



**COUNCIL**

**MINUTES**

This paper presents the confirmed minutes of the last meeting of Council held on 20 and 21 November 2023 at The Open University in Ireland, 110 Victoria Street, Belfast, BT1 3GN

**Action Required**

Council **approved** these minutes via email as a correct record following its meeting held on 5 March 2024.

**Present**

Malcolm Sweeting, Chair  
Tim Blackman, Vice-Chancellor  
Robert McCracken, Treasurer  
Margaret Greenaway, President, Open University Students' Association  
Mary Shek, Senate representative  
Hossam Kossem, Senate representative  
Carol Howells, Senate representative  
Eileen Scanlon, Senate representative  
Rob Parker, Senate representative  
Matt Porterfield, Student representative  
Tony Cox, Associate Lecturer representative  
Sas Amoah, member of non-academic staff  
John Brooks, external co-opted member  
Andrew Dickinson, external co-opted member  
Ceri Doyle, external co-opted member  
Thomas Frawley, external co-opted member  
Julia Goodfellow, external co-opted member  
Nikki Humphrey, external co-opted member  
Paul Gray, external co-opted member\*  
Paul Kett, external co-opted member  
Rashik Parmar, external co-opted member  
Tevin Tobun, external co-opted member

**In Attendance**

Dave Hall, University Secretary  
Paul Traynor, Chief Financial Officer  
Camilla Briault, Director, University Secretary's Office  
Sue Thomas, Senior Manager, Governance\*  
Jhumar Johnson, Chief of Staff, Vice Chancellor's Office\*  
Michael Bower, Assistant Director, OU in Ireland for Minute 2  
John D'Arcy, Director, OU in Ireland and Chair, ERP Delivery Board for Minutes 2 to 13  
Hâf Merrifield, Director of Strategy for Minutes 8 and 11\*  
\*Participation via Microsoft Teams

**Apologies**

None received

## 1 WELCOME

The Chair welcomed Council members to Belfast and outlined the arrangements for the visit.

## 2 WELCOME TO BELFAST: NATION REPORT – IRELAND C-2023-06-01

2.1 The Director and Assistant Director, OU in Ireland welcomed Council to Belfast and reported that the last year had been strong for the OU in Ireland in terms of student success, impact and income generation. In Northern Ireland, the University retained its position as the number one university in Northern Ireland for student satisfaction for the 18th consecutive year. Within the Republic of Ireland, student recruitment was strong and exceeded targets. Progress had been made in advocating for a mechanism to facilitate OU qualifications to be formally included on the Irish Framework of Qualifications which would allow the University to tender for specific skills programmes.

2.2 Council commended:

- a) The achievements and thanked the staff across all teams for their hard work and commitment.
- b) The development of strong partnerships with further education colleges and employers and hoped these successes would be replicated in other nations
- c) The proactive holistic support offered to students enabling those with complex needs to succeed in their studies.

2.3 Council **noted** the report.

## 3 COUNCIL STATEMENT OF PRIMARY RESPONSIBILITIES C-2023-06-02

Council **noted** the extracts from the Council's Constitution and the University's Code of Conduct and Conflict of Interest Policy.

## 4 DECLARATION OF INTERESTS

None recorded.

## 5 MINUTES C-2023-03,04&05-M

Council **approved** the minutes of the meetings held on 11 July 2023 and on 26 September 2023 and the meeting held via correspondence between 25 August 2023 and 7 September 2023.

## 6 MATTERS ARISING C-2023-06-03

Council **noted** the report of matters arising.

## 7 CHAIR'S ACTION AND REPORT C-2023-06-04

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

## 8 STRATEGIC RISK REGISTER C-2023-06-05

8.1 The Director of Strategy informed Council that Audit Committee had scrutinised the Risk Register and noted that 9 out of the University's 11 identified strategic risks were assessed as being outside of risk appetite. The Committee had requested further information for its meeting in February 2024.

8.2 The Chair of Audit Committee explained that risk scoring appeared slow to change and many scores had been outside of risk appetite for some time. The difficult financial environment was acknowledged but the Committee had asked if any actions could be taken to bring some risks into the appetite range more quickly.

8.3 Council:

- a) Enquired whether any risk scores were causing particular concern. The Chair of Audit Committee reflected that cybersecurity remained a key risk outside of appetite.
- b) Queried how the University compared to the rest of the higher education sector in its approach to cybersecurity risk management.
- c) Sought assurance that the University was not over optimistic in its setting of budgets and cost controls to enable the Finance risk (5) to return to within appetite in 2024/25. The work still to complete to reach targets was considered extensive.
- d) Sought clarification of the targets set for student recruitment and retention (risks 1 and 2).

8.4 The Vice-Chancellor, Chief Financial Officer and University Secretary:

- a) Assured Council that mitigating actions for cybersecurity were robust and comparable to the rest of the sector. It was acknowledged though that the HE sector overall was not as advanced in cybersecurity as other sectors.
- b) Reported that several enhancements had recently been introduced including improvements to vulnerability management and the adoption of Microsoft A5 security features. The University had also achieved Cyber Essentials certification which demonstrated controls were in place to guard against the most common cyber threats. Resourcing would be examined further in the next round of unit planning.
- c) Confirmed that the current Four Year Budget Plan was on track to deliver the projected savings. The Plan was realistic and well thought through and the risk scoring was considered appropriate.
- d) Explained that the University was optimistic about student recruitment especially with significant new curriculum being launched. Student number planning was rigorous but issues beyond the University's control such as the cost of living crisis impacted upon student recruitment and retention.
- e) Assured Council that a high quality student experience remained a priority for the University. Where cost reductions were proposed, the potential impact on students was always carefully considered.

8.5 Council:

- a) **Requested** a further update at its next meeting on the Strategic Risk Register in the light of the advice sought by Audit Committee.
- b) **Approved** the Strategic Risk Register

**9 PROPOSAL FOR THE APPOINTMENT OF A PRO-VICE-CHANCELLOR FOR EQUITY, DIVERSITY AND INCLUSION (EDI)** **C-2023-06-06**

9.1 Council welcomed the creation of the post Pro-Vice-Chancellor for EDI and sought clarification on:

- a) How accessibility would be incorporated in the responsibilities of the post and to what extent the role linked to access and participation work.
- b) Where the role would be situated in the management structure of the University.

9.2 The Vice-Chancellor and University Secretary confirmed that the post would be sited within the Vice-Chancellor's Office and be responsible to the Deputy Vice-Chancellor. The role would be cross cutting and include responsibility for digital and physical accessibility.

9.3 Council **approved** the appointment.

## 10 ANNUAL QUALITY REPORT

C-2023-06-07

10.1 Council:

- a) Commended the report and the strong, positive account of the University's management of academic quality and standards.
- b) Proposed that further attention be given to the University's post graduate provision to improve its attractiveness and competitiveness.

10.2 Council:

- a) **Noted** the Annual Quality Report
- b) **Approved** on the recommendation of Senate that the Vice Chancellor sign the statement of assurance the Scottish Funding Council (SFC) on behalf of Council.

## 11 ANNUAL INSTITUTIONAL PERFORMANCE REPORT

C-2023-06-08

11.1 Council:

- a) Commented that within the Greater Reach goal, the target for student numbers had been reduced. Within the Student Success goal, undergraduate module pass and return rates continued to fall. The target for student numbers appeared to vary across different contexts, and in different papers for the meeting, and this made understanding the setting of targets challenging.
- b) Sought clarification of the target of -3.2% proposed for the operating surplus compared to 2% in the previous target.
- c) Asked whether there was scope to explore further the increased demand from younger students and those studying at full time intensity and evaluate the feasibility of offering face to face study ahead of any move to a new site.
- d) Noted that the dashboard was primarily showing amber and sought clarification of the ambitions for the targets.
- e) Sought clarification of the challenges around Student Voice.
- f) Asked what actions were being taken to support staff wellbeing.

11.2 The Vice-Chancellor and Chief Financial Officer explained that:

- a) The proposed student number target for 2023/24 was higher than that set for 2019/20. However part-time student recruitment was affected by challenging economic conditions and it was necessary to be realistic and conservative with student number planning. It was acknowledged that definitions of students varied, and this could result in the presentation of different total figures across different reports. This would be examined with a view to being clearer as to the definitions and numbers being used.

**Action: Director of Strategy**

- b) The target for the operating surplus reflected the challenges faced by the University and its students and was included in the budget as approved by Finance Committee and Council.
- c) The number of study programmes that could be offered at full time intensity was currently small though others were undergoing redesign to support full time study. The University was actively marketing to younger students, but increased numbers were required to make the

programmes economical. Face to face learning was offered through partner institutions but there were no plans to deliver this type of provision by the University itself at present. The University offered programmes at scale and offering small campus study options would not be economic.

- d) The intention was to show student number targets progressing to green. The targets were set in partnership with the owners, and they included a level of ambition.
- e) Work led by the PVC (Students) was continuing to improve student engagement in quality enhancement (Student Voice). This was significant work and there were many examples of good practice across the University. The TEF Gold Award also recognised positive engagement with students.
- f) The Mental Health and Wellbeing Strategy, sponsored by VCE, supported staff and student wellbeing.

#### 11.3 Council:

- a) **Approved** changes to the headline measures for Secure and Effective Technologies, Decisions and Data, and Societal Impact.
- b) **Approved** targets for 2023/24.

## 12 REPORT ON THE OPEN UNIVERSITY'S COMPLIANCE WITH THE OFFICE FOR STUDENTS REGULATORY REQUIREMENTS C-2023-06-09

#### 12.1 The Director, University Secretary's Office drew attention to:

- a) The University's own assessment was that it was fully compliant with each condition of registration, although some areas of risk remained, particularly in relation to new and revised conditions where the regulatory requirements were still being understood.
- b) The challenges in 2022/23 in relation to data returns and in particular the requirements relating to the HESA Data Futures programme. The University was one of only six providers out of over 400 that had prepared its submission on time.

#### 12.2 Council:

- a) **Commended** the work of the Returns Team during a challenging year.
- b) **Noted** the report.

## 13 ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME CLOSURE REPORT C-2023-06-10

#### 13.1 The Chair of the ERP Delivery Board and Chief Financial Officer informed the Council that:

- a) The closure report described the handover of ongoing activity, progress towards the finalisation and realisation of business benefits and a financial summary.
- b) The report had been challenging to compile as the Programme had over run in terms of both cost and time and had not realised the full financial benefits expected.
- c) Functionality in Finance Business Services was good, and Payroll was now stable with a strong staff team making excellent progress. The analysis report from KPMG and a change in approach to focus on service design and user experience improvements had been key to stabilising the Payroll function.

#### 13.2 Council:

- a) Sought assurance that the lessons identified from the Programme had been widely disseminated and initiatives were embedding satisfactorily in Units.
- b) Reflected whether Council could have acted any differently in its approach to the strategic governance of the project.
- c) Sought clarification on the ongoing costs to the University and whether these reflected inaccurate planning of the project or inadequate execution. The Programme had not achieved the projected savings targets and recurrent costs of licencing and technical support were over budget.

13.3 The Chair of the ERP Delivery Board and Chief Financial Officer:

- a) Confirmed that many significant lessons had been learned from the Programme and these were being applied to other projects such as the Student Services Portfolio. The Programme had been initially viewed as a technology project, but it was clear that greater focus on the end users, better engagement with relevant teams and improved training would have been beneficial.
- b) Explained that the governance of the project changed as it separated from the overarching Core Systems Replacement Programme. The input from Finance Committee, Audit Committee and Council had been very important.
- c) Reflected that a combination of problems with planning and execution affected the project. It was also acknowledged that the views of end users had not been sufficiently heard.

13.4 The Chair reflected that the initial governance of the Programme was not as strong as it could have been, but when problems became apparent, it strengthened with reports to every meeting of Audit Committee and Council. The lessons learnt had been applied to the Student Systems Portfolio project and this had an end user focus with strong user engagement.

13.5 Council **noted** the report.

**14 OU STUDENTS ASSOCIATION ANNUAL REPORT**

**C-2023-06-11**

14.1 The student representatives drew attention to key achievements in 2022/23 including the strong engagement with Freshers' activities and the launch of the 2023/27 Strategic Plan and thanked University colleagues for their ongoing support.

14.2 Council:

- a) Enquired whether the Association had received significant negative feedback from students because of awards being delayed due to the marking and assessment boycott earlier in the year.
- b) Sought information on the Association's responsibilities and actions under the Higher Education (Freedom of Speech) Act.
- c) Asked how the Association collaborated with the University EDI Team to promote inclusivity and diversity.
- d) Suggested the Association could be more proactive in promoting student successes particularly where students had overcome significant challenges or adversity to succeed.

14.3 The student representatives reported that:

- a) Concerns and anxieties reported to the Association were monitored very carefully and discussed within the student leadership team. The Association issued regular updates to students.

- b) The Association was currently working with the University to produce a code of practice on free speech and academic freedom.
- c) The Association's EDI Team worked closely with the University to promote inclusivity and diversity. EDI and Accessibility was a priority area for the Student Leadership Team. .
- d) Welcomed the support from Council members to promote student successes and agreed to discuss this further with the University.

14.4 Council **noted** the report.

**15 UPDATE ON THE PREVENTION OF, AND RESPONSE TO, INCIDENTS OF HARASSMENT AND SEXUAL MISCONDUCT** **C-2023-06-13**

15.1 The University Secretary introduced the update which explained actions to support the prevention of harassment and sexual misconduct of and by students and staff at the University. The University took the issue very seriously and had taken several positive steps to minimise risk and respond appropriately to issues that might arise.

15.2 Council:

- a) Considered the actions put in place to be sensible and appropriate and noted the further work set out in the paper.
- b) Suggested that consideration could be given to being more upfront about action taken in cases where inappropriate behaviours were identified to demonstrate such behaviour was not tolerated. It was also suggested that views be sought from those working through the processes to help improve understanding.
- c) Noted that the data in paragraph 10 of the paper was very recent and asked if any other data was available for comparisons. The incidences referred to in the paper were considered low bearing in mind the size of the student body and length of study time.
- d) Asked if there were any links to the University's staff networks to support preventing and addressing such issues. The University Secretary agreed to follow this up.
- e) Sought assurance that the University's policies and approach were publicised to staff and students despite this potentially resulting in an increased volume of concerns and complaints relating to harassment and sexual misconduct being raised.

15.3 The University Secretary:

- a) Agreed to refer the points raised to the Steering Group for further consideration.
- b) Explained that limited data existed for comparison purposes.
- c) Assured Council that the University would not tolerate such behaviours. There had been extensive publicity of the Report + Support tool across many different channels.

15.4 Council **noted** the report.

**16 2022/23 CONSOLIDATED FINANCIAL STATEMENTS** **C-2023-06-15**  
**AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL AND THE** **C-2023-06-16**  
**VICE-CHANCELLOR, 2022/23**

16.1 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 (PwC). Audit Committee had reviewed them on two separate occasions and no matters of significance had been reported.
- b) Reported that the adjusted operating deficit was £25.1m, or -4.5% of operating income, compared to the surplus target of 2%. A post balance sheet note had been agreed with PwC in relation to the USS Pension 2023 valuation.
- c) Confirmed that Finance Committee was satisfied it was appropriate to make the assumption of going concern for the financial statements.

16.2 The Chair of Audit Committee 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.

16.3 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 2023
- 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 2022/23.
- d) **noted** the audit representation letter that would be signed on its behalf by the Vice- Chancellor and Chief Financial Officer

## 17 FINANCIAL FORECASTS TO 2027/28

C-2023-06-17

Council **approved**, on recommendation of Finance Committee, the financial forecasts to 2027/28 and commentary that fulfilled the regulatory requirement for submission to the Office for Students (OfS).

## 18 VICE-CHANCELLOR'S REPORT

C-2023-06-14

18.1 In reflecting on some of the issues raised in his report the Vice-Chancellor:

- a) Congratulated the teams who had contributed to the prestigious awards and successes that the University had won.
- b) Reported that the tracking of staff mood indicator scores had been showing a decrease over several months, although there was variation amongst staff categories and units. Work was underway to develop measures that could help improve mood and appreciate staff beyond financial reward. VCE was monitoring the position carefully.
- c) Assured Council that the University was doing all it could to support staff working long hours and to reach a solution for associate lecturers with contracts of 1.3FTE. Management was meeting fortnightly with Union representatives to discuss staff issues.

18.2 Council **noted** the report.

## 19 CAMPUS 2030

C-2023-06-18

19.1 The Chair acknowledged that an extensive range of individuals were involved with the project who would have specific interests and confirmed no specific disclosures in relation to conflicts of interests were required at this point.

19.2 The Vice-Chancellor and Chief Financial Officer explained that:



- a) The project had evolved from a plan to consolidate buildings at Walton Hall to a new vision for a city centre site offering substantial opportunities for developing the University's academic offer and its contribution to the economic, cultural and social development of the wider Milton Keynes city. This evolution had occurred through a set of circumstances including the need to diversify income, increasing interest in the OU from younger students, the mature student market declining and an opportunity to capitalise on local regeneration plans with Milton Keynes Council.
- b) The new vision for the University for the future would include specifically designed, efficient workspaces for hybrid working in a city centre environment creating opportunities for partnerships and engagement.
- c) The project was not a shift from the University's core role as a four nations, distance learning and research university nor was it a change in the University's mission or its current strategy.
- d) Work had so far had focussed on modelling one of several possible options for the city centre and for the Walton Hall site. However, it was difficult to directly compare the two options as one represented the largest change programme in the history of the University whereas the other was closer to the status quo. All work for the project would be valuable irrespective of the eventual decision reached.
- e) The initial financial modelling was intended to assess whether the project was broadly financially viable at this early stage. The assessment was based on two considerations, value for money and affordability. Assumptions had been made on space requirements, borrowing and new ways of working. Both options were positive in terms of value for money, but affordability was more challenging.
- f) An independent report from EY had concluded that the city centre option would be a very large investment which could not be financed by the University alone so would involve working in partnership with Milton Keynes City Council. The Walton Hall option would be a smaller financial commitment. The site was also not considered suitable for face-to-face campus study.

19.3 The Treasurer, speaking in his role as Chair of Finance Committee and the Estates Strategy Advisory Group reflected that:

- a) Whilst the information provided in the paper was helpful, a clear explanation of the future vision for the University in terms of its aims and ambitions in the next 20 to 50 years was still required. Whilst the social mission of the University was well known there still appeared to be a lack of clarity around the significant step to a city centre location and offering full time provision.
- b) The financial estimates for capital costs prepared so far were very high and required further evaluation.
- c) The realisation of potential new opportunities required more extensive work than originally anticipated. It would be unlikely that this work would be complete for the Council meeting in July 2024 when a decision on the business case had been scheduled.

19.4 Council:

- a) Reiterated that the strategic and academic vision for the University in the future required clarification. Decisions taken would have significant long term consequences for the University and it was essential that the vision and opportunities were more tangible. This would also need to include consideration of the impact of artificial intelligence (AI) and how that was embedded into the University's culture and working practices.
- b) Agreed that the status quo was not a sustainable option.

- c) Supported the premise that the University needed to be reimagined for the future particularly in a more technology/AI driven environment. A move to the city centre location could be exciting and stimulating for such development of the University's provision.
- d) Suggested that in defining the vision further, the University's potential strengths and unique offer needed to be differentiated more clearly from that of other providers. Attention needed to be focussed on the drivers of the future for higher education, such as technology, academic curriculum and delivery, needs of employers and recruitment of international students.
- e) Sought further detail on the initial costings for the project. Council would in due course require assurance that complex funding models were robust.
- f) Sought clarification on the role of partners in the project. Partnerships could introduce new risks and priorities of different partners would need to be clear.
- g) Noted that the cohort of 18/19 year olds would increase until 2030 but was expected to reverse from that point, at the time the University would be expecting to launch new face to face provision. However, new markets such as employees needing to upskill, to work with AI for example, could provide scope to develop new markets to replace the demographic change reduction.
- h) Considered that further engagement was required with staff, especially Senate and the academic community. It was acknowledged that staff were being updated on the project, but the engagement needed to be more interactive and iterative.
- i) Acknowledged that other models could be assessed but this would be a significant challenge to manage.
- j) Emphasised that lessons should be learned from other major projects particularly around focus on end users and on capacity and capability to carry the project through to completion.

19.5 The Vice-Chancellor and University Secretary thanked Council for the valuable discussion and reflected on some of the comments made.

- a) Work at present focussed on one of several possible options for the city centre and one of a number of options for Walton Hall. The activities proposed to enable face to face learning were not considered viable at Walton Hall and current work had not focussed on this option in detail. The work still to complete on the two options was significant and there were concerns that taking more time to look at a wider range of options would not be entirely useful.
- b) The project was aimed at future students. It was acknowledged that whilst the current model had worked well for decades, the University now had to take a step forward and examine new opportunities and options.
- c) The vision of the project was to be responsive and develop new channels of innovative and inclusive face-to-face and residential education to advance the University's mission at scale, avoiding decline and potentially growing. It was not possible to be prescriptive about the future at a given date, but the ambition was to open a range of opportunities and capability for the future.
- d) Maintenance of the status quo was not a viable option. It would be vital for the University to diversify and explore opportunities such as offering a face-to-face student experience and shorter qualifications and attracting international students.

19.6 The Chair summarised the discussion:

- a) Further detail on affordability and funding models was required for the meeting of Finance Committee on 23 January 2024 and Council on 5 March 2024.

- b) A clearer explanation of capability and capacity to support the long-term project should be defined.
- c) More engagement with Senate and other stakeholders was required.
- d) The strategic vision should be defined further to emphasise that the status quo was not a viable option and that the city centre proposals offered a range of opportunities to build capacity for the future for the University. The Walton Hall option would not support provision of full-time study.
- e) Other options would not be progressed at this point.

**Action: Vice-Chancellor and Chief Financial Officer**

19.7 Council **noted** the report.

**20 AUDIT COMMITTEE** **C-2023-06-19**

Council **noted** the minutes of the meeting held on 2 November 2023.

**21 FINANCE COMMITTEE** **C-2023-06-20**

Council **noted** the report from the meeting held on 2 November 2023.

**22 STRATEGIC PLANNING AND RESOURCES COMMITTEE** **C-2023-06-21**

Council **noted** the report from meeting on 21 September 2023.

**23 REMUNERATION COMMITTEE ANNUAL REPORT** **C-2023-06-22**

Council **noted** the report.

**24 SENATE** **C-2023-06-23**

Council **noted** the report from the meeting on 11 October 2023.

**25 FORWARD PLANNER** **C-2023-06-24**

Council **noted** a report on future business being presented to Council.

<b>Future Meeting Dates</b>
5 March 2024 - Scheduled to be an online meeting but may change to in person
14 May 2024 – Milton Keynes
9 July 2024 - Milton Keynes

Dave Hall, University Secretary  
Sue Thomas, Senior Manager, Governance

15 December 2023