meeting held on 13 June 2023

20 GOVERNANCE AND NOMINATIONS COMMITTEE

C-2023-03-18

- Council **noted** the report from meeting held on 14 June 2023
- 21 STRATEGIC PLANNING AND RESOURCES COMMITTEE** **C-2023-03-19**
Council **noted** the report from meeting held on 30 June 2023
- 22 REMUNERATION COMMITTEE** **C-2023-03-20**
Council **noted** the report from meetings held on 4 May 2023 and 3 July 2023
- 23 SENATE** **C-2023-03-21**
Council **noted** the report from meeting held on 21 June 2023
- 24 COUNCIL FORWARD PLANNER** **C-2023-03-22**
Council **noted** a report on future business being presented to Council. Consideration would be given to the business and allocation of time for the meeting in Belfast on 21 November 2023.
- 25 THANK YOU**
On behalf of the Council the Chair thanked Rachel Lock whose second term of office had ended, and Nick Barratt who was leaving the University, for their contributions to the Council and wished them both well.

Future Meeting Dates
26 September 2023 – Milton Keynes 21 November 2023 – Belfast (Dinner on evening of 20 November 2023) 5 March 2024 - Online 14 May 2024 – Milton Keynes 9 July 2024 - Milton Keynes Further information on venues and arrangements will be issued when available

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University Secretary

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ST/10 August 2023