

THE COUNCIL

Annual Effectiveness Review 2016/17

This paper reviews the performance and effectiveness of the Council during 2016/17. As the recommendations of a major Council Governance Review have also been approved and implemented during 2016/2017, it is a light touch review that focusses on the status of those recommendations and the business considered by the Council during the 2016/17 committee year.

The Council is asked to:

- a) **to note** the status of the recommendations arising from the CGR (Appendix 1);
- b) **to comment on** any issues arising from the mapping of business against the terms of reference for the period 1 August 2016 until 31 July 2017 (Appendix 2);
- c) **to note** the annual attendance figures 2016/17 (Appendix 3);
- d) **agree** the entry about the Council for the Corporate Governance disclosure in the Financial Statements 2016/17 (Appendix 4).

BACKGROUND

- 1 The Council reviews its effectiveness on an annual basis according to the guidelines on good governance and to support improvement and promote good practice. The annual review was introduced in May 2004, when 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. 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 that reported in 2016 (C-2016-03-16), this exercise was not undertaken as part of the 2016/2017 review.
- 3 The Council is required to discuss its annual effectiveness review (AER) at the last meeting of the academic year and agree any actions to be taken for improvement. This year, the AER output consists of this report, informed by the following inputs:
 - a) a tracker showing the recommendations arising from Council Governance Review, their progress and completion (Appendix 1);
 - b) a map of the year's business against the terms of reference (Appendix 2);
 - c) a record of Committee attendance and of its gender balance (Appendix 3).

- 4 The annual review provides the Council with the opportunity to:
- a) assess business conducted against the terms of reference; it is a good time to propose amendments to terms of reference if they are needed;
 - b) discuss decision making in the year against the mission and strategic aims of the University to assess the effectiveness of work in relation to long term strategic objectives and short term key performance indicators where possible;
 - c) consider the number, expertise and breadth of membership and whether this is still appropriate; and
 - d) consider issues such as the timing, length and number of meetings, the clarity of presentation of issues, appropriateness of paperwork and the time scale for its despatch.

COUNCIL GOVERNANCE REVIEW

- 5 A major Council Governance Review took place in 2016. The Good Governance Institute (GGI), which supported the work of the Council Governance Review Group externally, stated in its report (C-2016-03-16), that the University's governance arrangements served the University well, that the governance system was 'sound' and that business was being effectively discharged. However, GGI did recommend that the University's governance arrangements be strengthened to meet the challenges the University faces and to support its ambitions as set out in the Students First Strategy.
- 6 The Council agreed the main actions arising from the review at its meeting in September 2016 (C-2016-04-M minute 6); these are set out in the Action Tracker attached as Appendix 1.
- 7 Further recommendations were approved and implemented during the committee year 2016/17. The changes to the size and balance of membership on the Council will be implemented with effect from 1 August 2017. It is not proposed, therefore, that any further changes should be made to the terms of reference or membership at this time.
- 8 The Council is asked **to note** the status of the recommendations arising from the CGR (Appendix 1).

ASSESSMENT OF BUSINESS AGAINST THE TERMS OF REFERENCE

- 9 The powers and functions of the Council are contained in the Charter and Statutes.
- 10 A summary of the Council's business during the period 1 August 2016 to 31 July 2017, mapped against its role and responsibilities is attached as Appendix 2. Items are mapped against each individual ToR to which they correspond, so items may appear more than once.
- 11 The information in Appendix 2 should assist members in considering the Council's effectiveness over the year ending 31 July 2017. Only the key papers and activities are listed in the Appendix: for full details of the work undertaken by the Council the minutes of each meeting should be read. These may be found on the Governance website at:
<http://intranet6.open.ac.uk/governance/main/university-committees/formal-committees/council>
- 12 The Committee is asked to **comment** on any issues arising from the mapping of business against the terms of reference for the 2016-2017 year (Appendix 2).

- 13 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.
- 14 The Council is able to monitor the effectiveness of its committees through 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. These effectiveness reviews will also be considered as a whole by the Governance and Nominations Committee at its autumn meeting. This process can provide assurance to the Council that its specialist committees are operating effectively and appropriately.

MEMBERSHIP

- 15 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.
- 16 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.
- 17 The outcomes of the 2016 Council Governance Review included an agreement to review the roles and processes for the appointment, induction and performance review of members of the Council and its committees, including Chairs; to introduce a governance development programme to grow confidence, capacity and the effectiveness of members over time; and to introduce a single code of conduct for everyone engaged in governance activities. These items will be incorporated into an integrated assurance model, to be implemented in 2017/18, in order to consolidate formal governance principles, process, standards and practices into a single framework across the University.
- 18 As mentioned in paragraph 7 above, the recommended change to the size and balance of membership of the Council, will be implemented from 1 August 2017. The Governance and Nominations Committee has given consideration to the balance of membership and the experience and skill required when reviewing current and forthcoming vacancies on the Council.
- 19 There has been one appointment to the Council during the 2016/17 committee year. Sandy Begbie was appointed as an external co-opted member from 1 August 2016. The Council has also looked ahead to forthcoming vacancies in 2016/17 and approved the appointment of Professor John Brooks as Vice-Chair, and the reappointment of Bob Spedding as an external co-opted member from 1 August 2017. A paper asking the Council to approve the appointment of two further new members: Mary Curnock Cook as an external co-opted member from 1 August 2017 and Caroline Stockmann as Treasurer from 1 January 2018, appears elsewhere on the agenda (C-2017-03-13).
- 20 No changes to the terms of reference or the membership are proposed at present; however, the Council may wish to consider them in the light of the effectiveness review.

ANNUAL ATTENDANCE RECORD

- 21 The Council met five times in the committee year 2016/2017. The attendance record is attached as Appendix 3, and shows actual attendance/participation for September and November 2016, and March and May 2017. Provisional attendance for the July 2017 meeting is based on apologies received in advance and will be confirmed after the meeting. Attendance is also recorded in the Financial Statements, which will be in the public domain. Overall, attendance has been good, with an average of 84% across the year.
- 22 The Governance and Nominations 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.
- 23 The Council is asked to **note** the annual attendance figures (Appendix 3).

REVIEW OF THE CORPORATE GOVERNANCE STATEMENT

- 24 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 4) should be included in the Financial Statements 2016/17. The membership list accompanying the statement is for the current Council year, 1 August 2016 – 31 July 2017, but also looks forward to any members who will be leaving or joining the Council before the Financial Statements are approved in November 2017.
- 25 The Council is asked to **agree** the entry for the Corporate Governance disclosure for inclusion in the Financial Statements 2016/17 (Appendix 4).

RISK ASSESSMENT

- 26 It is important for the Council and its committees to review its effectiveness annually and for members to be engaged in this process. Reviewing the performance of the University's committee structure provides assurance that governance structures are working effectively and allows an opportunity for improvements to be made which is particularly useful between major governance reviews.
- 27 This review does not appear to highlight any major issues, but further discussion may identify some risks.

EQUALITY IMPACT

- 28 In accordance with the University Equality Scheme, the gender balance of committees is monitored in the AER (Appendix 3). The current membership of the Council comprises 12 males and 10 females.
- 29 The key performance indicator under objective 2c of the University Equality Scheme and the Council Diversity Policy (objective 7) aims to aspire to at least 40% women and 40% men serving on all University committees. The Council currently achieves this objective with 55% men, 45% women.
- 30 The Council Diversity Policy states that the Governance and Nominations 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.

IMPLEMENTATION PLAN

- 31 Any actions arising from the discussion of this report will be owned primarily by the secretariat, working in conjunction with the Chair and other Council members as appropriate. Actions will be kept under review in the matters arising presented to the Council throughout the 2017/18 year. However, it should be remembered that the overall responsibility for the effectiveness of any committee is borne by its members.
- 32 The Governance and Nominations Committee continue to act on, review and monitor the recommendations arising from the Council Governance Review.

COMMUNICATION

- 33 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.

Julie Tayler
Working Secretary to the Council
Email: julie.tayler@open.ac.uk
Tel: 01908 3 32729

Attachments:

C-2017-03-14 Appendix 1	Council Governance Review Action Tracker – July 2017
C-2017-03-14 Appendix 2	Assessment of Business against the Terms of Reference 2016/17
C-2017-03-14 Appendix 3	Attendance Record 2016/17
C-2017-03-14 Appendix 4	Corporate Governance Statement 2016/17

Council Governance Review - Action Tracker, July 2017

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
1	Council Governance Review – Core Governance	C-2016-04-M	6.10 a)	The Council agreed: the revised terms of reference for the Membership Committee, to be renamed the Governance and Nominations Committee (GNC), subject to the review of the membership	The revised terms of reference for GNC were approved by Chair's Action and reported to the Council (C-2016-05-22).	October 2016	Green
2			6.10 b)	to refer the matter of the size and the balance of membership on the Council to Governance and Nominations Committee for report back to the Council	On the recommendation of GNC, the Council approved the proposal to reduce the size of the Council from 25 to 21 members, comprising 11 external co-opted members, 2 students and 8 staff with effect from 1 August 2017 at its meeting in March (C-2017-01-16); and approved the revised constitution, standing orders and schedule of delegation at its meeting in May (C-2017-02-11).	May 2017 <i>(to be implemented from 1 August 2017)</i>	Green
3			6.10 c)	to refer the matter of the Council's committee structure to the Governance and Nominations Committee for report back to the Council. The introduction of Strategic Advisory and Stakeholder Groups to be put on hold pending a decision on committee structure.	a) On the recommendation of GNC, the Council approved the disestablishment of Development Committee; Estates Committee and Health and Safety Committee (subject to consultation with the unions) with immediate effect; the retention of SPRC (with changes to its mode of operation and membership) and Staff Strategy Committee (subject to regular review) at its meeting in March (C-2017-02-11). The Council approved the revised constitution and mode of	a) May 2017	a) Green

INTERNAL USE ONLY
C-2017-03-14 APPENDIX 1

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
					operation for SPRC at its meeting in May (C-2017-02-11) b) The consideration of Strategic Advisory Groups, including any current groups, has been noted as an item of future business for GNC.		b) Green
4				[The University Secretary and Director, Academic Services to meet with the OU Students Association to progress ideas for increasing opportunities for Council to engage with students and to bring recommendations to the Governance and Nominations Committee on this in due course.]	A paper on Council engagement with students was considered by GNC at its meeting in April 2017 (GNC-2017-02-07). GNC endorsed the actions proposed and agreed that some additional suggestions should be added to the action plan. These actions are being tracked by GNC.	April 2017 Now on-going (business as usual)	Green
5			6.10 d)	that the Academic, Quality and Governance Committee and the Senate be asked: i) to advise the Governance and Nominations Committee on the balance of Senate's membership of the Council; ii) to comment on the recommendations relating to Joint Committees of the Council and the Senate, namely the suggested disestablishment of the Strategic Planning and Resources Committee (SPRC) and the establishment of a new Joint Business Committee; these comments to inform the Governance and Nominations Committee report to the Council on committee structure; ii) to consider the Good Governance Institute (GGI) report as a whole and	The Academic Quality and Governance Committee considered these matters at its meeting on 6 October 2016; the minute of the discussion was considered by GNC at its meeting on 2 November 2016. (GNC-2016-01-M minutes 4 and 5). The Senate debate was postponed until January 2017; the minute of the discussion was considered by GNC at its meeting on 15 February 2017 (GNC-2017-01-M minutes 4 and 5). The views of AQGC and the Senate were taken into account when GNC made its recommendations regarding the size and balance of membership of the Council, and the review of the Council's substructure.	February 2017	Green

INTERNAL USE ONLY
C-2017-03-14 APPENDIX 1

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
				report back to the Council on the implications for its own effectiveness and relationship with the Council			
6			6.10 e)	to adopt an integrated assurance model in order to consolidate formal governance principles, process, standards and practices into a single framework across the University	GGI submitted a proposal for preparing this and other relevant items, which was considered by the Governance Team. Due to other priorities and budgetary constraints, as well as concerns about quality assurance, the proposal has not been taken forward. The Governance Team will review current documentation and practice with a view to producing an integrated framework for implementation in the next committee year (2017/18).		Green
7			6.10 f)	to introduce an annual assessment of risk appetite in full Council	The Risk Management Delivery Plan was presented to the Council at its meeting in November 2016 (C-2016-05-06, para 15); the Council will be asked to approve the Risk Policy, including the finalised risk appetite statement at its meeting in July 2017 (C2017-03-03).	November 2016	Green
8			6.10 g)	to refer to the University Secretary for report back to the Council in March 2017 the proposal to develop an OU Impact and Performance Report to strengthen public accounting and openness.	To be actioned by the University Secretary on his return. The consultation draft of the revised Scottish Code of Good HE Governance proposes that there should be an annual stakeholder meeting, held in public, at which the Principal and the governing body must give a public account of the		Amber

INTERNAL USE ONLY
C-2017-03-14 APPENDIX 1

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
					institution's performance and should be available to answer questions. This event may or may not also include regular governing body business.		
9	Council Governance Review – Governance Support		6.11 a)	to review the roles and processes for the appointment, induction and performance review of members of the Council and its committees, including Chairs	(See Row 6) The Governance Team will review current documentation and practice with a view to producing revised roles and processes for implementation in the next committee year (2017/18). The Governance Team will also invite members to complete a self-evaluation survey during the summer in order that the Committee might review the outcomes and consider how to move forward with a formal performance review in autumn 2017.		Green
10			6.11 b)	to introduce a governance development programme to grow confidence, capacity and the effectiveness of members over time	See Row 6 A paper on outlining the current provision for the induction and development of Council members was considered by GNC at its meeting in April 2017 (GNC-2017-02-06). GNC agreed some additional activities to add to the programme, which will be included in the revisions to the current documentation and practice.	April 2017 Now on-going (business as usual)	Green
11			6.11 c)	to introduce a single code of conduct for everyone engaged in governance activities	See Row 6 The Governance Team will review current documentation and practice		Green

INTERNAL USE ONLY
C-2017-03-14 APPENDIX 1

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
					with a view to producing a single code of conduct for implementation in the next committee year (2017/18).		
12			6.11 d)	to consider opportunities to increase the value of the time the Council is together through alternative delivery of information updates and presentations to ensure time is available to focus on the implications rather than collective 'listening'	These issues will be considered during the agenda planning process for each Council meeting, and reviewed after the meeting. At its meeting in June 2017, it was noted that GNC might be a useful forum to review the Council agendas and ways of working.	On-going (business as usual)	Green
13			6.11 e)	to introduce regular rotation of Council meetings in one of each of the four UK nations and one English region annually to increase visibility	The schedule of Council meetings for 2017 and 2018 was presented to the Council at its meeting in November 2016 (C-2016-05-22). Meetings have taken place in Cardiff (March 2017) and Manchester (July 2017)	November 2016	Green
14			6.11 f)	to introduce a new fifth joint meeting of the Council with the Senate to consider business of joint concern	As above (row 13). The Council were invited to be in attendance at the April 2017 meeting.	November 2016	Green
15			6.11 g)	that support to all Council committees be the responsibility of the Governance Team to ensure greater consistency	The Governance Team currently supports all Council committees, except Finance Committee. This will be reviewed, following the appointment of the new Group Finance Director.		Green
16			6.11 h)	to introduce a monthly Action log combined with other more informal briefing material to be shared more regularly with members to engage members between meetings	The Council Action Tracker was first presented to the Council at its meeting in November 2016 (C-2016-05-01) and is now a regular agenda item.	November 2016	Green

INTERNAL USE ONLY
C-2017-03-14 APPENDIX 1

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
17			6.11 i)	to undertake a review of the University's Charter and Statutes and supporting regulations, including senior staff appointment procedures, to ensure their fitness for purpose	The first meeting of the Working Group was held by correspondence in late May/early June 2017 due to diary challenges. Members were asked to consider the scope of the review and its proposed timeline; detailed benchmarking from other HEIs which have undertaken similar reviews, including provisions equivalent to Statute 21; appropriate communications to stakeholders; and the timing of future working group discussions. The intention is to consider some initial drafting and more detailed communications planning at the next Working Group meeting, ideally before September 2017.		Amber
18			6.11 j)	to increase the visibility of governance and connectivity between the Council and stakeholders by developing a communications strategy, including a stronger website presence for Council and its members	<p>A paper on Building Better Communications with Council members was presented to the Council at its meeting in September 2016 (C-2016-04-03).</p> <p>a) Regular communications are now being circulated between meetings to update members on University news and items of interest. Circulation has now been extended to include Council Committee members.</p> <p>b) The Governance team is also working with Communications and IT to develop a collaboration space for members between meetings, where</p>	<p>a) Ongoing (business as usual)</p> <p>b) Work on collaboration space had been paused pending</p>	<p>Green</p> <p>Amber</p>

INTERNAL USE ONLY
C-2017-03-14 APPENDIX 1

Row	Item	Meeting	Minute	Action	Comments	Completed	Status (Red / Amber / Green)
					<p>the calendar of events will also be available.</p> <p>c) Council member profiles are now available externally at http://www.open.ac.uk/about/main/council-members</p>	<p>decision about platform to be used.</p> <p>c) 2016</p>	<p>Green</p>

THE COUNCIL
Annual Effectiveness Review 2016-2017
Assessment of Business against Terms of Reference

Term of Reference	Meeting Date	Agenda Items	Type of Business (Approval, Comment, Report etc)
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.	23-Nov-16	Building an Effective Culture (C-2016-04-03)	Commented
	23-Nov-16	Teaching Excellence Framework (C-2016-05-04)	Approved recommendations
	23-Nov-16	Local Footprints Project (C-2016-05-07)	Approved recommendations
	23-Nov-16	Nation Strategies (via SPRC, C-2016-05-12)	Approved recommendations
	23-Nov-16	Apprenticeships (via SPRC, C-2016-05-12)	Approved recommendations
	07-Mar-17	Adaptive Organisation and Culture (inc OU Redesign) (C-2017-01-02)	Commented
	07-Mar-17	Implementation of Students First Strategy (C-2017-01-05)	Commented
	07-Mar-17	Apprenticeships Strategy (C-2017-01-06)	Approved and noted progress, and approved strategic plan for further development
	09-May-17	Adaptive Organisation and Culture - OU Redesign Operating Model (C-2017-02-02)	Approved and noted implications
	09-May-17	Implementation of Students First Strategy (C-2017-02-05)	Commented
	18-Jul-17	Students First Transformation Programme (C-2017-03-02)	Agree parameters of financial model, comment and note progress
	18-Jul-17	Annual Report on Human Resources (C-2017-03-04)	Comment and agree priorities for 17/18
	18-Jul-17	Carbon Management Plan: Annual Progress Report (C-2017-03-05)	Comment and approve revised plan
	18-Jul-17	2017-2018 Revenue Budget (C-2017-03-08)	Approve
Monitoring Effectiveness and Performance			
The Council is responsible for:			
a) ensuring 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;	23-Nov-16	Strategic Performance Report (C-2016-05-06)	Noted
	07-Mar-17	HEFCE Annual Provider Review Preliminary Assessment (C-2017-01-18)	Noted
	09-May-17	HEFCE Annual Provider Review Assessment (OU Response) & HEFCE Assessment of Institutional Risk (C-2017-02-9 & 10)	Noted

THE COUNCIL
Annual Effectiveness Review 2016-2017
Assessment of Business against Terms of Reference

b) ensuring 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.	23-Nov-16	Risk Management Delivery Plan (C-2016-05-06)	Agreed action
	23-Nov-16	Annual Accountability Returns 2016, inc Annual Assurance Return (C-2016-05-09)	Approved and agreed sign off
	23-Nov-16	Consolidated Financial Statements 2015-2016 (C-2016-05-10)	Approved, authorised sign off and noted audit representation letter
	23-Nov-16	Annual Accountability Returns 2016 - Financial Commentary (C -2016-05-11)	Approved
	23-Nov-16	PREVENT (Counter-Terrorism) Duty - Annual Report (C-2016-05-18)	Noted
	07-Mar-17	Risk Management and Strategic Risk Register Update (C-2017-01-03)	Noted plans (did not approve Policy)
	18-Jul-17	Risk Appetite Proposals and Strategic Risk Update (C-2017-03-03)	Approved risk policy, noted developments in risk register
	18-Jul-17	Financial Forecasts to 2019-2020 (C-2017-03-08)	Approve
		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.	18-Jul-17	Annual Effectiveness Review (C-2017-03-14)	Comment, review terms of reference and membership, note attendance and agree statement for Corporate Governance Disclosure.

THE COUNCIL
Annual Effectiveness Review 2016-2017
Assessment of Business against Terms of Reference

The Council institutes quinquennial reviews of governance. The outputs of such reviews are published externally on the University website.		A major Council Governance Review (CGR) took place in 2016, and some of its recommendations have been approved and implemented during the 2016/17 committee year:	
	23-Sep-16	Council Governance Review (C-2016-04-02)	Agreed changes to Core Governance and Governance Support
	23-Sep-16	Building Better Communications with Council members (C-2017-04-03)	Commented
	07-Mar-17	Governance and Nominations Committee (C-2017-01016)	Approved amendments to Council constitution, Council substructure, Council committee mode of operation.
	09-May-17	Governance and Nominations Committee (C-2017-02-11)	Approved amendments to Council constitution, standing orders, schedule of delegation; and to SPRC constitution and mode of operation; and noted implications
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			
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 2016/17	
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 2016/17	
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 2016/17	
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		No action 2016/17	
e) the Treasurer (Statute 13(4)) on the recommendation of the Governance and Nominations Committee.	18-Jul-17	Governance and Nominations Committee (C-2017-03-13)	Approve appointment

THE COUNCIL
Annual Effectiveness Review 2016-2017
Assessment of Business against Terms of Reference

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.		No action 2016/17	
The Council is responsible, in accordance with Statute 3, for the institution of joint committees of the Council and the Senate		No action 2016/17	
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 Governance and Nominations Committee.	23-Sep-16	Council Diversity Policy (C-2016-04-04)	Approved
	07-Mar-17	Governance and Nominations Committee (C-2017-01016)	Approved appointments and changes to Council Diversity Policy
	18-Jul-17	Governance and Nominations Committee (C-2017-03-13)	Approve appointment
The Vice-Chair of the Council is appointed by the Council from among the external members (Statute 13(1)) on the recommendation of the Governance and Nominations Committee.	09-May-17	Vice-Chair Appointment (C-2017-02-11A)	Approved appointment
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)).	23-Nov-16	Fees and Financial Support Strategy, via SPRC (C-2016-05-12)	Approved recommendations, including deferral of decision
	07-Mar-17	OU / OU Students Association Relationship Agreement - Annual Review	Approved amendments
	07-Mar-17	Fees and Financial Support Strategy, via Chairs Action (C-2017-01-17)	Noted final approval
The Council receives a copy of the annual report and is asked to endorse the statement of assurance on the recommendation of the Senate on the academic standards and quality of learning experience.	23-Nov-16	Group Tuition (C-2016-05-02)	Commented on update on implementation
	23-Nov-16	Statement of Assurance required by SFC and HEFCE, via Senate (C-2016-05-17)	Endorsed
	07-Mar-17	Group Tuition (C-2017-01-04)	Noted
	09-May-17	Group Tuition Implementation Review Report and Implementation Update (C-2017-02-03 & 04)	Agreed action and noted progress

THE COUNCIL
 Annual Effectiveness Review 2016-2017
 Assessment of Business against Terms of Reference

Students Union			
<p>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.</p> <p>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 receives, after submission to the Finance Committee, the financial statements from the Students' Association.</p>	23-Nov-16	OU Students Association Annual Report and Financial Statements 2015-2016 (C-2016-05-19)	Noted
Regulatory Powers			
<p>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)).</p>		No action 2016/17	
<p>A "Special Resolution" means a resolution passed at one meeting of the Council and confirmed at a subsequent meeting held not less than one calendar month nor more than three calendar months after the former meeting. Provided that notice of each meeting shall be given to each member of the Council not less than fourteen days before the meeting to be held and that the resolution be passed at each meeting by a majority of not less than threefourths of those present and voting.</p>		No action 2016/17	
<p>The Council makes, amends or repeals Ordinances (on the recommendation of Senate for those concerning academic matters) (Statute 13(29)).</p>		No action 2016/17	

THE COUNCIL
Annual Effectiveness Review 2016-2017
Assessment of Business against Terms of Reference

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 Report is a standing item on the agenda for every Council meeting.	
	23-Nov-16	Chairs Action (C-2016-05-21)	Noted amendments to appointment procedures for non-professional central academic staff and staff tutors
The Council delegates some of its powers and allocates some of its work to specialist committees, namely Audit, Finance, Investment (a subcommittee of Finance), Governance and Nominations Committee, 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.	23-Sep-16	Chairs Action (C-2016-04-05)	Noted appointments to Council Committees
	23-Nov-16	Audit Committee's Annual Report, inc Chief Auditor's Report (C-2016-05-08)	Noted
	23-Nov-16	Chairs Action (C-2016-05-21)	Noted appointments to Council Committees and change to committee constitution
	07-Mar-17	Chairs Action (C-2017-01-17)	Noted appointments to Council Committees
	09-May-17	Chairs Action (C-2017-02-12)	Noted appointment to Council committee
	18-Jul-17	Carbon Management Plan: Annual Progress Report (C-2017-03-05)	

The Council
Annual Effectiveness Review 2016/17
Attendance Record and Gender Balance Analysis

Membership/Staff Category	Surname	Forename	Gender M/F	Meeting 01 (27.09.2016)	Meeting 02 (23.11.2016)	Meeting 03 (07.03.2017)	Meeting 04 (09.05.2017)	Meeting 05* (18.07.2017)	Total Attended 2016-17 Year	% 2016-17 Year
The Chair of the Council, the Pro-Chancellor	Gillingwater	Richard	M	1	1	1	1	1	5	100%
The Vice-Chancellor	Horrocks	Peter	M	1	1	1	0	1	4	80%
The Treasurer	Brown	Howard	M	1	1	1	1	1	5	100%
President, Open University Students' Association (or Acting President)	Pane Simpson	Chris Nicola	M F	1	1	1	1	1	5	100%
Appointed member (Senate)	Baxter	John	M	1	1	1	1	1	5	100%
External co-opted member	Begbie	Sandy	M	0	1	0	0	1	2	40%
Appointed member (Senate)	D'Arcy	John	M	1	1	1	1	1	5	100%
Appointed member (non-academic)	Dutton	Sue	F	1	1	1	1	1	5	100%
Appointed member (Senate)	Draper	Jan	F	1	0	1	1	1	4	80%
External co-opted member	Girardet	Ruth	F	1	1	0	1	1	4	80%
External co-opted member	Greenwood	Paul	M	1	1	1	1	0	4	80%
Appointed member (AL)	Chetwynd	Frances	F	1	1	1	1	1	5	100%
External co-opted member	Lock	Rachel	F	0	1	1	1	1	4	80%
External co-opted member	Monk	Bill	M	0	0				0	0%
External co-opted member	Newman	Jeremy	M	1	1	0			2	67%
Appointed member (Senate)	O'Neil	Toby	M	1	1	1	1	1	5	100%
External co-opted member	Spedding	Bob	M	1	1	1	1	1	5	100%
External co-opted member	Spellman	Ruth	F	1	1	1	1	1	5	100%
Appointed member (AL)	Spencer	Clare	F	1	0	1	1	1	4	80%
External co-opted member	Stevely	Bill	M	1	1	1	1	1	5	100%
Appointed member (student)	Tarling	Barbara	F	1	1	1	1	1	5	100%
External co-opted member	Unerman	Sue	F	1	1	1	1	1	5	100%
External co-opted member	Walker	Greg	M	1	1	1	1	1	5	100%
Appointed member (Senate)	Wolffe	John	M	1	1	1	1	1	5	100%
Total				21	21	20	20	21	69	83%
Gender Balance of Current Membership:	55 % M / 45 % F									

* Based on apologies received

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 21 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 (tbc) and (tbc) 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 Finance Committee; an Investment Committee (a subcommittee of Finance Committee), a Governance and Nominations Committee; a Remuneration Committee; a Staff Strategy Committee; and a Strategic Planning and Resources Committee, a joint committee with the Senate. (A Development and an Estates Committee were disestablished during the year, following the recommendations of the Council Governance Review.) 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 Governance and Nominations 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 the 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 five times during the year. The members of the University's Council during the year ended 31 July 2017, and their attendance at the meetings held during their membership in that year, together with members serving in the period after 31 July 2017 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 (5/5)
Treasurer	Mr H R Brown (5/5)
Vice-Chancellor (Employee)	Mr P J G Horrocks (4/5)

Ex officio members

President, Open University Students Association	Mr C Pane (2/2) (to February 2017) Mrs N Simpson (3/3) (Acting, from March 2017)
---	---

Elected members

Members of Senate (Employees)	Dr J Baxter (5/5) Mr J D'Arcy (5/5) Prof J Draper (4/5) Dr T O'Neil (5/5) Professor J Wolffe (5/5)
Associate Lecturers (Employees)	Mrs Frances Chetwynd (5/5) Dr C Spencer (4/5)
Non-academic Staff (Employee)	Dr S Dutton (5/5)
Open University Students Association	Mrs B Tarling (5/5)

External members co-opted by Council

Mr S Begbie (2/5)	Mr J Newman (to 31 March 2017) (2/3)
Professor J Brooks (from 1 August 2017)	Mr R W Spedding (5/5)
Mrs M Curnock Cook (from 1 August 2017)	Mrs R Spellman (5/5) (to 31 July 2017)
Mrs R Girardet (4/5)	Professor W Stevely, Vice-Chair of Council (5/5) (to 31 July 2017)
Mr P Greenwood	Ms S Unerman (5/5)
Ms R Lock (4/5)	Dr G Walker (5/5)
Mr W Monk (0/2) (to November 2016)	

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

University Secretary	Mr K Zimmerman (to 4 May 2017) Mr J Wylie (Acting, from 5 May 2017)
Group Finance Director	Mr M S Hedges (to 31 December 2016) Mr L J Holden (Interim, from 1 January 2016 to 2 July 2017) Mr M Zuyman (from 3 July 2017)
Pro-Vice-Chancellors	Professor K Hetherington Professor H Rymer
Executive Deans	Mr I Fribbance Professor M Kellett Professor S Kelley (to March 2017) Professor J Fraser (from March 2017) Professor R Taylor
Director, External Engagement	Mr S Hill