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Also online: www.open.ac.uk/about/annual-report
Vice-Chancellor’s foreword

This year has been a year of great change for The Open University, the higher education sector and the entire United Kingdom – and the future contains many uncertainties and challenges for all of us.

In facing that future I am grateful to my predecessor, Professor Brenda Gourley, for all she did to ensure that The Open University today is financially stable and held in such high regard. I arrived in October 2009 at a University whose effect on the delivery of higher education worldwide during its 40-year history has been both unique and profound.

Our enduring mission – to be open to people, places, methods and ideas – forms the bedrock of our strategy. We are working to adapt and strengthen the University in this challenging economic and competitive environment. This will ensure we can continue to offer high-quality supported open learning to all who wish to realise their ambitions and fulfil their potential.

In October 2010, we received some important news when Lord Browne published his report on higher education funding and student finance in England. This landmark report agreed with our argument that the four in ten higher education students who study part time should be entitled to the same access to finance as their full-time counterparts.

At a time when our economy needs growth and highly skilled people to compete internationally, flexible learning has a huge role to play and this recommendation has been welcomed by all political parties and many other stakeholders. As this Annual Report is published, our work continues to ensure that the new funding regime delivers on Lord Browne’s bold vision.

Our Annual Report gives you an insight into the contribution that this University makes across so many different fields.

I hope that you will enjoy discovering more about the inspiring and innovative work that we do here at The Open University.
Our enduring mission – to be open to people, places, methods and ideas – forms the bedrock of our strategy

The OU enables millions around the world to access and engage with our open education resources, including our iTunes U albums and eBooks, OpenLearn website, YouTube channel and Open Research Online.

Our long-standing collaboration with the BBC results in award-winning programmes that are watched or listened to by a global audience and our use of new technologies is helping to bring vital training to the developing world through groundbreaking projects such as English In Action in Bangladesh, and the Health Education and Training project in Ethiopia.

The Open University is truly a remarkable institution, committed to social mobility and innovation, bringing many thousands of people into higher education, and helping to transform lives, work and society.

Our success is the result of collective effort and so I am delighted to have this opportunity to thank all of our supporters: our students, staff, friends, partners, donors, alumni, honorary graduates and advocates – your contributions and ambassadorship are invaluable and you provide hope and inspiration to so many.

Thanks to our vibrant community, we face the future with confidence, knowing that we are a key part of the solution to the challenges of today, and that delivery on our mission is more relevant to the needs of individuals, business and the economy than ever before.

Martin Bean
Vice-Chancellor
Pro-Chancellor’s foreword

Martin Bean has had a baptism of fire in his first year as Vice-Chancellor, thanks to a change in government and a radical review of higher education in England and the rest of the United Kingdom. The OU is at the centre of this review, because of its unique contribution, and Martin has been heavily engaged in discussions at the highest level. This is in recognition of his immense experience of the way higher education is going globally.

My main concern is that, because of the economic crisis, Government decisions will be taken too hastily, without fully assessing their long-term consequences. But, whilst the OU must, like all the other universities, expect to take some pain, all the signs are that we will come out of the crisis more relevant and more important to the country than ever before. However, whilst politicians may be under pressure to act too precipitously, we must do our best to keep focused on the long-term implications for The Open University of radical reform. There are risks, but I suspect that the opportunities will offset the short-term squeeze.

I am confident that Martin and his team are well up to the challenge. Unlike some other institutions we are determined to manage the changes ahead, rather than resist and deny them.

Lord Haskins of Skidby
Pro-Chancellor
Chancellor’s foreword

This Annual Report celebrates the highlights of what has been an exciting 12 months for The Open University.

Earlier this year I had the privilege of joining the Vice-Chancellor, members of the Faculty of Education and Language Studies, and five African teachers when we visited Buckingham Palace to collect the Queen’s Anniversary Prize for our Teacher Education in Sub-Saharan Africa project called TESSA.

TESSA is a great example of how the OU’s technology, pedagogy, support and global reach dramatically improve lives of people everywhere.

Rather than simply focusing on the more traditional forms of aid, the OU is training teachers at scale, allowing them the means to create opportunity for their pupils through education.

It’s The Open University’s expertise in providing higher education through digital media which enables people to change their lives in a number of different ways.

As Martin has already mentioned, our Open Education Resources have had a global impact, as has our philanthropic work.

This year saw the launch of English in Action, a project which will help 25 million people in Bangladesh develop their language skills using mobile technology, and then there is our HEAT project, which trains African nurses, so highly regarded that it has already attracted $4 million in funding from UNICEF.

So I am proud to be the Chancellor of a University that is prepared to tackle the great global challenges of our time and which offers excellence, dynamism and inspiration to all those who can benefit from our reach and experience.

This Annual Report will hopefully give you an even greater understanding of the breadth, depth and impact of the OU’s work.

Lord Puttnam of Queensgate, CBE
Chancellor

Also online: www.open.ac.uk/about/annual-report
Transforming lives, workplace and society

The OU is a responsive and dynamic institution uniquely placed to drive economic development, social mobility and innovation in higher education.

Our method of open supported learning gives students the flexibility to fit their study around their work and other commitments, while contributing to the economy through both the taxes they pay and the work they do.

This also suits the interests of employers, who immediately benefit from the knowledge their employees have gained – and they do not have to replace staff who would otherwise need time off to attend day-release courses.

Prime Minister on the OU’s role

Following the general election, the Prime Minister, David Cameron, chose the OU as the venue to present the Government’s plans to reduce the national deficit.

At the outset of his speech he paid tribute to the work of the OU, describing it as a “Great British innovation and invention”.

Mr Cameron said: “The knowledge-based economy is the economy of the future and in building that economy – and recognising it is not just about young people’s skills, but people’s skills all through their lives – the OU has a huge, huge role to play.”

Prime Minister David Cameron, speaking at The Open University Library, 7 June 2010

The OU has a huge, huge role to play
Redefining European citizenship
The OU has been awarded a €2 million grant from the European Research Council to lead a five-year global research project to examine and redefine what ‘European citizenship’ means.

*Citizenship after Orientalism*, based in the OU’s Centre for Citizenship, Identities and Governance (CCIG), will examine western civilisation from the ‘outside in’, using research on cultures and practices of citizenship from around the globe.

The researchers are seeking to reframe the work of Max Weber, widely regarded as one of the most significant thinkers of the past century and one of the founders of social science.

Developing UK e-learning
Before starting his role as Vice-Chancellor in 2009, Martin Bean was appointed to the Government’s Online Learning Task Force, advising on a wider strategy to help UK universities build on their existing world-class reputations to access and engage future markets.

Engaging with industry
Martin Bean was one of a panel of experts at the CBI (Confederation of British Industry) Higher Education Summit in October 2009, which focused on how higher education and business can deliver world-class graduates.

Martin said the OU has always championed high-quality education as a human right, and traditional routes to HE cannot keep pace with the ever-increasing demand of students looking to train and re-skill.

1,500 extra students
The Higher Education Funding Council for England (HEFCE) has granted the OU 1,500 additional full-time equivalent places in Science, Technology, Engineering and Maths for 2010/11 through the University Modernisation Fund.
Inspiring wider participation

The Open University is committed to promoting social inclusion and educational opportunity by working to remove barriers to learning experienced by those who have had limited access in the past.

Much of this work is done through developing opportunities to work in partnership and collaboration with external agencies.

Research and evaluation are becoming an increasingly important part of the University as it attempts to extend its knowledge about widening participation and to disseminate it to others.

100,000th Openings student

The OU celebrated its 100,000th Openings student – Robert Wiltshire, a father of two from Cornwall.

Openings courses are designed for people who may feel daunted by the idea of university-level study, and aim to build confidence, teach study skills and prepare students for the challenge of regular undergraduate courses.

Robert, a full-time dad, decided to embark on the 10-point Introducing environment (Y161) course when his two sons began full-time education.
Validating 100,000 awards
The OU’s Validation Service has conferred its 100,000th validated award.

Through validation, the OU makes higher education awards available to the students of organisations that do not have their own awarding powers.

The OU’s validation service is the largest in the UK and, through peer review, the University makes judgements about the curriculum, the teaching, learning and assessment, and the quality management, reporting and enhancement arrangements of its partners.

New opportunities for apprentices
Aimhigher Greater Manchester, based at the OU’s North West regional office, has scooped a national award for its work in creating new opportunities for apprentices to progress to higher education.

The awards celebrate the most effective and innovative Aimhigher work being undertaken across the country and the achievements of those who benefit from the programme.

Aimhigher is a Government organisation aimed at making people aware of the benefits higher education can bring, whatever their background.

Researching widening participation
The Open University has hosted its first national widening participation research conference, attracting more than 150 delegates.

More than 40 research papers were presented at the event in Milton Keynes in June 2010.

John Rose-Adams, Research and Information Officer, Centre for Inclusion and Curriculum, who organised the event, said: “The conference raised The Open University’s profile in Widening Participation research and scholarship in a national arena.”

University in the Community
The University in the Community initiative aims to establish the OU as a key player in challenging the barriers to higher education for local citizens in selected areas, and is very much about remembering our core values of being truly open and challenging to educational inequalities by, in this case, taking the OU to the centre of local communities.

The opening project uses a local learning centre in Bristol as a study centre, where there are drop-in sessions and study skills support, and local ambassadors partner with outreach workers to raise aspirations and help overcome the educational barriers faced by many people in the region.

This is just one of the projects which received funding from the OU Supporters’ Fund.

Former Business Minister Pat McFadden (left) presents Aimhigher award to Carole Harvey, and Vic Leyden for the OU’s work in creating new opportunities for apprentices
Changing Lives

Working in partnership to meet major challenges in society

Partnerships with a range of organisations whose objectives are closely aligned with the OU’s provide huge opportunities and catalysts for innovation.

These partnerships include research collaborations with other universities and organisations, as well as links with professional organisations in which both parties benefit from complementary expertise.

The OU brings to its relationships professional delivery of specialised academic knowledge and technical expertise in the field of online distance learning.

OU/e2v Centre for Electronic Imaging

The OU and e2v, a leading developer and manufacturer of specialist components and sub-systems for the medical, aerospace and defence industries, are partners in the Centre for Electronic Imaging (CEI) based at the OU’s Milton Keynes campus.

Dedicated to the research and development of advanced technologies for electronic image sensing, the CEI focuses on the development of opportunities in space and terrestrial imaging – with plans to extend the scope to health and environmental applications.

The CEI provides a place to explore industrial advancements and technological breakthroughs in science and medicine, while playing stimulating knowledge exchange between the wider UK technology industry and the academic world.
UNISON renews partnership
The OU and UNISON have formally renewed their partnership to increase participation in education among public sector workers.

Vice-Chancellor Martin Bean said: “We are really proud of our innovative partnership with the UK’s largest public sector union and with 4,500 UNISON members studying with us to date, it’s clearly a success.”

Dave Prentis, General Secretary of UNISON, said: “Everyone is entitled to an education and it is proven that OU courses lead to a boost in performance and morale.”

Professional training for foster carers
A partnership between the OU and the Fostering Network will support foster carers with their professional development by providing access to a unique range of courses and opportunities for attaining formal qualifications. The agreement gives foster carers the opportunity to broaden their knowledge so that they can deliver the best possible care for fostered children.

Gordon Brown backs partnership
The then Prime Minister, Gordon Brown, launched the Jennie Lee Partnership with the OU, which will lead to improved and extended higher education opportunities in Fife.

The partnership will provide a link from Adam Smith College’s higher education qualifications to those offered by the OU.

The October launch was in Lochgelly, birthplace of Jennie Lee, one of the leading figures in the establishment of The Open University.

Knowledge Transfer Partnerships
Knowledge Transfer Partnerships (KTPs) develop long-term, mutually beneficial relationships between universities and UK companies, providing career development opportunities for talented graduates.

The Open University has six ongoing KTPs, including ones with Executive Interview Ltd in Arlesey and Hallé Concerts Society in Manchester.
Creating wider choice in higher education

The OU embraces the latest technology in order to deliver flexible, convenient and relevant pathways of learning.

This not only extends to those enrolled on OU courses but also reaches those who have an interest in learning and education, whether formally or informally.

Whether it is for career development, personal achievement, or just the quest for knowledge, the OU can help learners to fulfil their dreams and aspirations.

**iTunes U: 26 million visits**

The OU reached a milestone in September 2010 as the first university to hit 26 million downloaded tracks on iTunes U, a dedicated area within the iTunes Store.

The OU’s popularity has soared since content was first made available on iTunes U in June 2008.

An upsurge in people accessing OU student websites on their mobile devices reinforces the increasing popularity of more flexible content like the materials on iTunes U.

**OpenLearn scoops award**

OpenLearn, the OU’s open educational resource portal, won the ICT Initiative of the Year Award at the Times Higher Leadership and Management Awards 2010.

One judge commented that OpenLearn “breaks open previous university business models and chimes in an age when everyone expects content for free.”
Working with Welsh Ambulance Services NHS Trust

The OU has secured a contract with the Welsh Ambulance Services NHS Trust to train five cohorts of Emergency Medical Technicians to professional paramedic level via the Foundation Degree in Paramedic Sciences (G11).

The contract was secured by a team from OU in Wales, the Science Faculty and Corporate Employment Services (CES). The contract is worth about £250,000 in fees plus additional funding from the Higher Education Funding Council for Wales (HEFCW).

The biggest corporate sponsor of this programme is currently South West Ambulance Service NHS Trust which has sponsored over 300 places to the value of £354,000.

Working with the armed forces

A new OU website aimed at the armed forces launched this year, with content aimed specifically at the army, navy, RAF and civil services, outlining the most relevant courses and qualifications for each group.

As with many other OU sites, there is a showcase of free OU content on iTunes U and OpenLearn, as well as video footage, case studies and podcasts, to encourage new or further study.

More than 4,000 service personnel and their dependants, whatever their role and wherever they are stationed, are currently studying with the OU.

Engagement with the IT sector

Across the UK, employers of IT professionals are seeking ways to develop their graduates. Working with e-skills UK, the Sector Skills Council for Business and Information Technology, the OU is helping to address employers’ needs.

Together, The Open University and e-skills UK have developed an industry-recognised training framework which improves both skills and career progression for IT professionals, with clients including British Airways.

The e-skills Professional Programme is based on extensive research into employer requirements, so provides a blend of technical and managerial competencies. The training delivers motivated and well-educated IT professionals equipped to deal with increasingly complex business needs.
Responsive Solutions

Solutions at scale and quality

The Open University delivers high-quality learning to students wherever they may be based in the world.

A 10 per cent increase in student numbers this year means that 250,000 people are currently studying with the University.

Almost 30,000 of that number are under 25 and four out of five FTSE 100 companies have sponsored staff on OU courses.

High student satisfaction

The OU has remained in the top three higher education institutions in the UK for student satisfaction, maintaining its position at the forefront of the National Student Survey ratings since they began in 2005.

More than 30,000 OU students were surveyed – the sample size more than trebling since last year’s survey – with 93 per cent saying they were satisfied overall with the quality of their course.
Financial Services foundation degree
The Foundation Degree in Financial Services, a new qualification from the OU, has been endorsed by The National Skills Academy for Financial Services (NSAFS) as an innovative way of opening access to financial services careers.

The Skills Academy now offers the foundation degree as a career development route for employers, and encourages FE colleges in its network to link to the OU to deliver the course at a local level.

Welding Institute degree scheme
A new foundation degree enables technicians to gain a higher education qualification and enhance their career prospects, helping to bridge the gap into senior engineering, management or other higher-level positions.

Under the OU and The Welding Institute (TWI) degree scheme, students will gain credits for welding engineering diploma courses taught at TWI.

These courses start at a practical level, and passing the exams will provide points towards an OU degree.

1,000 sign up for Linux course
Linux: An introduction (T155) is a new Level 1 course aimed at beginners to the freeware and open source principles of the computer operating system. The course has had more than 1,000 registrations since May.

Student Paul Combstock was the first student to pass the Linux+ exam of T155. You can read about his experiences of the course, and his motivation for studying, at the following Facebook page: http://on.fb.me/9fNK7K

Former City minister, Lord Myners, launches the Foundation Degree in Financial Services
Responding to new challenges

The University’s broad and deep expertise, combined with its innovative approach, means that it is ideally placed to help the UK face up to the challenge of the skills agenda at home and abroad.

The OU is meeting these needs as the delivery of education is changing, creating content that is flexible and blends digital lifestyles and digital work styles.

Teacher ICT training

A new Open University-led initiative, called VITAL, will enhance professional skills of teachers to transform ICT-related learning.

Funded by the Department for Children, Schools and Families (DCSF), the £5.6 million programme will help teachers use ICT as an inspirational and effective learning tool, and boost the technology skills of their students.

The programme brings together the world-leading Virtual Learning Environment of The Open University with e-skills UK’s extensive employer reach and innovative education and IT skills programmes.
Training Ethiopian health workers

EthiopiAid and the OU Supporters’ Fund have backed the OU’s work with St Paul’s Millennium Medical School (SPMMS), Addis Ababa. The innovative SPMMS curriculum aims to train world-class doctors for practice in areas that have limited medical provision.

The OU is working with SPMMS to help develop its curriculum and provide learning materials to support students and faculty both in the central campus and in more distant district general hospitals. This will be the first Supported Medical Education Centre (SMEC).

SPMMS and SMEC will help the Ethiopian government to achieve its target of producing 11,000 additional doctors.

Analysing climate policy

The Open University took a role in helping French officials assess climate negotiations and decisions at the COP15 Climate Change Conference.

The Syns COP15 programme was initiated by the French Ministry of Environment through the GICC programme (managing climate change impacts).

It brought together three modelling systems which analysed climate policy, technology and energy considerations, and the economic impact of negotiations at the Copenhagen Climate Change Conference.
Global reputation for leading revolution in online learning

The Open University has always been a world leader in online learning and the past 12 months has seen this reputation enhanced further.

Its innovative work includes hosting a global virtual conference, providing Google Apps to aid student collaboration, the creation of a completely online Master of Philosophy programme and developing Second Life as a teaching and learning space.

Online conference reaches international audience

The OU has hosted an online conference ‘Learning in an Open World’, with delegates participating via the web conference platform Elluminate.

It was open to all to attend – resulting in people from as far afield as Australia, the USA, Saudi Arabia and Bahrain taking part.

OU speakers covered topics such as iTunes U, SocialLearn, OpenLearn, creating open courses and climate change, and many other areas of interest.
Personalisation of learning systems

The OU is supplying Google Apps to students to provide greater opportunities for them to collaborate and communicate with each other.

Google provides an email account for students as well as tools for them to create, edit and share documents with others.

Making use of Google Apps for Education maintains the objective to provide access to learning anytime, anywhere, and on any platform. With content and course work stored and backed up online, students can benefit from more robust access to their materials, with less platform and client-specific support issues.

Google Ancient Places project

Google Ancient Places, a joint project between the OU, the University of Southampton and the University of California at Berkeley, has received funding from Google to explore digitised literature.

The project will grant wide access to a broad range of literature, including rare material. Google has committed nearly $1 million to support digital humanities research during the next two years.

The Digital Humanities Research Awards will support 12 university research groups with unrestricted grants for one year, with the possibility of renewal for an additional year.

Second Life

Many education providers are using the online virtual world Second Life as a meeting and research environment, and increasingly as a teaching and learning space.

The OU is experimenting with Second Life to find the most effective ways for the University to utilise it.

See Vice-Chancellor Martin Bean speak to a Second Life audience at: www.open.ac.uk/about/annual-report

Online Masters programme

Virtual MPhil is a project aimed at providing a new Master of Philosophy (MPhil) programme completely online and is designed to provide a supportive, professional-oriented structure.

The aim of the project is to create an online research community for Computing, supported by a Virtual Learning Environment (VLE), which encompasses the many processes of research.

Students, supervisors and their research collaborators come together through the VLE, bringing their expertise and know-how to the community.

Also online: www.open.ac.uk/about/annual-report
"Innovating"

Pioneering Open Educational Resources

As part of its mission the OU is making an increasing amount of its teaching and learning resources available free to anyone with access to the internet, no matter where in the world they live.

Areas of rapid development and expansion in the past 12 months include the OU’s YouTube channel, Open Research Online (ORO), the LUCERO project and ground-breaking apps for the iPhone and iPod Touch.

The OU has also continued to develop and enrich its 40-year relationship with the BBC.

Launch of YouTube EDU
The Open University’s YouTube channel, the largest and most popular of the UK university channels, has welcomed the launch of YouTube EDU across Europe.

The portal provides a one-stop shop for all university content on YouTube. The Open University’s 700 videos have been viewed more than three million times.

The Head Spin viral alone received more than 560,000 views, after the Thatcher effect – a psychology experiment from the 80s – was discussed on the BBC show QI.

One million visits to Open Research Online
Open Research Online, the OU’s online research repository, has had one million visits since its launch in 2006.

It is ranked fifth best HE repository in the UK by the Registry of Open Access Repositories and has more than 14,000 research articles across a range of subjects.

This highlights the quality of research papers made available on the site and shows that a committed policy of open access brings both opportunity and benefits to a wide community.

Also online: www.open.ac.uk/about/annual-report
Linking data technology to education

LUCERO (Linking University Content for Education and Research Online) is a research project at the OU that aims to apply linked data technologies and principles to education and research practices.

To realise this ambitious goal, LUCERO will have to create a new technical infrastructure to store, give access to, manipulate and link data from several institutional repositories, the library catalogue and staff databases.

Forty-year relationship with BBC

The OU and the BBC have celebrated their 40th anniversary. The relationship was celebrated with a special reception at the BBC Media Centre in White City.

The OU and BBC have collaborated on programmes such as Child of Our Time, Coast, Bang Goes the Theory and The Virtual Revolution, which won a Digital Emmy Award for digital programme: non-fiction.

OU/BBC co-productions garnered other significant awards, including the 2009 Japan Prize in international educational broadcasting for Jimmy Doherty in Darwin’s Garden.

The partnership also picked up four prestigious Learning on Screen awards, with the three-part series The Love of Money taking the General Education Broadcast award and the award for Best Overall Film.

Free apps for mobile devices

The Darwin Devolve Me app for the iPhone and iPod Touch showcases how the OU embraces technology and makes education open to all.

The app is free to download via the iTunes U Store and is based on the Devolve Me web application, which Stephen Fry praised via Twitter, and has been visited by 700,000 people.

A Chinese characters app is available to download in the iTunes U Store for free. It teaches the writing of the first 20 Chinese characters introduced in the Beginners’ Chinese language course (L197).
Using innovative technology to develop unique solutions

The OU has expanded its use of new technologies to help bring training within the reach of more of the developing world’s workforce.

This is showcased through ongoing success with TESSA (Teacher Education in Sub-Saharan Africa), HEAT (Health Education and Training), and English in Action.

OU wins Queen’s Anniversary Prize

The Open University is one of 20 winners of the prestigious Queen’s Anniversary Prize for Higher and Further Education.

Awarded for exceptional contributions by institutions in the higher and further education sectors to the wider community, the OU’s winning entry was the ground-breaking Teacher Education in Sub-Saharan Africa programme (TESSA).

TESSA is now Africa’s largest teacher education research and development community, extending across 13 institutions and nine African countries.

Five teachers from Africa collected the Queen’s Anniversary Prize for the TESSA project.

The five, from Kenya, Sudan, South Africa, Nigeria and Ghana, joined Vice-Chancellor Martin Bean and TESSA directors Bob Moon and Freda Wolfenden at the ceremony at Buckingham Palace in February 2010.
$4 million for health programme
UNICEF is providing $4m to The Open University’s HEAT programme and its Ethiopian partners.

This is being used to upgrade the training of Ethiopia’s 31,000 rural community health workers in critical child and maternal health services to help the Ethiopian government meet the Millennium Development Goals to reduce child mortality by two-thirds and maternal mortality by three-quarters by 2015.

The materials being developed by the HEAT programme will also be used to train new community health workers. The materials cover a wide range of health promotion, disease prevention, basic management and essential treatment protocols to improve and protect the health of rural communities in Ethiopia.

Twenty-five million people to develop language skills
English in Action is a £50 million, nine-year programme to help 25 million people in Bangladesh develop their English language skills via new mobile technologies.

Launched in March 2010, English in Action is funded by the UK Department for International Development. The pilot scheme uses The Open University’s experts in distance education to produce development materials for teachers that fit with the Bangladeshi school curriculum.

EU genetics data project
The Knowledge Media Institute is the leading partner in the application of semantic web technologies used in Eurogene, a project supporting intelligent sharing and reuse of multimedia, multilingual educational content in the area of human genetics.

Text is automatically annotated using the Eurogene multilingual genetic ontology and the Universal Medical Language System (UMLS). Eurogene calculates semantically similar content across all languages for each piece of educational content submitted to the system.

Individual educational presentations submitted to the system can be organised into learning packages to suit different courses and user groups.
Thank you to our supporters

We welcome your support

The OU has received more than £1.4 million in 2009/10 to support its work in widening access to education at home and abroad. The Open University would like to thank everyone who gave so generously towards the goal of making education accessible to all.

The Open University Supporters’ Fund received a total of £525,000 from 5,721 supporters.

This year two-thirds of the Fund was directed towards OU student bursaries to help with studies or course fees, with the final third split between 16 projects from international development work to community partnerships aimed at widening participation. The OU is grateful to its supporters who have given so generously.

The impact of support on carers

One of the areas which received funding this year was a project supporting carers who are studying with the OU. This project has developed resources and web-based advice about study strategies, planning and funding, and has established a network of regional staff contacts to support student carers.

This additional funding will enable the team to raise awareness of the project in the wider University community, and will help to ensure that effective links are established with outside organisations that promote the interests of carers.

The impact of support on students

Jane: “My first couple of years studying were very tough, physically and emotionally,” says Jane, an OU student and carer. “I wrote to the OU and explained my situation and they were fantastic. I received help with books and travel and it has made all the difference.”

Donna: One student benefiting from Supporters’ Fund donations is student Donna Akuffo, who says the funding she received towards her degree “not only changed my life but saved my life.”

You can read more about the people and projects who benefit from donations at www.open.ac.uk/fundraising.

You can also donate online with our secure server at www.open.ac.uk/donatenow
Legacies

We want to recognise and thank everyone who has remembered the OU in their will – including 70 who have pledged a legacy this year – and all those whose legacies we have received.

In 2009/10, £282,891 was received from 13 estates, with gifts ranging from £100 to more than £121,000. The majority of legacies received were without restriction, enabling the OU to use them where the need was greatest.

All specific gifts were left to support students financially. This was disbursed via the Student Assistance Fund, which provides emergency support for students.

Legacy case study: Daphne Cooper

Daphne Cooper, a junior school teacher, set up her own ballet school in the 1950s, inspiring four generations of children from the local community in Abbots Langley, and continuing to run it until her death in 2009.

Daphne, who studied art and literature courses with the OU in the 1980s, very generously left the OU £1,000 in cash, together with personal valuables which achieved more than £480 at auction.

Education meant a great deal to Daphne – her niece Virginia Philo said: “She would have been delighted that her legacy was going to help someone else build a better life.”

Vice-Chancellor’s Circle

The Open University is extremely grateful to the individuals, organisations, trusts and foundations who made a donation to the University in 2009/10.

Their donations support the work of the OU in widening access to education in the UK and across the globe. Examples of this work are shown in this annual report.

Donors giving more than £1,000 in a year are invited to become part of the Vice-Chancellor’s Circle and donors of over £5,000 become part of the VC’s Gold Circle. For a full list of donors visit www.open.ac.uk/fundraising

Vice-Chancellor’s Gold Circle members

Aggregates Levy Sustainability Fund (Natural England); The Comino Foundation; The David and Elaine Potter Foundation; Mr R Delbridge; Dr E Dunn; The Eranda Foundation; The Esmée Fairbairn Foundation; Ethiopaid; The Gatsby Charitable Foundation; Mrs J Hunt; Lloyd’s Register Educational Trust; Mrs Y Perret; PF Charitable Trust; The Roger and Jean Jefcoate Charitable Trust; Santander; The Shears Charitable Foundation; The Sir James Knott Trust; and The Waterloo Foundation.

Vice-Chancellor’s Circle members

Mr G Ahier; Mr and Mrs M Bean; The Big Give; Dr D Day; Mr J Devlin; Dr J Drysdale; Mr I Dykes; Mrs G Goodwin; Sir Brandon and Lady Gough; Lord Haskins; Mr P Hewitt; Miss D Hind; Mr I Johnson; Mr M Lugton; Mr S Morris; Mr F Neale; Sergeant D Poultney; Ms G Rumley; Dr D Speller; Mr R Staines; Mr M Steen OBE; Thriplow Charitable Trust; Mr P Todd; and two anonymous donors.
## Timeline – a snapshot of the OU year

### October 2009
6  Moth discovery on iSpot
A photo of an unusual-looking moth was identified as being the Euonymus Leaf Notcher moth – never before identified in the UK – after being posted on the OU’s website that helps people identify plants and wildlife.

### March 2010
March 2010
12  Times Best Places to Work
The OU is the highest ranking Higher Education institution in the 2010 Sunday Times Best Places to Work in the Public Sector list. Placed in the list at number seven, the OU is ranked higher than any other public sector organisation for the categories ‘giving something back’ and ‘fair deal’.

March 2010
22  World of Inspiring Learning launch
The OU’s Marketing and Sales team launched the World of Inspiring Learning campaign, an ambitious communications project that will shape the University’s 300 annual campaigns.

March 2010
25  Carbon Trust Standard
The Open University has been awarded the Carbon Trust Standard in recognition of its measuring, managing and reducing its carbon emissions across all its national and regional centres.

### April 2010
April 2010
21  AACSB re-accreditation for Business School
The University received re-accreditation for an additional six years from the Association to Advance Collegiate Schools of Business (AACSB).

All aspects of The Open University Business School were reviewed and it was judged on how well it meets its defined mission.

### May 2010
May 2010
25  Carbon Trust Standard
The Open University has been awarded the Carbon Trust Standard in recognition of its measuring, managing and reducing its carbon emissions across all its national and regional centres.

### July 2010
July 2010
7  Opening of Alan Turing Building
The Alan Turing Building, home to The Open University’s Faculty of Mathematics, Computing & Technology (MCT), was opened at a ceremony attended by the ‘Father of Computer Science’s’ nephew, Sir John Dermot Turing.

Alan Turing’s codebreaking work at Bletchley Park, a short distance from the OU’s Walton Hall campus, has been credited with shortening the Second World War by two years.

Vice-Chancellor Martin Bean said: “The plaque on this building serves as a reminder to everyone, every time they walk through these doors, that we draw inspiration from a brilliant man whose life was tragically cut short at such a young age [41].”

### Re-accreditation by the Middle States Commission
The OU secured re-accreditation by the Middle States Commission on HE for an additional five years.

The Commission, a non-governmental agency based in Philadelphia, is valuable to the University because it allows testing of systems and a questioning of commonsense assumptions, which can then be improved upon.

It also provides a marker of exceptional quality recognised in the USA.
her award in a special ceremony at Parc y Scarlets, Llanelli.

Rhydian Thomas of NIACE Dysgu Cymru said: “We all remember teachers who inspired us in school, and there are figures of inspiration like Anne that have an equally strong impact on adult learners.”

March 2010

5 Opening of Catering Hub
An ambitious new catering facility at Walton Hall opened for business in 2010. The project was financed from the Higher Education Funding Council for England (HEFCE) capital grant.

Left: The new Catering Hub

The major refurbishment took into consideration the environmental impact with the installation of energy-efficient kitchen equipment and solar paneling.

While the footprint of the building has increased by 25 per cent, its carbon footprint has remained the same.

April 2010

New HQ in Belfast
The new headquarters of The Open University in Ireland was officially opened by Vice-Chancellor Martin Bean. The OU has invested £4.5 million in a listed building with state of the art equipment.

The new headquarters at 110 Victoria Street, Belfast, accommodates 58 university staff who support 350 part-time associate lecturers and more than 7,500 students throughout Ireland.

Over the last year student numbers have increased by more than 10 per cent in both Northern Ireland and the Republic of Ireland and this new hub will attract even more people throughout Ireland into higher education.

Right: OU in Ireland Director Rosemary Hamilton; Lord Mayor of Belfast Councillor Naomi Long; and OU Vice-Chancellor Martin Bean

June 2010

9 John Oates’s Vortex film
The first feature-length film to be co-produced by the OU has been previewed at the University.

Filmed over a period of six months, Vortex is a social documentary feature film that shows the lives of Roma families in a small village in Hajdú-Bihar county, north-east Hungary, close to the Romanian border.

The film, directed by John Oates, Senior Lecturer at the OU’s Centre for Childhood, Development and Learning, focuses on the experiences of three families and follows their hardships and setbacks.

July 2010

23 General Social Care Council reapproval of social work degree
The OU’s social work degree programme has been reapproved for the next five years by the General Social Care Council which described it as “outstanding”.

The inspection team commended the degree as an excellent model of engagement with all stakeholders and they were impressed that work-based learning for OU social work students includes more face-to-face contact than in many other universities.

In Scotland, the Social Work Renewal of Approval was successful without conditions.

27 PM’s delegation to India
Martin Bean was one of just four Vice-Chancellors to visit India with the Prime Minister, six cabinet ministers, plus other influential figures from the worlds of industry, culture and sports, local government and technology.

Universities Minister David Willets, who was among the delegation, said that the higher education sector in India was expanding on an “extraordinary scale”, with 40 million extra university places and 1,000 new universities needed by 2020.

He said the OU was in a position to help India improve distance learning and teacher training.
## Financial highlights 2009/10

### Results, cash flows, assets and reserves

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 31 July 2010 £m</th>
<th>Year Ended 31 July 2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding body grants</td>
<td>244.0</td>
<td>233.7</td>
</tr>
<tr>
<td>Tuition fees and education contracts</td>
<td>156.7</td>
<td>141.6</td>
</tr>
<tr>
<td>Research grants and contracts</td>
<td>17.0</td>
<td>15.4</td>
</tr>
<tr>
<td>Other income</td>
<td>29.1</td>
<td>24.3</td>
</tr>
<tr>
<td>Endowment and investment income</td>
<td>3.3</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>450.1</strong></td>
<td><strong>421.0</strong></td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>424.6</strong></td>
<td><strong>411.4</strong></td>
</tr>
<tr>
<td><strong>Surplus for the year</strong> before taxation and exceptional items</td>
<td><strong>25.5</strong></td>
<td><strong>9.6</strong></td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td><strong>29.2</strong></td>
<td><strong>12.9</strong></td>
</tr>
<tr>
<td>Net returns on investments and servicing of finance</td>
<td><strong>3.3</strong></td>
<td><strong>9.3</strong></td>
</tr>
<tr>
<td><strong>Net cash flow before Investing activities and tax</strong></td>
<td><strong>32.5</strong></td>
<td><strong>22.2</strong></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>182.4</td>
<td>178.8</td>
</tr>
<tr>
<td>Endowment assets</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Net current assets</td>
<td>78.4</td>
<td>42.6</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td><strong>261.2</strong></td>
<td><strong>221.9</strong></td>
</tr>
<tr>
<td><strong>Total reserves</strong></td>
<td><strong>166.1</strong></td>
<td><strong>140.0</strong></td>
</tr>
</tbody>
</table>

### Other key statistics

- **Number of full-time equivalent students**: 83,826 (2010) vs. 78,110 (2009)
- **Total number of students**: 263,735 (2010) vs. 251,639 (2009)
- **Percentage of students satisfied with the quality of their course** (taken from the respondents to the National Student Survey): 943% (2010) vs. 94% (2009)
Results for the year

The Group's results are summarised in the Financial Highlights on page 28.

Total income increased by £29.1 million or 7% to £450.1 million.

Funding body grants increased by £10.3 million or 4% to £244.0 million. The recurrent grant from the Higher Education Funding Council for England (HEFCE) was £191.2 million and represented 86% of all recurrent grants from the various funding bodies. It increased by £9.2 million or 5% from the total of £182.0 million in 2008/09 as a result of grant inflation and additional student numbers. The increase in recurrent grants from other funding bodies generally kept pace with inflation.

Fee income increased by £15.1 million or 11% to £156.7 million. The bulk of the increase was in respect of fees paid by students, or on their behalf by their employers, in the United Kingdom, which increased by £13.1 million to £133.8 million. The overall increase results from a combination of general fee inflation and the increase in student numbers referred to above.

Income from research grants and contracts increased by £1.6 million or 10% to £17.0 million, due to increased value of work funded from Research Councils and other sources. Other income increased by £4.8 million or 20% to £29.1 million. Endowment and investment income decreased by £2.7 million or 45% to £3.3 million as a result of much reduced interest rates.

Expenditure increased by £13.2 million or 3% to £424.6 million.

Total staff costs increased by £12.4 million or 5% to £275.2 million. £2.9 million of this increase resulted from the nationally negotiated pay awards and progression of staff up incremental pay scales, and £3.0 million from increased employer contributions to the Universities Superannuation Scheme. A further £2.4 million is the result of an early retirement scheme, launched in July 2010. The balance of £4.1 million arose from an increase and change in mix in full-time and part-time staff.

Other (non-pay) operating expenses, excluding depreciation and interest, increased by £3.6 million or 3% to £137.6 million.

The net result was a surplus before tax and exceptional items for the year of £25.5 million compared to £9.6 million last year.

The 2009/10 surplus as a percentage of income was 6%. This highly creditable result was due to a combination of factors affecting both income and expenditure. The major improvement in the surplus arose from cost increases being held at a much lower rate than the increase in income, as a programme began to reduce costs over an extended period to meet cuts in teaching grant as a result of the previous government's decision to end funding for students in England studying for 'equivalent or lower qualifications' to those they already hold, and the new coalition government's stated intention to reduce the public expenditure deficit.

The early commencement of expenditure reductions allows costs to be cut in a measured way so as to ensure that the quality of service to students is maintained, and has the beneficial effect of increasing the University's reserves at a time of such great uncertainty and which will allow time to deal with any unexpected revenue reductions. This has been particularly important as the funding body grants for 2009/10 included £21.2 million of time-limited grants that are being phased out over the next three years.