THE COUNCIL

Annual Effectiveness Review 2015/16

This paper reviews the performance and effectiveness of the Council during 2015/16. As a major Council Governance Review has also taken place in 2016, it is a light touch review that focusses on the business considered by the Council during the 2015/16 committee year.

The Council is asked to:

a) **comment** on any issues arising from the information provided about its performance and effectiveness for the period 1 August 2015 until 31 July 2016, and **agree** any action to be taken (para 12);

b) **note** the annual attendance figures (para 16);

c) **review** the terms of reference in the light of the effectiveness review, and **agree** that no changes should be made pending the recommendations from the Council Governance Review (para 21); and

d) **agree** the entry about the Council for the Corporate Governance disclosure in the Financial Statements 2015/16 (para 23).

BACKGROUND

1 The Council reviews its effectiveness on an annual basis according to the guidelines on good governance. In May 2004, it was agreed that an annual check of the effectiveness of the Council and its committees should be undertaken by appraising business and decision-making against terms of reference (CM/244/minute 33).

2 In 2010, the Council approved the recommendation of the Council Governance Review (CGR) that all members of the Council and its committees should complete a questionnaire as part of the committee's annual effectiveness review (AER) to assure itself and the Council that it is fulfilling its role and responsibilities. Subsequently, the Council agreed that this questionnaire should be completed on a biennial basis, commencing 2011/12.

3 The review now normally includes the following factors:

a) a review of the Council's effectiveness by Council members (biennial);

b) an assessment of the year's business against the terms of reference;

c) a review of membership;

d) the annual attendance figures;

e) a review of the terms of reference in the light of the effectiveness review and any governance reviews;

f) a review of current practice against the Higher Education (HE) Code of Governance and the Scottish Code of Good HE Governance;

g) a review of the corporate governance statement for inclusion in the Financial Statements.

BIENNIAL REVIEW OF MEMBERSHIP COMMITTEE'S EFFECTIVENESS BY MEMBERS

4   The next biennial member questionnaire would have been due in 2015/16; however, as members of the Council were invited to complete a survey and participate in one-to-one interviews as part of the wider Council Governance Review conducted by the Good Governance Institute in 2016 (C-2016-03-16), a separate questionnaire was not conducted for 2015/16 AER.

ASSESSMENT OF BUSINESS AGAINST THE TERMS OF REFERENCE

5   A summary of the Council's business during the period 1 August 2015 to 31 July 2016 against its role and responsibilities is attached as Appendix 1 to this paper. The minutes of each meeting of the Council may be found on the Governance website at:

http://intranet6.open.ac.uk/governance/main/university-committees/formal-committees/council

6   The work of the Council during this period has covered most aspects of the terms of reference. Meetings have covered business falling within the Council's remit.

7   It is important that the Council members are content that the business cycle and issues for decision making are appropriate for the Council's role and responsibilities. Members might feel that the Council's role needs reconsideration in the light of changes within the University or at national level. Council members might wish to consider the appropriateness of the level and content of reports to the Council.

8   The Council is able to monitor the effectiveness of its committees though the system of annual effectiveness reviews. Each committee will notify the Council that it has carried out an effectiveness review at the end of the committee cycle, through its minutes. This process can provide assurance to the Council that its specialist committees are operating effectively and appropriately.

REVIEW OF MEMBERSHIP

9   The Membership Committee has given consideration to the balance of membership and the experience and skill required when reviewing all vacancies on the Council.

10   There has been one appointment to the Council during the 2015/16 committee year. Rachel Lock was appointed as an external co-opted member from 1 October 2015. The Council has also looked ahead to forthcoming vacancies in 2016/17 and approved the appointment of Sandy Begbie and the reappointment of Greg Walker from 1 August 2016 as external co-opted members. The extension of Professor Bill Stevely's term as both an external co-opted member and Vice-Chair of the Council, in order to ensure continuity, retain external expertise in higher education, and allow time to appoint a replacement once the outcomes of the Council Governance Review have been agreed, is recommended to the Council elsewhere on the agenda (C-2016-03-18).

11   Following her appointment as Acting Pro-Vice-Chancellor (Learning and Teaching Innovation) [PVC (LTI)] from 30 April 2016, Professor Hazel Rymer's role as a Senate member of the Council was filled by the runner up in the previous election process, Dr Liz Marr.

12   The Council is asked to **comment** on any issues arising from the information provided about its performance and effectiveness for the period 1 August 2015 until 31 July 2016 (Appendices 1 and 2), and **agree** any actions to be taken.

ANNUAL ATTENDANCE FIGURES

13   The 2015/16 attendance figures are attached as Appendix 2. Attendance is also recorded in the Financial Statements, which will be in the public domain.

14   The Membership Committee undertakes an annual review of attendance for all Council Committees. The Committee's recommendations are usually an item at the November meeting of the Council.

15   In general, the level of contribution from members has been good, with most members making an input to the Council's decision making at both face-to-face meetings and by correspondence.

16   The Council is asked to **note** the annual attendance figures.

REVIEW OF THE TERMS OF REFERENCE

17   The powers and functions of the Council are contained in the Charter and Statutes.

18   The role and responsibilities of the Council and the role of Council members were reviewed as part of the 2009-10 Council Governance Review and changes to the documents encapsulating the role of members were agreed by the Council in July 2010. Additional changes arising from the recommendations of the Annual Review of Members 2011 and an internal audit of governance (C-2012-03-13) were also agreed in July 2012.

19   In March 2015, following the introduction of the new governance codes (Code of Higher Education (HE) Governance and Scottish Code of Good HE Governance), the Council agreed to some changes to governance practice at the OU in order to meet the requirements of these Codes or to strengthen practice in certain areas. Other internal changes to practice since the last Review have also been introduced.

20   The quinquennial review of Council governance had been due in 2014/15, but was postponed to enable the new Pro-Chancellor and Vice-Chancellor to take up their posts. The outcomes of the Council Governance Review, which has taken place during 2016, are reported elsewhere on the agenda (C-2016-03-16).

21   In the light of this effectiveness review, the Committee is asked to **agree** that no changes should be made pending the recommendations from the Council Governance Review.

REVIEW OF THE CORPORATE GOVERNANCE STATEMENT

22   Since 2003, in accordance with practice contained in the UK Corporate Governance Code, the Financial Statements have included a corporate governance disclosure of information about the Council and its Committees. It is proposed that the attached statement on the responsibilities of the Council (Appendix 3) should be included in the Financial Statements 2015/16. The membership list accompanying the statement is for the current Council year, 1 August 2015 – 31 July 2016, but also looks forward to any members who will be leaving or joining the Council before the Financial Statements are approved in November 2016.

23   The Council is asked to **agree** the entry for the Corporate Governance disclosure for inclusion in the Financial Statements 2015/16 (Appendix 3)

RISK ASSESSMENT

24   It is important for the Council and its committees to review their effectiveness regularly in order to provide assurance that they are fulfilling their role and responsibilities, and provide an opportunity to make improvements between major reviews of governance.

This review does not appear to highlight any major issues, but further discussion and the broader scope of the Council Governance Review may identify some risks.

EQUALITY IMPACT

25   In accordance with the University Equality Scheme, the gender balance of committees is monitored in the AER (Appendix 3). Over the year, the Council comprised 16 males and 9 females. This balance exceeds the relevant performance indicator under objective 2c of the Equality Scheme, which aims for a minimum 30/70 gender balance on committees.

26   The University's Council Diversity Policy also aims to achieve at least 30% of women, in line with the OU's membership of the 30% club, but aspires to a minimum of 40% of both men and women, in line with the commitment made by the Committee of Scottish Chairs in April 2015. Overall, the Council is moving towards this target, with 36% women, 64% men.

27   The Council Diversity Policy states that the Membership Committee will review the Policy annually, and that the review will include an assessment of the effectiveness of the Policy and the continuing relevance of the objectives, and recommend any revisions to the Council for approval. The annual review of the Policy is dealt with elsewhere on the Council agenda (C-2016-03-18).

IMPLEMENTATION PLAN

28   Any actions arising from the discussion of this report will be owned primarily by the secretariat, working in conjunction with the Chair and other committee members as appropriate. However, it should be remembered that the overall responsibility for the effectiveness of a committee is borne by its members.

29   The Council Governance Review Group was established in November 2015 to review the effectiveness and performance of the Council and its substructure and to agree any recommendations to the Council to ensure that the governance of the University remains fit for purpose. An update report will be presented to the Council at its meeting in July 2016 (C-2016-03-16). Any recommendations may have an impact on the Council and the implementation of any proposed actions.

COMMUNICATION

30   The Council's annual review of its effectiveness is not confidential: it will be available on the Governance intranet, which is accessible to all external members of the Council and its committees and to all University staff. The major Council Governance Review will be published externally on the internet.

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Attachments:

C-2016-03-17 Appendix 1   Assessment of Business against the Terms of Reference 2015/16
C-2016-03-17 Appendix 2   Attendance Record 2015/16
C-2016-03-17 Appendix 3   Corporate Governance Statement 2015/16

THE COUNCIL

Annual Effectiveness Review 2015-16

Assessment of Business against Terms of Reference

Terms of Reference	Business
The Council's Primary Responsibilities	**Council business/process in the year 2015-16**
Mission and Strategy	
The Council is responsible for approving the mission, and strategic vision of the University, its long term business plans, key performance indicators (KPI's) and annual budgets, ensuring that these meet the interests of the University's stakeholders.	**24 November 2015 (C-2015-04-M)** 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 iv) All other English regional offices – Gateshead, Leeds, Oxford, Birmingham, Cambridge and Bristol – are closed.

	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.
	
	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.
(Paper C-2015-04-02; Minute 7.43)

The Council **commented** on a paper [and presentation] that provided an update on the OU's 50th Anniversary Fundraising Campaign *(C-2015-04-03; Minute 8)*

The Council **approved** the 2016/17 Fees and Financial Support Strategy. *(C-2015-04-11/SPRC-2015-04-03; Minute 16.4)*

Chair's Action – January 2016

Subsequent to the above approval and the Comprehensive Spending Review announcements, SPRC recommended to the Council that the decision to implement the new fee be deferred pending review of how external funding changes might impact the institution. In order that the University could ensure that accurate fee information for 2016/17 was available to students when registration opened on the 11 February 2016, the Chair took action on behalf of the Council **to approve** the recommendations of SPRC. *(C-2016-01-17)*

8 March 2016 (C-2016-01-M)

The Council **commented** on a paper that provided an update on action being taken to increase staff confidence and capability and the organisation's ability to deal with a period of accelerated change (Building an Effective Culture). *(C-2016-01-03; Minute 8)*

The Council **approved** the Equality Scheme 2016-2020. *(C-2016-01-04; Minute 9.5)*

The Council **noted** the second Annual Statement on Research Integrity at the OU. *(C-2016-01-14; Minute 19.2)*

10 May 2016 (C-2016-02-M)

The Council **approved** the OU Strategy – Students First. *(C-2016-02-02; Minute 7.15)*

The Council **noted** the update on the recent financial and operating performance of FutureLearn Ltd *(C-2016-02-03; Confidential Minute 8)*

	The Council **agreed**, on the recommendation of Finance Committee, that the University's financial strategy should maintain net current assets at a minimum of 180 days' expenditure; at least balance normal recurring income with normal recurring expenditure, taking one year with another, over the medium term and to aim for an operating surplus of 2% of income; and restrict the maximum level of borrowings to the value of £62 million. *(C-2016-02-06; Minute 12.5)*
	12 July 2016 (C-2016-03)
	The Council will be asked **to approve**:
	a) the proposed measures and targets in the Students First Strategy *(C-2016-03-02)*
	b) the proposed consolidated Revenue Budget for 2016/17 *(C-2016-03-07)*
	c) the Financial Forecasts (and draft commentary) to 2018/19 *(C-2016-03-08)*
	The Council will be asked **to comment** on the Staff Strategy Committee Annual Report (C-2016-03-03)
	The Council will **consider** presentations entitled:
	a) OU Strategy – Implementation
	b) Believing in the OU Marketing Update
Monitoring Effectiveness and Performance	
The Council is responsible for ensuring:	
a) that processes are in place to monitor institutional performance and effectiveness against the plans and approved KPI's, which should be - where possible and appropriate - benchmarked against other comparable institutions.	**8 March 2016 (C-2016-01-M)** The Council **commented** on the 2016 Institutional Performance Report *(C-2016-01-02; Minute 7)*

b)	the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest.	**Chair's Action, November 2015** The Chair, on behalf of the Council, **approved** the submission of a bid of £5.5m (plus VAT) to purchase the University's Scottish Nation Office in Edinburgh. The Council retains approval for capital projects over £5M and the decision to submit a bid had to be taken within a matter of days. *(C-2015-04-21)* **24 November 2015 (C-2015-04-M)** The Council **agreed** the proposed principles and current risk assessment that would guide the University's response to the [Prevent Counter-Terrorism] Duty. *(C-2015-04-04; Minute 9.8)* The Audit Committee and the Chief Auditor returned satisfactory annual reports for 2014/15. The Council and the Vice-Chancellor **noted** the Audit Committee's Annual Report, including the Chief Auditor's Report 2014-15. *(C-2015-04-05; Minute 10.5)* The Council **noted** the Annual Accountability Returns 2015; and **agreed** that the Vice-Chancellor should sign Part 2 of the Annual Assurance Return (Annex E) on its behalf *(C-2015-04-06; Minute 11.2)*; The Council **approved** the University's consolidated financial statements for the year ended 31 July 2015 (C-2015-04-07); **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 **noted** the audit representation letter that will be signed on its behalf by the Vice-Chancellor and the Finance Director. *(Paper C-2015-04-07; Minute 12.5)* The Council **approved** the Annual Accountability Return - 2014/15 financial results and related commentary for submission to HEFCE. *(C-2015-04-08; Minute 13.3)* **10 May 2016 (C-2016-02-M)** The Council considered a paper on the HEFCE Assessment of Institutional Risk and **noted** that the University had been assessed as 'not at higher risk' by HEFCE. *(C-2016-02-04; Minute 10.2)*

		12 July 2016 (C-2016-03) The Council will be asked **to approve:** a) the revised Risk Management Policy *(C-2016-03-05)* b) the Strategic Risk Register *(C-2016-03-06)* The Finance Director reports regularly to each Council meeting on the forecast outturn The Finance Committee and Audit Committee report to the Council regularly. These Committees monitor systems of control and accountability.
	The Council monitors and evaluates its own performance and effectiveness through:	
a)	a collective reflection on its effectiveness at the end of each meeting	Review of Meeting is a standing item on the agenda for every Council meeting.
b)	an annual review, incorporating a profile of the year's business against its responsibilities. Biennially, this annual effectiveness review is supplemented by input from individual Council members, underpinned by a formal questionnaire. The questionnaire is intended to provide an opportunity for members to independently evaluate the way in which the Council operates. The summarised outcomes of the annual effectiveness review are included in the Corporate Governance Statement in the Financial Statements.	The annual effectiveness review 2014/15 was considered by the Council in July 2015. This paper constitutes part of an annual effectiveness review (AER) for 2015/16. As a major Council Governance Review (CGR) has also taken place in 2016 (C-2016-03-16), it is a light touch review that focusses on the business considered by the Council and the Council's membership during the 2015/16 committee year. The Council will be asked to **comment** on any issues arising from the information provided and **agree** any action to be taken. The paper will also ask the Council to **agree** the Corporate Governance Statement for inclusion in the Financial Statements 2015/16; and to **note** the annual attendance *(C-2016-03-18)* A broader analysis of effectiveness, which takes account of feedback from individual members, has been included in the major Council Governance Review, which will report to the July meeting of the Council *(C-2016-03-17)*

The Council institutes quinquennial reviews of governance. The outputs of such reviews are published externally on the University website.	**24 November 2015 (C-2015-04-M)** 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. *(C-2015-04-19; Minute 24.3)* **Chair's Action – December 2016** At its last meeting, the Council agreed to establish a Group to review the effectiveness and performance of the Council and its substructure, and the composition of that Group. The membership of the Council Governance Review Group was to be agreed by the Membership Committee for recommendation to the Council. The Membership Committee recommended, by correspondence, the following membership: a) a Chair, who is a lay member of the Council *Richard Gillingwater, Pro-Chancellor* b) two external co-opted members of the Council *Paul Greenwood* *Shonaig MacPherson* c) two appointed members of the Council (University staff and students), one of whom is a Senate appointed member *and one of whom is a student** *Professor John Wolffe* *Jake Yeo** *Ruth Tudor, President, OU Students' Association had been proposed as the student member of the Review Group. However, due to other commitments, Ruth has proposed that this role is delegated to the General Manager, OUSA, Rob Avann. As Mr Avann is not a member of the Council, he can only be 'in attendance' at the meetings of the Review Group. Consequently, another Senate member, Jake Yeo, has been proposed for category c). In order that the work of the Review Group could commence in the New Year, the Chair took action on behalf of the Council to approve the above membership of the Council Governance Review Group. *(C-2016-01-17)*

	10 May 2016 (C-2016-02-M)
	The Council **noted** the progress to date in respect of the Council Governance Review (C-2016-02-09; Minute 15.2)
	12 July 2016 (C-2016-03)
	The Council will be asked to **comment** on the Good Governance Institute Report and **agree** the recommendations from the Council Governance Review Group *(C-2016-03-16)*
The performance of the Vice-Chancellor is monitored through annual discussions with the Pro-Chancellor. Council members are invited to comment on the performance of the Vice-Chancellor through the annual online member review process. These views inform the Pro-Chancellor's report to the Remuneration Committee.	The Pro-Chancellor reports on the performance of the Vice-Chancellor annually to the Remuneration Committee of the Council.

The Appointment of the University's Officers (and other Senior Appointments)

The Council is responsible for the appointment of:

a) the Pro-Chancellor (Chair of Council) on the recommendation of an appointing committee (Statutes 4 and 13(1))	No action 2015/16
b) the Chancellor – jointly with the Senate - on the recommendation of a joint committee of the Council and the Senate (Statutes 3 and 13(3))	No action 2015/16
c) the Vice-Chancellor, as head of the University and chief executive, on the recommendation of a joint committee of the Council and the Senate (Statute 5 and 13(4))	No action 2015/16

d) the Secretary to the governing body, on the recommendation of a joint committee of the Council and the Senate (approved by the Council 1980). The Council is also responsible for ensuring that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability	In July 2015, the Council **approved** the recommendation from the Membership Committee by Chair's action on the appointment of two Council members to the Joint Committee of the Council and the Senate: Ms Shonaig Macpherson and Mrs Ruth Spellman *(C-2015-03-18; C-2015-03-M Minute 22)* **September 2015 (by correspondence)** The Council **approved** by email correspondence the recommendation of the Joint Committee for the appointment of Mr Keith Zimmerman as University Secretary from 5 October 2015. This was reported to the Council at the following meeting *(C-2015-04-20; C-2015-04-M Minute 26)*
e) the Treasurer (Statute 13(4)) on the recommendation of the Membership Committee.	No action 2015/16
The Pro-Vice-Chancellors are appointed by a Joint Committee of the Council and the Senate. Deans and Directors of Central Academic Units are appointed by appointing committees.	**Chair's Action – November 2015** It was agreed that the appointment panels for the post of Chief Operating Officer and Director, External Engagement would include a Council appointed member. In order that the panels might be constituted in a timely manner, the Chair took action on behalf of the Membership Committee and the Council **to approve** the appointment of: a) Howard Brown to the appointment panel for Chief Operating Officer b) Sue Unerman to the appointment panel for Director, External Engagement *(C-2016-04-21)* **Chair's Action – February 2016** According to the Charter and Statutes, the appointment procedures for academic staff are approved by the Council (Statute 13 (11)). At its meeting on 27 January 2016, the Senate recommended the amended procedures Professorial Appointments for approval by the Council. As the Faculty of Business and Law were advertising for a new professorial post and wished to convene the panel using the new procedures before the next formal meeting of Council was held, the Chair took action on behalf of the Council, to **approve** these new procedures. *(C-2016-01-17)* **8 March 2016 (C-2016-01-M)** The Council **approved** the appointment procedures for Executive Deans, subject to the amendment agreed at the meeting *(C-2016-01-15; Min 20.9)*

The Council is responsible, in accordance with Statute 3, for the institution of joint committees of the Council and the Senate	**Chair's Action – April/May 2016**
	
	Following the resignation of the Pro-Vice-Chancellor (Learning Innovation), Professor Belinda Tynan, it was necessary to establish a Joint Committee for the appointment of a new PVC. In order that the longlisting could take place on 11 May 2016, the Chair took action on behalf of Membership Committee and the Council to recommend for approval by the Council the following Council members to serve on the Joint Committee:
	
	a) Prof Bill Steveley
	b) Shonaig Macpherson
	c) Ruth Tudor[1] *(C-2016-03-19)*
	
	In March 2016, the Council approved the appointment procedures for Executive Deans. It was agreed that the Appointment Committee should include 'three members of the Council appointed by the Council'. It is the responsibility of the Membership Committee to recommend for approval by the Council the Council members to serve on such committees. In order that the Appointment Committees might be constituted in a timely manner, the Chair took action on behalf of the Membership Committee and the Council to recommend to the Council the following appointments:
	
	a) *Executive Dean, Faculty of Business and Law*
	
	  i) Prof Bill Steveley (external co-opted member)
	  ii) Ruth Girardet (external co-opted member)
	  iii) Dr John Baxter (Senate member, Science)
	
	b) *Executive Dean, Faculty of Arts and Social Sciences*
	
	  i) Prof Bill Steveley (external co-opted member)
	  ii) Ruth Spellman (external co-opted member)
	  iii) Dr John Baxter (Senate member, Science)
	
	c) *Executive Dean, Faculty of Well-being, Education and Language Studies*
	
	  i) Prof Bill Steveley (external co-opted member)
	  ii) Ruth Girardet (external co-opted member)
	  iii) Dr Toby O'Neil (Senate member, Mathematics, Computing and Technology)

[1] whilst the PVC appointment procedures state that the three Council members must not be members of the Senate, Ruth Tudor is an ex-officio member of the Council, rather than a Senate elected member of the Council, and was proposed on that basis

	d) *Executive Dean, Faculty of Science, Technology, Engineering and Mathematics*
	i) Prof Bill Steveley (external co-opted member)
	ii) Sue Unerman (external co-opted member)
	iii) Dr Clare Spencer (Associate Lecturer member, Arts)
	(C-2016-03-19)
The Appointment of Council Members	
External co-opted members of the Council (and Council Committees) are appointed by the Council (Statutes 11 and 13(2)) on the recommendation of the Membership Committee.	**September 2015 (by correspondence)**
	The Council **approved** by email correspondence the appointment of Rachel Lock as external co-opted member of the Council for an initial term of four years, from 1 October 2015 to 31 July 2019. This was reported to the Council at the following meeting *(C-2015-04-20; C-2015-04-M Minute 26)*
	24 November 2015 (C-2015-04-M)
	The Council **approved**:
	a) 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;
	b) 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. *(C-2015-04-18; Minute 23.2)*
	8 March 2016 (C-2016-01-M)
	The Council
	a) **approved** the reappointment of Greg Walker:
	i) as an external co-opted member of the Council from 1 August 2016 to 31 July 2020;
	ii) as one of three lay members of the Council *on the Audit Committee*, appointed by the Council, not being officers of the University or members of the Finance Committee, of whom one is appointed as Chair by the Council from 1 August 2016 to 31 July 2020;
	b) **approved** the appointment of Sandy Begbie as an external co-opted member of the Council from 1 August 2016 to 31 July 2020 *(C-2016-01-16; Minute 21)*;

	10 May 2016 (C-2016-02-M) The Council **approved**: a) the appointment of Caroline Banszky to the Investment Committee as one of at least two and up to four external members appointed by the Council from outside its membership from 1 August 2016 to 31 July 2020; b) Jonathan Potts reappointment to the Staff Strategy Committee as one of up to two co-opted members appointed by the Council on the recommendation of the Committee from 1 August 2016 to 31 July 2020. *(C-2016-02-10; Minute 16)* **12 July 2016 (C-2016-03)** The Council will be asked **to approve** the re-appointment of Professor Bill Stevely to: a) the Council as an external co-opted member and as the Vice-Chair for a further year from 1 August 2016 to 31 July 2017; b) the Membership and Strategic Planning and Resources Committees as an external co-opted member of the Council for a further year from 1 August 2016 to 31 July 2017. (C-2016-03-18)
The Vice-Chair of the Council is appointed by the Council from among the external members (Statute 13(1)) on the recommendation of the Membership Committee.	**12 July 2016 (C-2016-03)** The Council will be asked **to approve** the re-appointment of Professor Bill Stevely to the Council as an external co-opted member and as the Vice-Chair for a further year from 1 August 2016 to 31 July 2017. (C-2016-03-18)
Ensuring the Welfare of Students and the Quality of Institutional Educational Provision	
On the recommendation of the Senate, the Council is responsible for providing as necessary for the welfare of the students of the University (Statute 13(16)). It approves strategies with major resource implications, such as fee policies (Statute 13(17))	**24 November 2015 (C-2015-04-M)** The Council **approved** the 2016/17 Fees and Financial Support Strategy. *(C-2015-04-11/SPRC-2015-04-03; Minute 16.4)*

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Chair's Action – January 2016

Subsequent to the above approval and the Comprehensive Spending Review announcements, SPRC recommended to the Council that the decision to implement the new fee be deferred pending review of how external funding changes might impact the institution. In order that the University could ensure that accurate fee information for 2016/17 was available to students when registration opened on the 11 February 2016, the Chair took action on behalf of the Council **to approve** the recommendations of SPRC. *(C-2016-01-17)*

8 March 2016 (C-2016-01-M)

The Council **approved** the amendments to the OU/OUSA Relationship Agreement arising from the first annual review *(C-2016-01-13; Minute 18.2)*

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The Council receives a copy of the annual report and statement of assurance approved by the Senate on the academic standards and quality of learning experience

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24 November 2015 (C-2015-04-M)

The Council **noted** the Annual Quality Report as part of the report on items discussed at the Senate on 14 October 2015 *(C-2015-04-14; Minute 19)*

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Students Union

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The Council has the responsibility to take such steps as are reasonably practicable to ensure that the students' union operates in a fair and democratic manner and is accountable for its finances.
For this purpose, the Council receives an annual report from OUSA whereby it will approve changes to the Constitution in accordance with the 1995 Education Act, and also receive after submission to the Finance Committee, the financial statements from the Students' Association.

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24 November 2015 (C-2015-04-M)

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. *(C-2015-04-17; Minute 22.2)*

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Regulatory Powers	
The Council, after consultation with the Senate, may by Special Resolution make Statutes for the University which may add to, amend or repeal the Charter and Statutes subject to the approval of the Privy Council (Article 20 and Statute 13(5)).	No action 2015/16
The Council makes, amends or repeals Ordinances (on the recommendation of Senate for those concerning academic matters) (Statute 13(29)).	No action 2015/16
Delegation of Powers	
The Council delegates authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and human resource management of the institution. It establishes and keeps under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution. The Council receives regular reports from the Vice-Chancellor.	The Vice-Chancellor's Regular Report is a standing item on the agenda for every Council meeting. **24 November 2015 (C-2015-04-M)** The Council **noted** the Vice-Chancellor's Annual Report (C-2015-04-16)
The Council delegates some of its powers and allocates some of its work to specialist committees, namely Audit, Development, Estates, Finance, Investment (a subcommittee of Finance), Membership, Remuneration and Staff Strategy (which reviews equality and diversity and, through a subcommittee, health and safety). The Council receives reports and assurances regularly and annually from its specialist committees.	All Council Committees have reported to the Council after each meeting. Remuneration Committee reports after its annual meeting. **24 November 2015 (C-2015-04-M)** The Council **noted** the Audit Committee's report, incorporating Chief Auditor's Report *(C-2015-04-05)*

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Chair's Action – November 2015

As a result of the changes to the University's senior academic and senior professional structures, a number of amendments were required to the membership of the Council and its subcommittees. In order to ensure that the committees were appropriately and fully constituted before they commenced their cycle of meetings in this committee year, the Chair took

action **to approve** changes to the memberships of the following Committees:

a)   Council
b)   Audit Committee
c)   Development Committee
d)   Estates Committee
e)   Health and Safety Committee
f)   NAC for Statute 21
g)   OU/OUUCU Joint Negotiating Committee
h)   Staff Strategy Committee
i)   Strategic Planning and Resources Committee
(C-2015-04-21)

8 March 2016 (C-2016-01-M)

The Council **approved** a proposed change to the Staff Strategy Committee constitution *(C-2016-01-09; Minute 14.2)*

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THE COUNCIL

Annual Effectiveness Review 2015-2016

Attendance Record

Membership/ Staff Category	Surname	Forename	Gender	Mtg 01 Nov 2015	Mtg 02 Mar 2016	Mtg 03 May 2016	Mtg 04 July* 2016	Actual 2015/16	% 2015/16	Actual 2014/15	% 2014/15	Actual 2013/14	% 2013/14
Appointed Member (Senate)	Baxter	John	M	1	1	1	1	4	100%				
Ex-Officio Member	Brown	Howard	M	1	1	1	1	4	100%	4	80%	4	100%
Appointed Member (Non-Acad)	Dutton	Sue	F	1	1	1	1	4	100%	5	100%	4	100%
Ex-Officio Member	Gillingwater	Richard	M	1	1	1	1	4	100%	3	100%		
External Co-opted Member	Girardet	Ruth	F	1	1	1	1	4	100%	5	100%		
External Co-opted Member	Greenwood	Paul	M	1	apol	1	1	3	75%	2	100%		
Appointed Member (AL)	Heil	Bruce	M	1	1	1	1	4	100%	5	100%	4	100%
Ex-Officio Member	Horrocks	Peter	M	1	1	1	1	4	100%	2	100%		
External Co-opted Member	Larkman	Brian	M	1	apol	n/a	n/a	1	50%	4	80%	4	100%
External Co-opted Member	Lock	Rachel	F	1	1	1	1	4	100%				
External Co-opted Member	MacPherson	Shonaig	F	1	1	1	1	4	100%	5	100%	4	100%
Appointed Member (Senate)	Marr	Liz	F	n/a	n/a	1	1	2	100%				
External Co-opted Member	Monk	Bill	M	1	1	1	1	4	100%	4	80%	4	100%
External Co-opted Member	Newman	Jeremy	M	1	1	1	1	4	100%	3	60%		
Appointed Member (Senate)	O'Neil	Toby	M	1	1	1	1	4	100%	5	100%	4	100%
Appointed Member (Senate)	Rymer	Hazel	F	1	1	n/a	n/a	2	100%	3	60%		
Appointed Member (Student)	Shaw	Carey	M	1	1	1	1	4	100%	5	100%	4	100%
External Co-opted Member	Spedding	Bob	M	1	1	1	1	4	100%	5	100%	4	100%
External Co-opted Member	Spellman	Ruth	F	1	1	1	1	4	100%	2	40%	4	100%

*Attendance numbers are provisional/unconfirmed

Membership/ Staff Category	Surname	Forename	Gender	Mtg 01 Nov 2015	Mtg 02 Mar 2016	Mtg 03 May 2016	Mtg 04 July* 2016	Actual 2015/16	% 2015/16	Actual 2014/15	% 2014/15	Actual 2013/14	% 2013/14
Appointed Member (AL)	Spencer	Claire	F	1	1	1	1	*4*	*100%*	*4*	*80%*		
External Co-opted Member	Stevely	Bill	M	1	1	1	1	*4*	*100%*	*5*	*100%*	4	100%
Ex-Officio Member	Tudor	Ruth	F	1	1	1	1	*4*	*100%*	*5*	*100%*		
External Co-opted Member	Unerman	Sue	F	1	apol	1	apol	*2*	*50%*	*3*	*60%*		
External Co-opted Member	Walker	Greg	M	1	1	1	1	*4*	*100%*	*5*	*100%*	3	75%
Appointed Member (Senate)	Wolffe	John	M	1	1	1	1	*4*	*100%*	*5*	*100%*		
Appointed Member (Senate)	Yeo	Jake	M	1	1	1	1	*4*	*100%*	*5*	*100%*		
Total attendance				25	22	24	23						
Percentage attendance of current membership (quorum = 40% members)				100	88	100	96						
Percentage Male		**64% (16)**											
Percentage Female		**36% (9)**											

THE COUNCIL

Corporate Governance Statement

THE UNIVERSITY COUNCIL

1   The membership of the Council is set out in the University Statutes. At the date of approval of these financial statements there are 25 members comprising: ex officio and co-opted external members; the Vice-Chancellor; the President of the Open University Students Association (OUSA) and a student and staff employees appointed after election. Since the University is a charity the Council members are the charity trustees. The roles of Chair and Vice-Chair of the Council are separated from the role of the University's Chief Executive, the Vice-Chancellor.

2   The University's Council has adopted a statement of primary responsibilities, which is published on the University's Freedom of Information and Governance websites. This statement sets out the Council's responsibilities in respect of the OU Charter, the proper conduct of public business, human resources, finance and the law, the University's mission and strategy, monitoring effectiveness and performance, the appointment of the University Officers and Council members, ensuring the welfare of students and the quality of institutional educational provision, and the students union. It also outlines the Council's regulatory powers and its delegation of powers.

3   The Statement of Responsibilities of the University's Council on pages 42 and 43 describes its responsibilities in respect of maintaining accounting records, preparing financial statements and accountability arrangements. It also summarises the University's system of internal control and its system of risk identification and management.

4   The Council has the following committees: an Audit Committee; a Development Committee; an Estates Committee; a Finance Committee; an Investment Committee (a subcommittee of Finance Committee), a Membership Committee; a Remuneration Committee; a Staff Strategy Committee; and, a Strategic Planning and Resources Committee (a joint committee with the Senate). All of these committees are formally constituted with terms of reference. The Chair of each committee is an external Council member, with the exception of the Strategic Planning and Resources Committee which is chaired by the Vice-Chancellor. The Council, on the recommendation of the Membership Committee, appoints all members of the Council who sit on these committees. The Council also appoints external members co-opted to Council committees. The corporate governance disclosures in respect of these committees follow those in respect of the Council itself.

5   In relation to the University's financial statements published on its website, the University's management is responsible to Council for the maintenance and integrity of The Open University website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University Council

The Council met four times during the year. The members of the University's Council during the year ended 31 July 2016, and their attendance at the meetings held during their membership in that year, together with members serving in the period after 31 July 2016 and up to the date on which the financial statements were approved, were:

Ex-officio members who are also officers of the University

Pro-Chancellor & Chair of the Council	Mr R Gillingwater (4/4)
Treasurer	Mr H R Brown (4/4)
Vice-Chancellor (Employee)	Mr P J G Horrocks (4/4)

Ex officio members

President, Open University Students Association	Mrs R Tudor (to 31 July 2016) (4/4)
	Mr C Pane (from 1 August 2016) (tbc)

Elected members

Members of Senate (Employees)	Dr J Baxter (4/4)
	Professor H Rymer (2/2) (to 29 April 2016)
	Dr E Marr (1/1) (from 30 April 2016)
	Dr T O'Neil (4/4)
	Professor J Wolffe (4/4)
	Mr J Yeo (4/4)
Associate Lecturers (Employees)	Mr B Heil (4/4)
	Dr C Spencer (4/4)
Non-academic Staff (Employee)	Dr S Dutton (4/4)
Open University Students Association	Mr C Shaw (to 31 July 2016) (4/4)
	Mrs B Tarling (from 1 August 2016) (tbc)

External members co-opted by Council

Mr S Begbie (from 1 August 2016) (tbc)	Mr J Newman (4/4)
Mrs R Girardet (4/4)	Mr R W Spedding (4/4)
Mr P Greenwood (3/4)	Mrs R Spellman (4/4)
Mr B S Larkman (to 8 April 2016) (4/4)	Professor W Stevely, Vice-Chair of Council (4/4)
Ms R Lock (from 2 October 2015) (4/4)	Ms S Unerman (2/4)
Mrs S Macpherson (to 31 July 2016) (4/4)	Dr G Walker (4/4)
Mr W Monk (4/4)	

Members of the Vice-Chancellor's Executive in attendance at Council meetings

University Secretary	Mr A F Woodburn (to 4 October 2015)
	Mr K Zimmerman (from 5 October 2015)
Finance Director	Mr M S Hedges
Director, Students	Mr K Zimmerman (to 4 October 2015)
Pro-Vice-Chancellors	Professor K Hetherington
	Professor B Tynan (to 29 April 2016)
	Professor H Rymer (from 30 April 2016)
Commercial Director	Mr S Hill