This paper details the unconfirmed Minutes of the last meeting of the Council held on Tuesday 24 November 2015.

The Council approved these Minutes as a correct record of the meeting at its meeting on Tuesday 8 March 2016.

Keith Zimmerman
University Secretary

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THE COUNCIL

Minutes of the meeting of the Council held on 24 November 2015 at 10.00am in the Hub Theatre, The Open University, Walton Hall, Milton Keynes, MK7 6AA.

Present: Richard Gillingwater (Chair), Mr Peter Horrocks (Vice-Chancellor), Mr H Brown (Treasurer), Mrs R Tudor (OUSA President), Dr J Baxter, Dr S Dutton, Ms R Girardet, Mr P Greenwood, Mr B Heil, Mr B Larkman, Mrs R Lock, Mrs S Macpherson, Mr W Monk, Mr J Newman, Dr T O’Neil, Professor H Rymer, Mr C Shaw, Mr R Spedding, Mrs R Spellman, Dr C Spencer, Prof W Stevely, Ms S Unerman, Dr G Walker, Prof J Wolfe, Mr J Yeo

In Attendance: University Secretary; Pro-Vice-Chancellor (Learning and Teaching), Pro-Vice-Chancellor (Research and Academic Strategy), Finance Director, Interim Director, External Engagement, Professor Richard Brown (Interim Executive Dean, Faculty of Arts and Social Sciences) (Minute 7), Professor Anne De Roeck (Interim Executive Dean, Faculty of Science and Mathematics, Computing and Technology) (Minute 7), Professor Mary Kellett (Interim Executive Dean, Faculty of Education and Language Studies and Health and Social Care) (Minute 7), Professor Rebecca Taylor (Interim Executive Dean, Faculty of Business and Law) (Minute 7), Head of Governance, Senior Manager (Governance), Mr David Matthewman (Minute 7), Ms Edith Prak (Minute 8).

Observing: Mr Lucian Hudson, (Director of Communications), Ms Kathryn Baldwin (Vice-Chancellor’s Business Manager), Mr Nigel Holt (Director of) HR (Minute 7), Dr Jenny Stewart, Head of the University Secretary’s Office (Minute 7).

Apologies: None

1 WELCOME

The Chair welcomed Ms Rachel Lock and Dr John Baxter to their first meeting of the Council.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

3.1 Referring to minute 7.7, a member commented that the alternative technology that had been discussed was not diesel, but bio-fuel.

3.2 The Vice-Chancellor reported that since the last meeting a public announcement had been made concerning the University’s additional investment in FutureLearn, which was now entering a period of rapid recruitment.

3.3 A member asked whether the Council would receive regular reports on FutureLearn, as the finances of the University were becoming more closely tied to FutureLearn’s business
plan. The Finance Director, Miles Hedges, explained that Finance Committee undertook an annual review of FutureLearn’s performance, as it did with all of its subsidiary companies, and received a report from the Chief Executive. Finance and Audit Committee considered its financial reports, which were incorporated in the University’s consolidated financial statements. Currently, the financial results for FutureLearn were not material enough to be drawn out in the statements, but it was expected that this would change over time. The Chair requested that the Vice-Chancellor provided a short update on FutureLearn at each meeting of the Council. He noted that Shonaig MacPherson had been appointed an independent member of the FutureLearn board and would be able to keep the Council informed of developments.

3.4 The member commented that staff were now aware of the investment that the University had made in FutureLearn, but not of its financial significance. The minutes of the FutureLearn discussion were still confidential, but the University community should have a better understanding of the financial importance of FutureLearn to the OU. The Vice-Chancellor responded that, in the context of the University’s overall investments, FutureLearn was not that significant. FutureLearn was complementary to the OU’s overall offer and the Pro-Vice-Chancellor (Learning Innovation), Professor Belinda Tynan, had been asked to report to the Vice-Chancellor’s Executive (VCE) on its non-financial benefits. FutureLearn was a commercial company, competing against others, so it was important that some information remained confidential.

3.5 The Council approved as a correct record the minutes of the meeting held on 14 July 2015, subject to the above amendment.

4 MATTERS ARISING C-2015-04-01

4.1 The Chair commented that plans for the Council meeting in Edinburgh on 8 March 2016 were now proceeding. A dinner event would take place the previous evening, 7 March, in the Scottish Parliament. He hoped that a meeting of the Council in one of the nations would become an annual feature.

4.2 The Council noted the responses to the matters arising from the minutes of the last meeting not dealt with elsewhere on the agenda.

5 CHAIRS BUSINESS

5.1 The Chair invited the Vice-Chair of the Council, Professor Bill Stevely, to provide some feedback on the Higher Education Funding Council for England (HEFCE) Annual Meeting, which had taken place earlier in November. Professor Stevely said that the presentations had been given in the context of the Green Paper and the forthcoming Comprehensive Spending Review (CSR). One of the key issues highlighted during the meeting was value for money for the tax payer; employability was seen to be a test of a university’s success. Access would continue to be an issue, although HEFCE appeared to be upbeat despite the possible demise of the Student Opportunity Allocation. It had been suggested that an easier way into the market was needed for new providers, with lower barriers regarding student numbers and the title of ‘university’, and less supervision or tracking required. It had been noted that the Green Paper said little about part-time or postgraduate studies, although HEFCE representatives had indicated that the Government were aware of the issues and it was clear that the Vice-Chancellor’s comments had registered with them. There would be a consultation on the metrics for the Teaching Excellence Framework (TEF) during 2016, although it was not yet clear who would run the TEF. It was important for the OU to engage with the TEF, although the extent to which it would measure teaching excellence was not yet clear. The University needed a good judgement from the Quality Assurance Agency (QAA) Higher Education (HE) Review in December 2015 in order to be awarded level one of the Framework.
5.2 On behalf of the Council, the Chair thanked Fraser Woodburn for his contribution to the OU as University Secretary over the past 17 years.

6 VICE-CHANCELLOR’S REGULAR REPORT

6.1 The Vice-Chancellor invited the University Secretary, Keith Zimmerman, to provide a report on student numbers. Mr Zimmerman said that the University had achieved 107% of its target for new undergraduate numbers across England, Scotland and Wales. In Northern Ireland, the number of new students was just under target and new international student numbers had reached 97% of target. Postgraduate student numbers were 33% below target, which was largely explained by a change in curriculum. The number of continuing students was 101% of target.

6.2 The Vice-Chancellor drew the Council’s attention to the Annual Report (C-2015-04-16). It included some inspiring student stories. An amendment to one of the pages had been tabled, and a link to the final version would be circulated to members.

6.3 On the eve of the Comprehensive Spending Review (CSR), it was still difficult to know how the University would be affected; however, it was important to keep expectations low, as higher education was not protected from budget cuts. With regard to the Green Paper, there was a risk that legislation would not take part-time education into account. There was a focus on the figures for degree completion, but other measures were more appropriate for institutions offering part-time distance learning. The University was advocating that learning gain and distance travelled was different for OU students; the Pro-Vice-Chancellor (Learning Innovation), Professor Belinda Tynan, had set out this view when she had given oral evidence to the House of Commons Business, Innovation and Skills Select Committee. The resource accounting and budgeting (RAB) charge figure for the non-repayment of student loans from part-time students had now been reduced; part-time students were expected to pay back more of their loans, which supported the OU’s argument that part-time students were economically more viable. With regard to widening participation, the Government had committed to double the number of students entering higher education, but it was unclear whether the target was narrowly focussed on 18-year-old school leavers or whether it was broader and more challenging. There were encouraging signs that the OU was being successful in its efforts to raise awareness of the issues facing part-time education, as well as the improvements in productivity and social mobility that it could bring about.

6.4 Internally, the interim Executive Deans were making progress with the restructuring of the faculties. A new institutional strategy was evolving, and the Senate, the Strategic Planning and Resources Committee (SPRC) and all staff were being asked to contribute to its development in line with a policy of greater transparency across the wider OU. The challenges were being shared with colleagues, who were being asked to get involved in addressing them. The Vice-Chancellor’s Executive (VCE) were looking at the University’s competitors, and were seeking to increase and diversify its income as well as making cost savings.

6.5 The Vice-Chancellor also reported that Susan Stewart had been appointed as the new Director, OU in Scotland, following an external recruitment process and would start in the role on 1 December 2015. Professor Belinda Tynan, Pro-Vice-Chancellor (Learning Innovation), would be returning to Australia at the end of April 2016 to take up a new role as Deputy Vice-Chancellor Education and Vice-President at RMIT University, Melbourne. The Vice-Chancellor also added his personal thanks to Fraser Woodburn for his support.
7 LOCATIONS ANALYSIS  

7.1 Opening the item, the Chair observed that the recommendations before the Council were being made after a consultation period of 22 months. The largest proposed change in OU history had sparked strong reactions across the University, which were being taken very seriously. He had just met with the University and College Union (UCU) and Unison, and had received a petition of over 6400 signatures opposing the proposed closures of regional offices. Everyone wanted what was best for the University; but there were genuine concerns about the impact of the proposals on students and staff.

7.2 The Vice-Chancellor acknowledged that the OU was in an uncomfortable position, given the disquiet and discontent within the University community about the proposed changes. It was not an ideal environment to be introducing a new strategy, and this was already the subject of some reflection. It was critical to stress that the pain and anxiety being caused was not a reflection on the commitment of staff who worked hard, often against the odds; but it was important to ensure that staff could continue to offer great service in a more effective way. Appendix 3 of the paper and the other supporting correspondence provided a flavour of the intensity of feeling and concern that had been voiced. However, there appeared to be two groups, both sharing an interest in the OU, who each had a different view.

7.3 The University faced many risks from the external environment, including falling student numbers, a Conservative-only government, which had been less sympathetic to part-time education than the previous coalition, and the uncertainty over funding. The scenarios created by these risks made the proposals more significant. However, the issues were not only external. The project had been conducted under the tenure of three different Vice-Chancellors, which had made it harder for the project team to have clarity of leadership. The recommendation was not simply about cost savings; it was concerned with operational effectiveness and enabling the OU to improve services to students in a cost-effective and consistent way, that was future-proofed and flexible. The original structure of regional offices was not designed to serve students in the current, fast-evolving social, political and technological environment.

7.4 The feedback received from staff, partners and the Senate since the recommendation had been made public demonstrated concern that a change of this scale presented a threat to the continued success of the University, through the loss of expert staff, knowledge, and the network of buildings as symbols of the OU and its regional and local importance and commitments. However, a viable alternative option, which delivered the operational benefits of the recommendations, had not been heard or presented, and even the strongest challengers had agreed that change was needed. The initial outline proposals presented to the Senate had provided a risk assessment, but not a detailed implementation plan. The management had listened and subsequently developed such a plan, to help people to understand how the risks raised would be mitigated; this was reflected in the Council paper. The impact on affected colleagues was not underestimated, but much work was being done to ensure that they were supported, and to ensure that there would be a continued service to students throughout the transition period. The Vice-Chancellor concluded that he believed, with the full support of the Executive Team, that this was the best way forward for the OU.

7.5 Keith Zimmerman introduced the paper and drew attention to sections within it, including the background to the discussion and decision, with historical context and the recent lessons learned from the closure of the East Grinstead office (paragraphs 6-16), the detail of the recommendation (paragraphs 17-20) and information on the context for that recommendation (paragraphs 21-33). He explained that since 2011, with only a few exceptions, the OU had not used its regional network for recruiting students or for liaison with local governments and employers; this was in contrast to the Nation offices, where
this constituted the bulk of their work. The Council was also reminded that, since 2014, Student Support Teams (SSTs) had been supporting students on a national, curriculum basis, rather than on a regional, geographical basis. Mr Zimmerman emphasised the severe operational difficulties that SSTs were having to cope with, which affected service to students and consequently put their retention and progression at risk.

7.6 The benefits of the recommendation, primarily in the services that the University would be able to provide to students, were set out in paragraphs 34-38. Co-locating SSTs with each other and with Student Recruitment and Fees (SRF), in 3 locations rather than 12, would provide greater service resilience and consistency; more timely, reactive and proactive support to students; prompter communication with students; and more curriculum-informed advice and guidance to enquirers. The intention was not to merge teams into a ‘giant call centre’, but rather to build on existing good practice which would enable any future investments in student support to have greater impact more quickly, minimising the training and implementation costs currently experienced.

7.7 The implications for staff were explained in paragraphs 39-47. It was not anticipated that there would be a need for compulsory redundancies, although particular categories of staff would have to relocate, redeploy, work from home, or take voluntary severance or early retirement. It was in the interests of the University and its students that as many staff as possible were retained in employment by the University. The OU would be as accommodating as possible and a commitment had been made to staff that if they were willing and able to relocate they would be guaranteed a role of the same substantive grade, although this may require retraining.

7.8 Paragraphs 48-53 set out the financial implications of the proposals. Mr Zimmerman explained that details of the other options analysed, but not recommended, had been circulated in response to a specific request from a member of Council for more detailed information, rather than to invite consideration of a range of alternatives. The recommendation option would deliver annual financial savings of £4.7 million, at an estimated cost of change of £16 million and pay back within 5 years. This did not take account of any efficiency improvements that might be delivered as part of continuing operations. Mr Zimmerman emphasised that the modelling should not be regarded as the detailed, fully costed, line-by-line financial analysis that would be undertaken during implementation planning should the recommendation be agreed; however, the overall cost envelope of £16 million was a prudent estimate of the costs of change sufficient to support the decision. The plan allowed for significant investments to support the effective recruitment, training, and parallel running of the teams needed in the three receiving locations.

7.9 The project had made an undertaking to reflect the feedback to the recommendation from across the OU, and this was provided in paragraphs 70-84 and Appendix 3 of the paper, as well as in the additional information and correspondence supplied to the Council. The matter had been discussed at the Senate, Strategic Planning and Resources Committee (SPRC) and Finance Committee, and the unconfirmed minutes of these meetings had also been supplied. The project had sought to respond to the points raised throughout the consultation and to address the most significant within the Council paper. Mr Zimmerman remarked that the most consistent concern, expressed by many stakeholders, related to the risks involved in such a large-scale operational change. Consequently, more work had been undertaken between the Senate and the Council meetings to address the issues and concerns raised; this was reflected in paragraphs 54 – 69, and Appendices 1 and 2.

7.10 The plan covered the maintenance and then improvement of services to students, which would be evidenced by widely agreed and closely monitored performance indicators. A full knowledge management process and systems would be employed in order to assist in the transition process. This would build on the system and process recently delivered into
SRF and SSTs and included, but was not limited to, data collection and training development for multiple roles. The University would ensure that impacted colleagues were treated compassionately and professionally. Implementation would be carefully managed and risks mitigated. To ensure continuity of service to students, no existing location would close until there was assurance that the receiving location was ready and able to take on the incoming work. The plans were sequenced, and review points had been built in, to ensure that any lessons could be learned from one move prior to the next.

7.11 Mr Zimmerman observed that, whatever the decision of the Council, the communication of that decision and what it meant would be important and detailed plans were in place to manage this. Appendix 6 contained a draft communications plan for after the Council meeting, including in particular communications with and support for affected staff. However, the situation had continued to evolve since the papers had been circulated, and there was now an updated version, which took account of changing circumstances such as the planned UCU action on 25 November 2015. A final draft of the communications, finalised in light of the Council’s decision, would be agreed with and approved by the Chair of the Council.

7.12 The Council were now being asked to approve the recommendations of SPRC and Finance Committee to reconfigure the University’s operations, with the consequent staffing, estate and financial implications, as described in the papers circulated. Mr Zimmerman invited comments and offered to respond to any questions.

7.13 The OU Students Association (OUSA) President, Ruth Tudor, said that she had spent a significant amount of time discussing the proposal and listening to student views. She had concluded that the current configuration of OU regional offices was not the right one and it was not working as well as it should. However, in order to be convinced that this proposal was the best option, it would be necessary to see it in implementation and to see that the assurances made had been kept and bettered. Ms Tudor regretted the loss of jobs and experience that would result if the recommendations were approved, but the focus had to be on what would be best for students. She hoped that this would be the focus of the implementation and that no student would suffer as a result of the proposed changes. The role of OUSA would be to hold the University to account and to push for reinvestment in the things that its members wanted in order to improve their experience and retention.

7.14 The interim Executive Dean, Faculty of Education and Language Studies and Health and Social Care, Professor Mary Kellett, said that her most important objective as a dean was to support students in achieving their goals. Students were taking out loans and making personal sacrifices to achieve these goals, so it was imperative that the University supported them effectively. From a faculty perspective, this was best done on a curriculum basis, as the majority of students were now studying for a qualification rather than a module. The current structure did not support this and it was necessary to work with SSTs. Professor Kellett reassured the Council that faculties would be involved in the detailed implementation and would work with staff to retain their expertise and to focus on business needs. As a dean, she was accountable to deliver what was necessary for students. It was painful to take this decision, but it was necessary to do what was right for the University looking forward and not to be constrained by locations that had been arbitrarily conceived.

7.15 The interim Executive Dean, Faculty of Mathematics, Computing and Technology and Science, Professor Anne de Roeck, agreed that it was a very difficult decision, which would be heart-breaking for many people, as the regions were embedded in the University’s ways of working. However, the OU must be open to reviewing its model in the light of what was happening around it: technology offered different opportunities for work distribution and the changes in the funding model, which had led to more students
studying for qualifications, required a different type of student support. Some good
decisions had been taken in the establishment of SSTs, but more work was necessary to
ensure their optimum effectiveness. Effective delivery of services to students could only
be achieved by realigning the deployment of resources; fewer regional offices would
improve consistency, as well reducing overheads in maintaining management oversight.
The University was moving into a future where the four new faculties would have
academic responsibility for services to students; the challenge was in how to get there.
The heartbreak of any decision, with its consequences and risks, should not be
downplayed. However, clarity in the role of Nation offices and the relocation of SSTs to
align with other services and faculties provided the best opportunity of managing the risks.

7.16 A Senate member said that the minutes of the Senate meeting set out many of the
Senate’s concerns. He agreed that, whether in favour of or against the recommendations
before the Council, there was a shared commitment to put students first: the difference
was not whether, but how. The Vice-Chancellor had said that this was an operational
matter, but others felt that the proposals had profound strategic importance that was yet to
be fully explored. There was significant concern about the high risk of implementation.
The work undertaken since the Senate meeting was acknowledged, but it was not enough
to alleviate that concern. There was also a sense of complacency around the risk
analysis, in that some risks indicated as low or medium were actually quite high. For
example, the loss of individuals could actually mean a serious loss of knowledge and
expertise for the University, and there was a danger that the transition period would create
chaos and reputational damage. The original responses from the faculties had not been
provided to the Council, but were available on the Locations Analysis website; they were
predominantly critical of the recommendations. HEFCE had recently indicated the
importance of access and employability, and a local presence was a better way of
responding to these challenges and opportunities. He had discussed one possible
compromise with the Vice-Chancellor and, whilst he understood that the detail was not the
business of the Council, it was important that members were aware that other possibilities
existed. There was frustration that creative alternative ideas were not being fully
explored. The member suggested that the situation also raised a governance issue: the
Senate considered the proposals to have profound academic implications and had
therefore passed the motion advising the Council to reject the current recommendation.
In respecting the academic judgement of the Senate, the Council must give due weight to
its views. The opening of the wider strategic conversation was welcome, whatever the
decision; however, the decision might prove to be at odds with the outcome of the
strategic review. The probable atmosphere across the University if the Council approved
the recommendations would not facilitate such a conversation; it would be better to put
aside this issue first and then to review the OU’s locations in the light of the strategic
direction that emerged.

7.17 Another Senate member said that he was very conscious of the burden of responsibility
that the Council held for the future of the University, its students and staff, and the
enormity of this decision. The first phase of the project, which had gathered academic,
support and business requirements from across the University, had made no pre-
judgements; it had built an evidence base and used that to inform early high level options.
There had been little to justify the current configuration of locations, which was highly
varied in shape and size, cost and geographic accessibility and proximity to major
population centres. There was also little evidence to support the need for the current
‘bricks and mortar’ regional centres to deliver current services or to satisfy the future
requirements identified; any need for a local presence could be serviced in other,
potentially more flexible and cost-effective ways. Moreover, the implementation of
curriculum focused SSTs had largely broken the link needed for regionally based support.
The case for reconfiguration was clear and compelling; the debate was about the best
‘end-state’ and how effectively the University could manage getting there. Students
should be placed first and any future distributed network must support the delivery of an
outstanding student experience. There were no guarantees as to whether these proposals would help deliver the step-change improvement in student retention, but they should help to improve information, advice and guidance, and provide more consistent and joined-up support and services to enquirers, students and ALs. Whilst there might be financial savings, these should be subsidiary to the student experience. Currently, student fees were paying for the locations network, so it was right to question whether it remained justifiable. It was important to consider whether the transition risks outweighed the benefits. These risks were most acute around the loss of committed and experienced staff, and the potential damage to the continuity and quality of student support in the short term. The implementation plan placed considerable emphasis on HR processes, but there was much to do to ensure dual running, knowledge transfer and training, as well as staff morale, was effectively supported, planned and managed. How would the University ensure that implementation was managed effectively, with robust and transparent processes and feedback mechanisms to monitor, re-evaluate and adjust plans as necessary? Moreover, how would the University pause and take stock after the initial closures, and keep the Council informed of key developments and issues? Clearly, the future of the OU was not best served by the status quo, but more assurance was needed about the ability of the OU to deliver the changes proposed, at an unprecedented scale.

7.18 A Senate member agreed with what had been said by the interim Executive Deans. The University was now in a qualification (Q) or curriculum world, and the recommendations would allow the OU to support students more effectively. It was not known what the future would bring in terms of funding, but the University would be better with a structure that supported what students were studying, rather than one that tried to serve a type of student that did not exist. It was to be expected that the transition timetable would slip, so the management of communications would be key, particularly with regard to staff that expected to leave the University. With reference to the perception that the OU was having financial problems (Appendix 2, item 14), there was a view that the OU would be closing, as for some people the OU was its local presence. This related to an earlier point about the wider community not understanding the University’s relationship with FutureLearn; if more people knew about the investment that the OU was making, then this might change perceptions. The member hoped that the new structure would ensure that global students were assigned to an SST according to the curriculum they were studying, rather than to an international student office.

7.19 An associate lecturer (AL) member, having had many conversations with colleagues about these recommendations, expressed surprised that the risk to staff morale had been assessed as medium, rather than high. SSTs offered high-quality information, advice and guidance, but students also benefited from the academic support provided by ALs. The need for ALs and SSTs to work in much closer partnership was identified in the paper (paragraph 27), but the proposals were focussed on administrative alignment; there was nothing in the paper about improving the situation in order to provide students with more holistic support.

7.20 A Senate member observed that there seemed to be some haste to reach a conclusion, with no consideration of the timing of other events or any real effort to analyse the impact of the emerging risks. The announcement had been made at the busiest time with regard to final enrolments and the Council were being asked to take a decision just before the outcomes of the Comprehensive Spending Review were announced. The risk register omitted significant risks to students despite the impact of the recommendations on front line staff: for example, reduced quality of service to students during the transition to the new structure; and inadequate advice and guidance to old regime students seeking to transfer to new qualifications. The risks identified were underestimated and the financial case took no account of the likely financial impact if they did occur. In comparison with the paper on the fees strategy, which demonstrated that there had been some modelling, this paper was quite opaque. Moreover, an equality impact analysis had not been
undertaken alongside the consideration of the proposal, which appeared to be against recommended best practice. The recommendations represented a huge risk with insufficient mitigation.

7.21 Another Senate member said that he was an advocate for change, when and where it was needed. However, it should be noted that 14 of a possible 17 SST Academic Leads, who were the staff best placed to understand the potential impact of the recommendations on students, had put on record that they were opposed to the proposals (LAP-ADD-INFO-03). The hierarchical nature of the response to the recommendations was notable: individuals closest to the students were against the proposals; but the higher one went in the management structure, the more supportive individuals became. At a time of significant change, for example with the introduction of new policies for assessment and group tuition and with the review of ALs underway, the University appeared to be saying that it could afford to lose experienced staff. The depth of feeling in the regional centres should not be underestimated; people who had devoted their lives to the OU now felt betrayed. Whatever the decision, serious damage had been done and it was important to consider how the University community could once again become positive, particularly as it considered its strategy moving forward. It was not the right time to make this decision; the best way to improve the situation would be to pause and to reflect on how a project focussed on reducing the number of regional centres could be integrated into a wider strategic picture that took account of where the University wanted to be in the future and how it could best support its students. The member observed that whilst the project had been underway for two years, it had been in the past 2-3 months that the scale of the proposed changes had become apparent.

7.22 An AL member observed that the complexity of student support might be difficult for some members to understand. The project had not posed the right questions and the recommendations did not do enough to improve student support. The consultation had provided an opportunity for people to input their concerns, but there had been shock at the extent of the proposals. More change at a strategic level was required in order to bring about the necessary improvements. Currently, the distributed network of SST’s delivered services in an integrated manner using technology that the OU should be good at; the challenge was one of IT, not of people or buildings. Clearly there was a need to do better, but the measurable improvements were savings on buildings and management. The concerns around the creation of giant call centres had arisen partly because of the language used; for example, queues and response times. Currently students had two options to get advice, the first via their tutor and the other via their SST. Experience had demonstrated that this caused confusion and a duplication of effort, which would continue unless ALs were properly integrated into SSTs. It had been hoped that this integration would come out of the AL review, now that SSTs had become more established. However, the experienced, dedicated staff that ALs had hoped to work with would be lost if the recommendations were approved and this would delay the integration further. Did the OU want a call service with quicker response times or better-integrated SSTs?

7.23 Another member agreed that there were advantages to co-locating SSTs from the perspective of consistency of information to students, training and development of staff, resilience of the services and closer working between SRF and the SSTs. However, whilst additional work had been done on developing the implementation plan, the risks were higher than stated in the paper. The loss of knowledge and expertise was a key concern, as was the ability to maintain a consistent service in the interim phase. For example, there was considerable unpredictability in when staff might choose to leave and there were likely to be gaps in the service to students. Another concern was that the change was happening over a long period; it was important to understand the process for review and what provision had been made to address problems that might arise.
7.24 A student member observed that a review of the OU’s presence in the regions was inevitable following the closure of East Grinstead. There was nothing that the regional offices did that made them inviolate. Possible future activities, such as work on apprenticeships, could be delivered from anywhere, as could student support. He had signed the letter to the University Secretary from the student and staff members of the Council (LAP-ADD-INFO-06), but had since reflected further on the issues. The concerns about morale were valid, but the process had already begun and more harm would be caused if the University prevaricated now. He had been reassured that mechanisms were in place to retain as many staff as possible.

7.25 An external member said there was no doubt that services to students had to be improved. The figures measuring the University’s performance in terms of responsiveness were shocking. The proposals gave the University an opportunity to provide a much improved service. The Executive should ensure that considerably more resource was put into this area, as if improvements were not made then the OU would have an even more difficult future.

7.26 Another external member commented on the pace of the implementation: benefits could be achieved much sooner if changes were made more quickly; a stepped approach could often lead to dis-benefits. There were also concerns about the governance and communication around the recommendations. If the extent of the proposals had come as a surprise to many, then there was an issue around the level of engagement and this should be the focus of the implementation. A significant number of risks had been underestimated. Nevertheless, the decision was still strategically necessary.

7.27 An external member said that the strength of feeling around these recommendations was not underestimated. From a human resources perspective, the mitigating actions outlined in the paper were very reasonable, and the flexibility and assurances provided to staff were much more than was usually seen in proposals of this kind. The member also urged swift action to bring the benefits to fruition sooner, and to mitigate concerns about reputation and morale.

7.28 Another external member said that it was important for the University to provide a compelling narrative by clarifying and amplifying the benefits to students: for example better information, advice and guidance; supported curriculum; tailored expertise; and speedy response times. It was clear that the status quo was not good enough, and the analysis was persuasive. To do nothing would further dent morale; it was important to take a decision and move forward. If the Council believed that this was the best option, it must back the Executive or the University would find itself in no-man’s land. To elongate the change process would not be helpful; the effect on staff would impact students if the process were to be extended.

7.29 Referring to the deliberations of Finance Committee, the Treasurer, Howard Brown, said the proposed changes were justified primarily on operational grounds, although the proposals would also result in useful financial savings at a time when funding from government sources was coming under severe pressure. Finance Committee had considered the different property options, but had reached the view that the alternatives would not deliver sufficient operational and financial benefits to justify the costs and risks of implementation, and that only the recommended option should be presented to the Council. The Committee had reviewed the costs and had been concerned about the loss of the London office, so it was pleasing that the proposal to locate FutureLearn in Camden had now come to fruition, reducing the cost of change by £3 million. This was reflected in the recommendation before the Council. There were risks, but the plans set out those risks comprehensively and provided a detailed risk mitigation programme that would be developed over time. The team was experienced in delivering projects. He too encouraged a shorter implementation time if it proved practical.
7.30 An external member agreed that operational effectiveness was the key imperative, not in terms of financial savings, but with regard to services to students. Improving the student experience significantly was the prime objective, rather than hitting targets, and the proposals offered a good way of doing so. Moving forward there needed to be more focus on milestones, key performance indicators (KPIs), management actions and review points to ensure that the improvements to student services were achieved. Everyone was concerned and uncomfortable with the level of disquiet and unrest across the University; significant action was now needed to build bridges and cement relationships so that everyone could work together.

7.31 Acknowledging the motion from the Senate against the recommendations, an external member said the proposals should still be supported because of the need to ensure that the University provided optimum service for students. The changes were an inevitable consequence of the move from modules to qualifications. The level of disquiet and concern in the University might be caused by change fatigue. The member urged the University to reflect on the situation of ALs and the need for them to be integrated with SSTs, but supported the need to get on with the implementation.

7.32 An external member said that she was very conscious of her role as an external member of the Council and had taken the matter very seriously, engaging with the papers and the debate. The emotion surrounding the recommendations had not escaped members. The issue that the proposals set out to address was a serious one: the performance figures needed to be addressed, as well as student satisfaction. The plans for implementation were, in her experience, thoughtful, detailed and generous with staff. Given that the OU had been created as the University of the Air, it was challenging to try to understand why the University, which was so proud of its ability to change and innovate, was finding this so difficult.

7.33 The Vice-Chair of the Council said that the change was inevitable and that any compromise might make things worse. The paper provided a good risk register, which would change as some risks increased and others decreased, and help pilot the way through the implementation. Another external member agreed, saying that the risk register might be used to flush out issues at all levels; it was a work in progress. It was now essential to develop one University with one purpose.

7.34 An external member agreed that delaying the implementation of the recommendations would add further uncertainty and delay service improvements. The process had been inclusive and evidence-based, and had reached the logical conclusion of actions set in train in 2010.

7.35 Another external member said that he had found the situation sad and bewildering. There were well-articulated arguments for change, but the benefits of that change, especially for students, had not been conveyed sufficiently and with the necessary conviction. It was a high-risk project, but the risk mitigations were impressive. There would be no benefit, and considerable disadvantage, to delaying action.

7.36 An external member observed that such projects generally delivered long-term benefit and short-term pain; but it was important to minimise the scarring going forward. Further work on the implementation plan would not make it perfect; it was important to move ahead now.

7.37 The Chair said that he respected the view of the Senate; he had talked to the Vice-Chancellor and the University Secretary; and he had talked to the leadership in a number of offices around the country. There was a sense of divisiveness, but the professional staff believed that the proposed action was the right one. He was convinced that there were important benefits to be gained, especially with regard to enhancing student support. He shared members’ concerns about the pace of change and suggested that this should
be reviewed. A consultation period of 22 months was fair and an extended implementation period would create further difficulties. The scale and risk of the project demonstrated the importance of having a skilled team, and external support might be helpful. The timetable and feedback loops were crucial, as was ensuring that key stakeholders, such as OUSA, were involved in the implementation.

7.38 Mr Zimmerman said that he would ask the Chief Operating Officer, David Matthewman (who would take the project forward if approved), to respond to the implementation and operational questions raised by members. He had spoken to many people and was acutely aware of the disquiet and shock, and the many issues arising from the recommendations. Whatever the decision, a great deal needed to be done to address these feelings. SST’s were in the process of evolution and the need to integrate ALs was well understood; it had been part of the original design. Much would be delivered over the next year as current projects reached their conclusion, although there would still be much to do. It was imperative that this work was given the best possible chance of success. Mr Zimmerman acknowledged that the assessment of risk could be developed further, however the University was already living with the risks inherent in its currently poor service levels, whilst others were just emerging. The OU’s slippage in the National Student Survey (NSS) results, particularly in the areas of organisation and management, had to be addressed. With regard to the questions raised about staff retention, there were two key ways to mitigate the effect of staff leaving the University. The University would move with appropriate speed to implement the recommendations; the exhortation not to delay if the Council approved the recommendations had been noted. Secondly, the voluntary severance package offered a financial incentive for staff to stay until such time as it was agreed that they should leave. Staff had been retained during the process of closing the East Grinstead regional office, and it was expected that this experience would be repeated in the case of other office closures.

7.39 Mr Matthewman said that there were two key priorities in the implementation process. With regard to service design and delivery, the intention was not simply to maintain services, but to drive service excellence for students as soon as possible. The University would not cease to provide services to students in an existing location until the arrangements to ensure a smooth transition to a new location were in place. Secondly, all members of staff would be treated as individuals, professionally and compassionately. If the recommendations were approved communications would commence the following day to ensure that affected colleagues received the information they needed without delay. Stakeholders from across the University who had been involved in the planning to date had commendably put aside the potential impact the decision would have on them personally in order to ensure that the OU delivered the best service for students. With regard to the comments to speed up the implementation, it would be necessary to balance this with the risk and realisation of benefits. If the proposals were approved, the options would be reviewed in terms of speed and pace, and the best way of mitigating the impact of the loss of staff would be determined. In response to the query about measures, Mr Matthewman said that KPIs and service level agreements would be put in place to ensure that the benefits were delivered. He agreed that communications could and would be improved; a comprehensive set of carefully considered announcements had been drafted and was ready to be circulated, subject to the outcome of the meeting. Support was also in place for colleagues who would have to deliver difficult messages to their staff. The risks of the project were not taken lightly, but the University knew how to deliver the component parts and, in some instances, at scale. The risk register would continue to be a live document and actions would be put in place to mitigate emerging risks.

7.40 The Vice-Chancellor observed that there was a contrast between the views of the internal members of Council, the majority of whom were against the proposals, and the external members who largely supported the recommendations. Some felt that the decision was being rushed, whilst others urged the University to get on with it. In response to the
issues raised about the sequencing of events, the Vice-Chancellor agreed that in an ideal world the strategy consultation would have taken place first; however, the University was not in that world. There was nothing in the proposal that contradicted anything in the existing strategy or that would be difficult in terms of the emerging one. On reflection, the project had not been clear enough about what it had set out to do; there was a need to have a clearer and more straightforward approach to sharing problems. However, given the current situation, this would be very difficult and ideas from Council members as to how this might be handled would be welcomed. With regard to the issues of staff morale and the University’s reputation, it was up to the University community as a whole how it wished to represent the OU to the outside world if the recommendations were approved: as an organisation in conflict that was damaging itself, or one that was working together to improve its services to students. The challenge was how to make the University aware of the jeopardy involved, not just in not changing, but in the view it presented of itself.

7.41 Following a vote, all the recommendations were approved with 19 votes in favour, 5 against and 1 abstention.

7.42 The Council approved the recommendations of SPRC:

a) To reconfigure the University’s operations and configuration of regional and national offices such that:

i) Student Support Team (SST) operations along with their aligned Associate Lecturer (AL) Services (ALS) and Regional Services (RS) are based in Manchester, Nottingham and Milton Keynes co-located with Student Recruitment and Fees (SRF) operations, with spaces included in each location that will facilitate collaboration between SSTs and Central Academic Staff (CAU) staff;

ii) Celtic Nation offices maintain their current locations and footprint, no longer host Faculty SST and develop enhanced dual affiliation operations;

iii) The London building is retained; however, the SSTs are re-located to Nottingham as described below. The London office will be used to accommodate FutureLearn and remaining capacity will remain available for hot desks and meeting space for OU staff; and


b) Each of the three operational locations in England will host a group of SSTs belonging to one of the new faculties:

i) Arts/Social Science with Business and Law (FBL) in Milton Keynes;

ii) Science / Mathematics, Computing and Technology (MCT) in Manchester;

iii) Education & Language Studies (FELS) / Health and Social Care (HSC) in Nottingham; and,

iv) Centre for Inclusion and Collaborative Partnerships (CICP) and Institute of Educational Technology (IET), being much smaller by comparison, located in Manchester and Nottingham respectively.

c) There should be a reduction in the academic-related staff of the University currently based in Gateshead, Leeds, London, Oxford, Birmingham, Cambridge and Bristol, which could result in the potential redundancy of 160 academic-related staff.
d) There should be a reduction in the academic staff of the University currently based in Gateshead, Leeds, London, Oxford, Birmingham, Cambridge and Bristol, which could result in the potential redundancy of up to 134 academic staff. (N.B. This is necessary to trigger the University’s redundancy procedures under which discussions with academic staff regarding their future place of work can take place. It is not anticipated that any academic staff redundancies will result as faculties anticipate that all affected will be offered the same role on the same terms and conditions save for agreed changes to their place of work. In practice, redundancy would only arise where such agreement was unreasonably withheld.)

e) The Council appoints a Redundancy Committee under Paragraph 11 of Statute 21 to select and recommend the requisite members of academic staff in the Gateshead, Leeds, London, Oxford, Birmingham, Cambridge and Bristol offices, for dismissal by reason of redundancy by such date as it may specify.

Note: SPRC and Council are not required to make a decision in relation to support staff at grade 6 and below (the majority of Academic Services’ Learner Support, AL Services and Regional Services staff) as different procedures apply for this category of staff.

7.43 The Council also approved the recommendation of Finance Committee to reconfigure the University’s operations and configuration of regional and national offices at an estimated implementation cost of £16m, on the basis that FutureLearn occupies the London building, which should generate estimated annual cost reductions of £4.7m.

8 THE OU'S 50TH ANNIVERSARY FUNDRAISING CAMPAIGN: UPDATE C-2015-04-03

Minute items 8.1 to 8.4 are detailed in C-2015-04-CM (Confidential Minutes).

9 RESPONSE TO PREVENT (COUNTER-TERRORISM) DUTY C-2015-04-04

9.1 The University Secretary, Keith Zimmerman, introduced the paper, which was not about the OU’s planned response to terrorist threat or incident, but was concerned with preventing people being drawn into extremism and terrorism in the first place. Individual welfare and wellbeing was therefore given primary consideration.

9.2 The paper provided an outline of the OU’s legal Duty, for which the Council was the designated responsible body. The proposed Principles and the draft Risk Assessment were key to guiding the OU’s response to the Duty. The University had engaged with the relevant internal and external bodies and to date the proposed approach had been well received by, for example, the Senate, OUSA and the University’s BIS regional Prevent Co-ordinator.

9.3 Mr Zimmerman remarked that, depending on the monitoring framework to be agreed by HEFCE, the Council might be required to sign-off a preliminary self-assessment report in December 2015 or January 2016, and to sign off further submissions beyond that.

9.4 The Vice-Chair of the Council reported that the HEFCE Annual Meeting had provided a full presentation on the Prevent duty. The significance of this Duty should not be underestimated. The Council had to ensure that policies and procedures were in place to mitigate the risks, and that it was regularly assured of their effectiveness.

9.5 A Senate member commended the sensitive approach taken. With reference to Appendix 1, he highlighted the second sentence in point 4, emphasizing the importance of challenging stereotypical and divisive views of extremism, and suggested that this sentence was so important that it should be made an additional numbered principle. It was also important (with reference to Appendix 2 Risk 1E and 3E) to ensure that staff and
students with legitimate academic reasons for accessing extremist material were not inappropriately deemed to be at risk of being drawn into terrorism.

9.6 An AL member observed that the focus appeared to be on open learning and teaching places or forums; the paper did not cover the marking of assignments, where an AL might pick up views that were cause for concern. The University should be careful not antagonise people with legitimate views, so careful training and guidance would be necessary.

9.7 The University Secretary said that he accepted the points made.

9.8 The Council agreed the proposed principles and current risk assessment that would guide the University’s response to the Duty.

10 AUDIT COMMITTEE’S ANNUAL REPORT TO THE VICE-CHANCELLOR, INCLUDING THE CHIEF AUDITOR’S REPORT 2015

10.1 The Chair of the Audit Committee, Bob Spedding, introduced the paper and reminded the Council that a change in the terms of reference meant that the Audit Committee was now responsible for reviewing and recommending the annual consolidated financial statements to the Council. As a consequence, the Committee had undertaken some early training and had received an additional briefing. The Committee had also benefited from the experience of a new member on the Committee, who had provided useful input through their accounting experience. Other inputs to the process were identified in the paper (AUC-2015-03-11 para 6).

10.2 The external auditors, PricewaterhouseCoopers (PwC) had provided a thorough, robust and supportive audit. The paper included the Vice-Chancellor’s annual report on Value for Money, as well as a report from the Chief Auditor, who had done a good job over the year. The internal audit report indicated that there were no red or amber/red grades. The amber grade was concerned with web security and governance, particularly around the opening of the new website.

10.3 The financial statements had been based on a good control environment. The work of Audit Committee was outlined in the Corporate Governance Statement within the Financial Statements (C-2015-04-07 Appendix 1, pp 39-41). The Committee had discussed the processes surrounding the reconciliation of the amounts received and due from the Student Loans Company (SLC); the treatment of gains on equity-based investment funds, which would change when the new accounting standards were introduced next year; the treatment of the funds held in escrow in relation to the VAT tribunal; and the accounting and disclosure treatments that might be required according to the possible outcomes of the recommendations put to the Council from the locations analysis. The process had been rigorous, and the Committee recommended that the Council approved the financial statements.

10.4 The Treasurer, Howard Brown, said that Finance Committee had scrutinised the Financial Statements and met with the external auditors together with Audit Committee. Both Committees believed that the statements provided a balanced and understandable representation of the University’s performance over the year.

10.5 The Council and the Vice-Chancellor noted the Audit Committee’s Annual Report, including the Chief Auditor’s Report 2014-15.
11.1 The University Secretary explained that universities were required to submit annual accountability returns to HEFCE, which covered various areas of information, in order to provide assurance that they were operating effectively.

11.2 The Council:

a) noted the Annual Accountability Returns 2015, Including the Annual Assurance Return (Annex E);

b) agreed that the Vice-Chancellor should sign Part 2 of the Annual Assurance Return (Annex E) on its behalf.

12 CONSOLIDATED FINANCIAL STATEMENTS 2014-2015

12.1 The Finance Director, Miles Hedges, introduced the financial statements, with 2014/15 being the third year of a gradual transfer of funding for teaching in England from Funding Body grants to tuition fees largely funded by the SLC. It was also the first year of the introduction of fee loans in Wales. The different funding regimes for teaching in each part of the UK were summarised on page 11 of the statements. The impact of these changes was summarised on page 5 and pages 12 – 15, and a chart indicating the future trends in grant and fee income was provided on page 28.

12.2 Income had increased by £17.4 million or 4% to £421.6 million, whereas expenditure had increased by only £7.7 million or 2% to £428.8 million. As a result, the University had halved the deficit to £7.2 million, which excluded unrealised investment gains of £6.3 million and was after a cut in HEFCE grant of £1.8 million announced in July and £22.8 million of expenditure on strategic projects. The underlying position, therefore, remained healthy.

12.3 The Treasurer, Howard Brown, said that the deficit for the year should be taken in the context of the healthy surpluses generated over the previous four years. There was currently no cause for concern.

12.4 In response to a query, Mr Hedges explained that it was a requirement of HEFCE that the University publish the salaries of all higher paid employees in the group, including those working for subsidiaries and the disclosures made clear that FutureLearn employees were paid on a commercial basis.

12.5 The Council:

a) approved the University's consolidated financial statements for the year ended 31 July 2015;

b) authorised the Chair of the Audit Committee, Vice-Chancellor and the Finance Director to sign on its behalf, the University's consolidated financial statements for the year ended 31 July 2015; and,

c) noted the audit representation letter that will be signed on its behalf by the Vice-Chancellor and the Finance Director.

13 ANNUAL ACCOUNTABILITY RETURN 2015 - FINANCIAL RESULTS

13.1 The Finance Director introduced the paper, which provided a comparison of the financial results with the financial forecasts.

13.2 A member observed that the difference between the July forecasts and the audited financial results was explained in paragraphs 7-9 of the paper, but asked whether it might
be helpful to expand this explanation in order to avert possible questions from HEFCE. Mr Hedges responded that, in terms of scale, these changes were not significant.

13.3 The Council approved the Annual Accountability Return - 2014/15 financial results and related commentary for submission to HEFCE.

14 FINANCE COMMITTEE C-2015-04-09

14.1 Referring to minute 4.7, a member indicated that there appeared to be a mistake in the reporting of the consolidated outturn deficit, which was recorded as £1.2 million. Mr Hedges confirmed that this was a typographical error, which would be corrected.

Action: MSH

14.2 The Council noted the unconfirmed minutes from the meeting held on 3 November 2015 (F-2015-04-M).

15 AUDIT COMMITTEE C-2015-04-10

The Council noted:

a) that the recommendation from the Audit Committee (AUC-2015-03-M Minute 14.9d) that the Council approved the University’s audited consolidated financial statements for the year ended 31 July 2015 had been dealt with elsewhere on the Council agenda (C-2015-04-07);

b) the unconfirmed minutes of the meeting (AUC-2015-03-M).

16 STRATEGIC PLANNING AND RESOURCES COMMITTEE C-2015-04-11 A&B

Minute items 16.1 to 16.4 are detailed in C-2015-04-CM (Confidential Minutes).

17 ESTATES COMMITTEE C-2015-04-12

The Council noted the unconfirmed minutes of the last meeting of the Estates Committee held via correspondence on 16 October 2015 (E-2015-03-M).

18 REMUNERATION COMMITTEE C-2015-04-13

18.1 With reference to the data on the salaries and awards for professorial and senior staff, a member observed that there did not appear to have been any discussion of the gender divide and asked whether or not this was being tracked. The Pro-Vice-Chancellor (Research and Academic Strategy), Professor Kevin Hetherington, in his capacity as Deputy Chair of the Academic Staff Promotions Committee (ASPC), said that ASPC’s annual meeting would review the data and consider the issue of gender equality. The Vice-Chancellor added that the matter had been discussed at the meeting and this should have been reflected in the minutes. The issue had also been reviewed by VCE and the Pro-Vice-Chancellor (Learning Innovation) was leading a group of female professors to consider what action could be taken.

18.2 The Council noted the annual report from the Remuneration Committee following the 2015 review of senior staff salaries.

19 THE SENATE C-2015-04-14
The Council noted the report on items discussed at the special meeting of the Senate held on 16 July 2015 and the meeting held on 14 October 2015:

a) Faculty Configuration;
b) Locations Analysis;
c) Annual Quality Report;
d) Other items of business.

20 DEVELOPMENT COMMITTEE C-2015-04-15 A&B

The Council noted the unconfirmed Confidential Minutes from the meetings of the Development Committee held on 14 July 2015 and 6 October 2015 (DC-2015-02-M and DC-2015-03-M).

21 VICE-CHANCELLOR’S ANNUAL REPORT 2015 C-2015-04-16

The Council noted the Annual Report 2014/15 of the Vice-Chancellor to the Council, in accordance with Statute 5 (4).

22 OUSA ANNUAL REPORT C-2015-04-17

22.1 The OUSA President, Ruth Tudor, introduced the paper and highlighted a number of points. The Freshers’ Fortnights continued to be well received and OUSA was considering how it might build on that success. OUSA had taken a decision to agree additional expenditure on Nightline and, if it proved worthwhile, would approach the University to help support its continued provision for OU students. OUSA was also seeking to improve student engagement with societies and to build miniature student communities around them; and, with the help of Learning and Teaching Solutions (LTS), it was starting to make progress with the new student community social media tool.

22.2 The Council noted:

a) the OU Students Association annual report of activities for the 2014-15 year;
b) a compliance statement (Appendix 1) which gave details of donations and affiliations and confirmed that elections taking place during the 2014-15 year had been conducted fairly and in compliance with the OU Students Association Constitution;
c) the OU Students Association audited consolidated accounts for 2014-15 (Appendix 2) which had been previously presented to the Finance Committee for consideration at its meeting on 3 November 2015;
d) the plans for 2015-16 including the OU Students Association Budget (Appendix 3);
e) the major challenges for 2016 where the OU Students Association requested support.

23 MEMBERSHIP COMMITTEE C-2015-04-18

23.1 The Chair reported that the Membership Committee were currently engaged in seeking replacements for Professor Bill Stevely and Shonaig MacPherson, who would reach the end of their second and final term in July 2015. The Committee had also discussed the feedback arising from the Annual Review of Members, and had agreed that this would be given further consideration as part of the Council Governance Review.
23.2 The Council

a) approved:

i) the appointment of Professor John Wolffe to act as an alternative nominee for
the Senate member of the Council on the Nominating Advisory Committee for
Statute 21 Procedures to 31 July 2016 in the first instance;

ii) the appointment of Mrs Rachel Lock as the Council member on the Staff
Strategy Committee for an initial period of 4 years to 31 July 2019.

b) noted the unconfirmed Minutes from the meeting (MC-2015-05-M).

24 COUNCIL GOVERNANCE REVIEW C-2015-04-19

24.1 The Chair observed that the Council Governance Review (CGR) was an important
periodic review of the Council and the committees in its substructure, and would also
provide an opportunity to review its relationship with the Senate. He welcomed
communications from Senate members to help explore their concerns.

24.2 The University Secretary said that universities were required to undertake regular reviews
of their governance structures and processes. The Higher Education Code of
Governance (Committee of University Chairs) recommended that there should be a major
review every 5 years; the Scottish Code of Good Governance, every 4 years. The last
major review had taken place in 2009/10 and the next had been planned for 2014/15;
however, this had been delayed to allow the Pro-Chancellor and Vice-Chancellor time to
settle into their new roles. The paper set out the scope and methodology for the review,
and the constitution of the Review Group. The Membership Committee would be asked to
agree the names of the members of the Group.

24.3 The Council agreed:

a) to establish a Group to review the effectiveness and performance of the Council and
its substructure;

b) the composition of the Council Governance Review Group.

25 DECLASSIFICATION OF COUNCIL PAPERS

The Council agreed that the following papers should remain confidential:

- C-2015-04-03 The OU’s 50th Anniversary Fundraising Campaign – Update
- C-2015-04-07 App 2 Audit Representation Letter
- C-2015-04-11B Strategic Planning and Resources Committee Confidential Minutes
- C-2015-04-15 A&B Development Committee Minutes

but that the following papers could be declassified after the meeting:

- C-2015-04-05 Audit Committee’s Annual Report to the Council and the Vice-
  Chancellor, including the Chief Auditor’s Report
- C-2015-04-18 Membership Committee Minutes

26 COUNCIL ACTION BY CORRESPONDENCE C-2015-04-20
The Council noted the outcomes of the action taken by the Council by correspondence on matters arising since its last meeting on 14 July 2015.

27 CHAIRS ACTION C-2015-04-21

The Council noted the action taken by the Chair since the last meeting of the Council on 14 July 2015.


The Council:

a) noted the dates of the meetings in 2016;

b) agreed the programme of meetings for the 2017 calendar year.

29 DATE OF NEXT MEETING

The next meeting of the Council would be Tuesday 8 March 2016 in Edinburgh. The meeting would be preceded by the Council dinner on Monday 7 March 2016. The Chair said that he hoped the event would provide an opportunity for the Council to engage with a cross section of people from Scottish life.

30 REVIEW OF MEETING

The Chair observed that it had been a measured and constructive meeting. There were messages for the Vice-Chancellor and the Executive to take away and consider. He hoped that the key decision taken at the meeting would be viewed as having been taken constructively and that the resulting actions would be launched in the appropriate way.

Keith Zimmerman
University Secretary

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