

THE COUNCIL

Council Governance Review Report

This paper provides a further report and recommendations from the Group established to undertake a review of the effectiveness of the University's Council Governance. The Review was conducted during the period January to June 2016 and was supported externally by the Good Governance Institute (GGI).

The report was first presented to the Council in July 2016; the recommendations have been revised in light of feedback at that meeting and subsequently.

The Council is asked to **agree** the recommendations from the Council Governance Review Group (paragraphs 5-6).

INTRODUCTION

- 1 This report was first presented to the Council on 12 July 2016 (C-2016-03-16). However, it was acknowledged that there had not been sufficient consultation with the Council, particularly with the chairs of the Council committees, and that members had only had a few days to digest the report. The Chair proposed that an additional meeting of the Council be held early in the autumn and Council members were invited to send their comments to the Chair and the University Secretary on the report. The background to the Review process previously provided to Council can now be found at Appendix 1.
- 2 The comments received from members since the July meeting have been collated and considered by the Council Governance Review Group. A summary of the feedback and the way it has been taken forward is attached at Appendix 2.
- 3 In view of the broad support expressed for the majority of the recommendations the Review Group has agreed to put these forward again to the Council for approval. The main areas where views diverge are the size of Council, the committee structure and the introduction of strategic advisory and stakeholder groups. Further input from Council members will be sought during the workshop on roles and responsibilities at the Council Induction and Development day on 27 September 2016. The Academic Quality and Governance Committee and the Senate will also consider the report first presented to the Council in July at their meetings in October. These will both inform further consideration with the aim of bringing recommendations to the Council in November 2016.
- 4 Immediate action has been taken on the need to improve communication and engagement with Council members (see recommendation in paragraph 6j below). A proposed approach appears elsewhere on Council's agenda for comment (C-2016-04-03).

RECOMMENDATIONS

Core Governance

- 5 The Council is asked to **agree**:
- a) revised terms of reference for the Membership Committee, which it is proposed is renamed the Governance and Nominations Committee, to take forward further work on Council size and committee structure referred to in b) and c) below. The proposed constitution is attached at Appendix 3;
 - b) that the size of Council be reduced, but the size of the reduction and the balance of membership be referred to the Governance and Nominations Committee for report back to the Council in November 2016;
 - c) to refer the matter of Council committee structure to the Governance and Nominations Committee for report back to the Council in November 2016. The introduction of Strategic Advisory and Stakeholder Groups will be put on hold pending a decision on committee structure.

Note – the University Secretary and Director, Academic Services will meet with the OU Students Association to progress ideas for increasing opportunities for Council to engage with students and will bring recommendations to the Governance and Nominations Committee on this in due course.

- 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 will inform the Governance and Nominations Committee report to the Council on committee structure in November 2016;
 - ii) to consider the Good Governance Institute (GGI) report as a whole and report back to the Council in November 2016 on the implications for its own effectiveness and relationship with the Council;
- 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;
- f) to introduce an annual assessment of risk appetite in full Council;
- 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.

Governance Support

- 6 The Council is asked to **agree**:
- a) to review the roles and processes for the appointment, induction and performance review of members of the Council and its committees, including Chairs;

- b) to introduce a governance development programme to grow confidence, capacity and the effectiveness of members over time;
- c) to introduce a single code of conduct for everyone engaged in governance activities;
- 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';
- 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;
- f) to introduce a new fifth joint meeting of the Council with the Senate to consider business of joint concern;
- g) that support to all Council committees be the responsibility of the Governance Team to ensure greater consistency;
- 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;
- 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;
- 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.

IMPLEMENTATION PLAN

- 7 The Governance and Nominations Committee will consider the matter of the size of Council and its committee structure and report back to the Council at its meeting in November 2016. The comments of the Academic Governance and Quality Committee and the Senate will inform this consideration. An implementation plan for the remaining recommendations will be developed by the Governance Team and also reported back to the Council in November.

RISK ASSESSMENT

- 8 As stated by GGI in the concluding section of their report "the governance of the University is sound but will need to be strengthened to meet the challenges it faces and to support the ambition which drives its strategy" (Appendix, page 36). The recommendations provide opportunity to do just this. Failure to implement them could lead to less effective governance impacting on the University's ability to achieve long term success and would disregard comments made by members during the review process.

EQUALITY IMPACT

- 9 The importance of having a suitably diverse, skilled and experienced governing body as recommended in the Codes of Governance (CUC and Scottish) is, as noted by GGI, particularly relevant to the Open University. The Council's Diversity Policy is considered elsewhere on the Council's agenda (C-2016-04-04). It is recognised that the ability of the University to achieve the objectives set out in that Policy could be impacted by approval of the recommendation to reduce the size of the Council. The Governance and Nominations Committee will monitor performance against the Diversity objectives and report to the Council annually.

COMMUNICATION

10 This report is not confidential.

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Attachments:

- C-2016-04-02 Appendix 1: Background to the Council Governance Review
- C-2016-04-02 Appendix 2: Council member feedback
- C-2016-04-02 Appendix 3: Governance and Nominations Committee draft constitution

BACKGROUND TO THE COUNCIL GOVERNANCE REVIEW

1 The Council agreed at its meeting in November 2015 to establish a Group to review the effectiveness and performance of the Council and its substructure in accordance with good practice set out in the Committee of University Chairs (CUC) Higher Education (HE) Code of Governance and the Scottish Code of Good HE Governance.

2 The Group comprised:

- a) a Chair, who is a lay member of the Council - Richard Gillingwater, Pro-Chancellor
- b) two external co-opted members of the Council - Paul Greenwood, Dr Shonaig MacPherson
- c) two appointed members of the Council (University staff and students), one of whom is a Senate appointed member *and one of whom is a student**

Professor John Wolffe, Jake Yeo*

*Ruth Tudor, President, OU Students Association had been proposed as the student member of the Review Group. However, due to other commitments, Ruth delegated this role to the OU Students Association General Manager, Rob Avann. As Mr Avann is not a member of the Council, he could only be 'in attendance' at the meetings of the Review Group. Consequently, another Senate member, Jake Yeo, was appointed in category c).

3 The Good Governance Institute (GGI) were appointed to support the Review Group in accordance with good practice set out in the Scottish Code of Good HE Governance. The methodology followed by GGI is set out in section 2 of their report (Appendix, page 9).

4 The Review Group itself met four times as follows:

- January 2016 (by correspondence) to consider a project plan;
- March 2016 to approve the project plan and consider reports prepared by the Governance Team on the recommendations of previous reviews, lessons learned from recent governance failures and sector benchmarking;
- May 2016 to consider an oral report from GGI on the interviews and surveys they had conducted; and
- June 2016 to consider GGI's draft report with recommendations.
- September 2016 (by correspondence) to consider the additional feedback on the report.

5 GGI found that the University's governance arrangements served the University well, that the governance system was 'sound' and that business was being effectively discharged. A radical review was not felt to be needed particularly at a time of great change for the University, both internally and externally (note the report was finalised prior to the Brexit vote which adds a further challenge). GGI did however 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.

Feedback received on the Council Governance Review

Summary

16 responses received (10 external, 5 internal + OUSA response)

- Broad agreement to the majority of the recommendations.

Response: paper to the formal Council meeting seeks approval on those recommendations where there is broad agreement. It is also recommended that the Governance and Nominations Committee be established, through revision of Membership Committee's terms of reference, to enable further work to take place on size and committee structure where views diverge. This aligns with the establishment of the Academic Quality and Governance Committee with responsibility for academic governance in the Senate committee structure.

- Areas of divergence:

1. size of Council
2. Council committees

Response: the workshop on roles and responsibilities will be seeking input to inform the new Governance and Nominations Committee consideration of both size and the committee structure before reporting back to the Council in November

3. Strategic Advisory and Stakeholder Groups

Response: pending decisions on committee structure these recommendations to be put on hold

4. implementation timeline

Response: A paper will come back to Council in November. The need to maintain momentum balanced with the need not to distract from implementation of the Students First Strategy will be taken into consideration.

Feedback received on the Council Governance Review

Comments relating to the overall report and recommendations

Theme	Specific comments	Our response
Overall	<ul style="list-style-type: none"> • Governance is not 'broken', fundamental issues are tensions between academics / Senate and the broader university, adaption to change etc. Changing structures and processes do not address the underlying issues. Urgent action not needed, focus on improving the way Council operates within existing structures by building up teamwork and open and trusting relationships • Fully endorse many of the elements and recommendations and very happy to support their delivery. • I am pretty confident it is seen by most members as thorough and sensible. The main issue raised was about transitional arrangements and specifically to ensure good sub-committee work is not lost before an adequate alternative is in place. • I support the premise of the report • Broad support for the main proposals on size and committees, Council is asked to "rubber stamp" business agreed outside • I think this report is excellent and very perceptive. I am happy to agree to the recommendations, especially in respect of size and more focus on active discussion (rather than listening) in meetings. I also agree that we should be seeking lay members with a wide variety of experience and giving them greater opportunity to be actively involved in discussions and decision making, rather than delegating to committees. • Overall, it is a well-written, analytical report. • It is important not to underestimate the value of the conclusion that the OU is well-governed and that the current governance arrangements are fully compliant with the CUC and Scottish Codes. The report suggests some of the proposed changes are "needed". While I support the general direction of the recommendations and much of the specific detail it is with a mind to improve from a current good position. It is to move from good to better. • I am in broad agreement with the thrust of the recommendations of the report. • I fully agree with the conclusions of the Review. In particular, I agree that the balance of membership should be reviewed, and that Council would benefit from more professional diversity among its external members. 	<ul style="list-style-type: none"> • The recommendations for a new Joint Business Committee and a joint meeting of the Council and the Senate aim to address the underlying tensions from a governance perspective. • Further input will be sought at the September workshop on role and responsibilities. This will inform consideration by the Governance and Nomination Committee who will report to the Council in November on size and committee structure.

Feedback received on the Council Governance Review

Comments relating to the overall report and recommendations

Theme	Specific comments	Our response
Role of Council	<ul style="list-style-type: none"> • Should include agreeing the strategic plan, monitoring against strategic KPIs, proactive monitoring of strategic risks • Is there a holding to account role for Council • Should staff be regarded as a key stakeholder. If so the role of Council in overseeing people and culture theme needs to be explicit • I do not think the Council currently operates very effectively for a number of reasons...significant change is required. • ...there does seem to be genuine questioning of where Senate's remit ends and where and when Council has the right to make decisions, irrespective of the views of Senate in the overall governance of the institution. I do not believe that the recommendations in the GGI report will address that fundamental schism. 	<ul style="list-style-type: none"> • The role of Council is set out in the University's Charter and Statutes and in Council's constitution. A workshop on the role and responsibilities of Council is taking place as part of the Induction and Development Day on 27/9. • A review of the Charter and Statutes is recommended for approval by the Council. If approved members of the Council and the Senate will be invited to support the review.
The Review process	<ul style="list-style-type: none"> • The GGI report was not evidence based e.g. interviews were not recorded, no evidence of the benchmarking. Difficult to tell which points were factual and which were more individual • I have felt fully involved in the process and to my mind the process, the timeline and the objectives of the Review were reasonable and transparent. I found the individuals conducting the Review to be well-informed, engaging to speak to and professional. • The common thread I can see (<i>not just this item</i>) is more of rushing papers through to meet a deadline and not being left with sufficient time for socialisation of the recommendations 	<ul style="list-style-type: none"> • The GGI report was one part of the Review. The Review Group also considered papers prepared by the Governance Team on lessons to be learned from governance failures (HE sector and outside), benchmarking and an update on the implementation of recommendations from the 2009/10 review. • The GGI report suggested a governmental green (initial idea) / white paper (proposal for approval) approach which will be adopted where appropriate going forward.

Feedback received on the Council Governance Review

Comments relating to the overall report and recommendations

Theme	Specific comments	Our response
Implementation timeline	<ul style="list-style-type: none"> • ..., the recommendations need to be considered as a package with implementation sequenced carefully to optimise outcomes, smooth transition and minimise unintended consequences. • The main issue raised was about transitional arrangements and specifically to ensure good sub-committee work is not lost before an adequate alternative is in place. • I think three years is far too long for an implementation timetable. I am not sure why these proposals can not be implemented in months...certainly no longer than a year. • ...a move to swiftly and comprehensively implement all the recommendations in the report could consume too much time from key senior managers and their colleagues. If implemented in full, this report would mean a great deal of additional work in short order. The specific fear would be that this is could consume a lot of energy when the focus should be implementing the <i>Students First</i> strategy, • The Chair and the VC are put in a difficult situation by Council members who are asking them to act more swiftly and decisively while at the same time asking for longer consideration times and greater involvement in the discussions leading up to their decisions. This does not strike me as a consistent position. • While I fully appreciate the desire to deal with this matter expeditiously, it is evident that the process of the Working Group has itself given rise to tensions which have exacerbated matters...I am also acutely conscious of the vast amount of work and change currently underway within the University and that governance could become a major distraction. This risk has to be balanced against putting in place a relatively quickly devised set of recommendations which may not address the fundamental issues that I alluded to earlier The GGI report should be parked and a Joint working group of the Council and the Senate be established to review governance over a 2 year period starting with the Charter and Statutes review, development of an integrated assurance model then structure, membership and business. 	<ul style="list-style-type: none"> • Council will be asked to approve a number of recommendations where there is broad agreement at the meeting on 27/9. • The Governance and Nominations Committee will take forward work on the recommendations where views diverge – size and committee structure. • As originally intended an implementation plan will be developed for the November Council meeting for all recommendations. Balancing the need to maintain momentum with the need not to distract from implementation of the <i>Students First</i> Strategy will be taken into consideration. • A review of the Charter and Statutes is recommended for approval by the Council. If approved members of the Council and the Senate will be invited to support the review.

Feedback received on the Council Governance Review



REMINDER OF RECOMMENDATIONS MADE IN JULY - CORE GOVERNANCE

9 The Council is asked to **agree:**

- a) that the size of Council be reduced, but the size of the reduction and the balance of membership be referred to the new Governance and Nominations Committee for report back to the Council in November 2016 with a final recommendation and plan to achieve it;
- b) that the Senate, through the Academic Quality and Governance Committee, be asked:
 - i) to advise the Governance and Nominations Committee on the balance of Senate's membership of the Council; and
 - ii) to consider the GGI report as a whole and report back to the Council in November 2016 on the implications for its own effectiveness;
- c) that Council's Committees be rationalised down to four primary committees:
 - i) Finance and Resources
 - ii) Governance and Nominations, with Remuneration as a subcommittee
 - iii) Audit
 - iv) Ad-hoc committees, time-limited as required, e.g. Strategy and Planning to support major reviews of the University's strategy;

10 These committees will have the power to establish subcommittees when required. The Finance and Resources Committee will give consideration to incorporating the work of the Investment Committee or to retaining the Investment Committee as a sub-committee in developing its own terms of reference.

- a) as a consequence of recommendation c) to disestablish the Strategic Planning and Resources, Staff Strategy, Estates, Development and Health and Safety Committees;

The University Secretary will report annually to the Council on matters of staff and student health and safety.

- b) to adopt an integrated assurance model in order to consolidate formal governance principles, process, standards and practices into a single framework across the University;
- c) to introduce an annual assessment of risk appetite in full Council;
- d) to refer to the University Secretary for report back to the Council in November 2016 the proposal to develop an OU Impact and Performance Report to strengthen public accounting and openness.

Feedback received on the Council Governance Review

Comments relating to Core Governance recommendations

Theme	Specific comments	Our response
<p>Size and makeup of Council (para 9a)</p>	<ul style="list-style-type: none"> • The suggestion on numbers and mix is entirely sensible • As long as the OU exists as a distributed university operating from more than one location, the perspective of staff who are not based in MK should be retained • I welcome the proposal to reduce the size of Council and to bring more issues to Council rather than deal with them in Committees. The corollary is that meetings will need to be longer to enable fuller discussion • A reduction in the number of Finance members should be proportionate to the reduction in the size of Council itself • We should take account of Senate's views before making any decisions on size • Contracting the size of Council will not help with diversity • reducing the size of Council (and I think between 16 and 18 people is still too big) should make it easier to have discussions at meetings. • I strongly support the need for more external members with HE experience • A modest reduction in the number of Council members would help a more efficient and deliberative governance process for the university, though... I think the reduction envisaged in the report is somewhat too great. • While some reduction in size would be beneficial for 'agility' this needs handled with care. A reduction over two years to 16 would be challenging. • I agree that the size should be reduced with 16-18 sounding about right. I agree that the make up of the external members of Council should be reviewed - currently there are too many members wearing finance/audit hats and not enough with knowledge and expertise of the world the OU operates in i.e. external HE experience. • The GGI report claims that reducing the size of the Council will 'enhance its strategic focus and decision-making' but the evidence underlying this assertion is not clearly explained. I welcome the recommendation that student and Senate representation should be maintained but also believe that ALs should continue to be represented. I would also support the recommendation to increase representation of Council members with relevant higher/further/commercial education experience. • I fully agree with the conclusions of the Review. In particular, I agree that the balance of membership should be reviewed, and that Council would benefit from more professional diversity among its external members. • I do accept that if at all possible Council should be reduced in size but care must be taken to ensure that it does not adversely impact on the number of representative members when there is a need to rebuild trust with staff. 	<ul style="list-style-type: none"> • Further input will be sought at the September workshop on roles and responsibilities. This will inform consideration by the proposed new Governance and Nominations Committee who will report to the Council in November. • The size of Senate representation on the Council and the full GGI report will be considered by The Academic Quality and Governance Committee at a meeting on 6/10; and by the Senate at its meeting on 19/10. • The Governance and Nominations Committee will be responsible for monitoring performance against the Council Diversity Policy including the new equality objectives approved by the Council.

Feedback received on the Council Governance Review

Comments relating to Core Governance recommendations

Theme	Specific comments	Our response
<p>Number of committees (para 9c)</p>	<ul style="list-style-type: none"> • The proposal to reduce the number and makeup of the committees also very sensible. ToRs will need to be robust • We should not abolish committees until the Council has reduced in size and it therefore becomes practical to deal with matters at greater depth in Council • I am not aware of all the matters dealt with but I have been surprised by the nature of some (eg Staff Strategy, Estates, Health and Safety) which deal with matters that I think should more properly be handled by the executive management, who should then make proposals to Council for its discussion, input and (hopefully) agreement. I think having members of Council on these committees (often as Chair) blurs boundaries between executive and non-executive roles. • As a matter of general principle cutting the number of committees can help improve the feeling of inclusion and enhance transparency for all Council members. • While agreeing with much that is proposed here I suggest there is a clear statement on where the current business of the committees to be disbanded will be taken. • I agree with the recommendation to reduce the number of Council committees and would support the Estates Committee not being a Council committee although there is a need for oversight and direction for the function. One of the problems with the Council meetings is the amount of time spent on reviewing committee reports and reducing this is necessary. • I also share the concern that too much business of Council is conducted in small groups and then not fully explored and tested at full Council meetings. I endorse the recommendation that some of the Committees should be disbanded - it is important for all members of Council to test evidence and review key recommendations, rather than rely on that analysis having been done by a smaller group. • This was not expressly explored in the Review, but we should consider whether it may sometimes feel harder for Council members to challenge the Chairs of Committees on the discussions that were had - and concluded - at Committee meetings, than it would be in an open discussion around the Council table.... I agree with the view expressed by many external members on previous occasions that the Executive should be committed to timely and decisive decision making, and that on occasion this may require swift turnarounds and short-term availability from External Members, as you would expect in the private sector. • It would help Council if there was more time in Council Meetings for deliberation on key strategic matters, with less reporting back on the work of key committees. • I agree that Estates, Development and Health and Safety Committees are not needed but I would want to be comfortable that there was adequate reporting to Council of the 50th Anniversary Campaign 	<ul style="list-style-type: none"> • Further input will be sought at the September workshop on roles and responsibilities. This will inform consideration by the Governance and Nominations Committee who will report to the Council in November.

Feedback received on the Council Governance Review

Comments relating to Core Governance recommendations

Theme	Specific comments	Our response
<p>SPRC (para 10a)</p>	<ul style="list-style-type: none"> • There is a widely held perception among OU staff colleagues that the real control resides with SPRC rather than Council itself. Its important that the relationship between the SPRC and Council is redefined in a way that the latter doesn't slip too easily into passive endorsement of decisions taken by the former. • Strategy and planning ...is a responsibility of the whole of Council and not just ad hoc committees • SPRC is a particular challenge and welcome its disestablishment - albeit I am concerned it will be kept as an ad hoc committee...this committee, in particular, deals with matters that should more properly be discussed with Council - and enhances the feeling that matters are decided by an "elite" for rubber stamping by Council. • The dissolution of SPRC will need careful handling, not least with the implication of losing a joint body of Council and Senate. The Joint Council / Senate Business committee could and should mitigate that, done well. I am also sympathetic to outcomes that enable greater quality time on the key strategic issues to be developed as part of Council's remit, for which SPRC (or equivalent) should not be a substitute in my view. • SPRC is not a committee with a parallel in most (all?) other universities. It has served a purpose in allowing some members to be engaged in discussion of difficult issues prior to full Council meetings. These debates should be held in Council. This would improve inclusion and transparency. • The proposal to fold SPRC into the Council is radical but would help to deal with the point that the report picked up that some Council members (including me) feel that all the important decisions are made elsewhere and the Council is not much more than a rubber-stamp. • ...abolishing SPRC at this point – given that it is a joint committee of Senate and Council – would be most unwise (and moreover presumably ultra vires for Council alone, as Senate would need also to agree?). I can see that the GGI recommendations propose alternative mechanisms for effective collaborative working between Senate and Council, which could replace it in the medium term, but tedious as it may be from an administrative point of view, politically I think these need to be set up and be seen to be working, before getting rid of SPRC. • SPRC is currently the key decision-making committee for strategic developments in the University and I would like to be reassured that the business of this committee will be given the same detailed consideration in the new structure. 	<ul style="list-style-type: none"> • Further input will be sought at the September workshop on roles and responsibilities. This will inform consideration by the Governance and Nominations Committee who will report to the Council in November.

Feedback received on the Council Governance Review

Comments relating to Core Governance recommendations

Theme	Specific comments	Our response
<p>Disestablish Staff Strategy Committee (para 10a)</p>	<ul style="list-style-type: none"> In view of the current leadership and culture challenges where will we see the people issues and feedback and be able to comment and challenge on those I would be reluctant to abolish it until both Council and existing members of SSC are satisfied with the alternative arrangements (there was) No external review of its effectiveness, nor a review of its ToR to decide if they are fit for purpose. Not clear how a strategic advisory group would be any different Employee representation is increasingly regarded as important to good governance and even to running companies. How will employee interests be represented on Council going forward Staff Strategy Committee plays a valuable role, especially at present. Again to abolish it precipitately would be likely to send all the wrong signals. I have concerns about replacing the current Staff Strategy Committee with a 'short-life' group which would only report to Council on an 'exception basis' (quotations from GGI report). I believe staff strategy needs to be an integral part of regular Council business and not just confined to an ad hoc committee dealing with issues of strategic change. 	<ul style="list-style-type: none"> Council will continue to approve the People Strategy. Responsibility for its implementation lies with management through HR. The Adaptive Org Culture strategic objective is addressing culture issues. Strategic staffing matters would be considered by Council itself. GGI did review SSC papers as part of the Review process. The establishment of Strategic Advisory and Stakeholder Groups will be put on hold pending further consideration of committee structure at the November meeting of Council.
<p>Investment Committee (para 10)</p>	<ul style="list-style-type: none"> I believe it appropriate to retain Investment Committee as a sub-committee of Finance since the skills and knowledge required are significantly different. Would prefer 'Finance and Investment' (rather than Finance and Resources) to avoid any suggestion the Committee is responsible for staffing I think we need a separate Investment Committee (if only because of the desired skill set of its members). I don't think it matters if it is a subcommittee of Finance and Resources or a separate committee. 	<ul style="list-style-type: none"> Agreed that Investment Committee is retained as a sub-Committee of the Finance Committee.

Feedback received on the Council Governance Review

Comments relating to Core Governance recommendations

Theme	Specific comments	Our response
Development Committee (<i>para 10a</i>)	<ul style="list-style-type: none"> The Development Committee has benefited from being a standing item on Council's Agenda. But in my experience we've only had full and detailed conversations about the Development Office work when it has been a separate (<i>Council</i>) agenda item, so I feel comfortable that the business that it is important for Council to know about and scrutinise (such as the 50th Campaign) will still be considered, possibly even in more detail, without being represented through a Committee. 	<ul style="list-style-type: none"> Further input will be sought at the September workshop on roles and responsibilities. This will inform consideration by the Governance and Nominations Committee who will report to the Council in November.
Risk appetite (<i>para 10c</i>)	<ul style="list-style-type: none"> Has this been prioritised enough, used to seeing a Risk Committee as part of an organisations governance I support the idea of involving Council more fully, this is a vital area 	<ul style="list-style-type: none"> The review proposes collective contribution and buy-in through discussion at Council itself.

REMINDER OF RECOMMENDATIONS MADE IN JULY - GOVERNANCE SUPPORT

11 The Council is asked to **agree**:

- a) to review the roles and processes for the appointment, induction and performance review of members of the Council and its committees, including Chairs;
- b) to introduce a governance development programme to grow confidence, capacity and the effectiveness of members over time;
- c) to introduce a single code of conduct for everyone engaged in governance activities;
- 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';
- 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;
- f) to introduce a new fifth joint meeting of the Council with the Senate to consider business of joint concern;
- g) that support to all Council committees be provided by the Governance Team to ensure greater consistency;
- 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;
- 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.

Feedback received on the Council Governance Review

Comments relating to Governance support recommendations

Theme	Specific comments	Our response
Rotation of meetings (<i>para 11e</i>)	<ul style="list-style-type: none"> • Agree as long as it serves a purpose e.g. real interaction with devolved organisations and enhanced political engagement • I am not convinced that the other four Council meetings should all be in different locations. Certainly at least one meeting each year should be in one of the four UK nations and perhaps one should be in an English region. However, I am concerned that if every meeting (other than the joint meeting with Senate) is in a different location it might adversely affect attendance at meetings given the logistical challenges. • More meetings away from MK are a good idea, but probably best not overdone. I would suggest one meeting a year in Scotland, Wales or NI, one meeting in an English region (NOT just one with a remaining OU location) and the remainder at WH. 	<ul style="list-style-type: none"> • It is intended that meetings held in other locations do take the opportunity for local engagement (as demonstrated at the Edinburgh meeting). • The formal meeting will consider a paper proposing an approach to stronger and more effective communications and engagement with members – the paper includes a schedule of meetings for 2016/17. Feedback will be sought on this.
Joint Senate meeting (<i>para 11f</i>)	<ul style="list-style-type: none"> • The suggestion that Council get to visit Senate is very positive • Also fine with me • I welcome the proposal to have a joint meeting of Council and Senate. Addressing issues in the relationship with Senate is critical. • In addition to the points made in the GGI report, this meeting may also enhance understanding of the relative responsibilities of Council and Senate; these are currently not well understood across the University. 	<ul style="list-style-type: none"> • It is proposed the first such meeting take place in April 2017.
Governor Development Programme (<i>para 11b</i>)	<ul style="list-style-type: none"> • I would support this proposal. Council members have an effective induction to the role but would benefit from continuing professional development. This applies to internal as well as external members. • I support the recommendations on Governance Development 	<ul style="list-style-type: none"> • Opportunities for continuing professional development are currently available but will be enhanced by a new programme.
Alternative delivery of information (<i>para 11d</i>)	<ul style="list-style-type: none"> • I welcome this proposal and would support greater variety in the way information is presented to Council as well as more opportunity for discussion in small groups as well as full Council. 	

REMINDER OF RECOMMENDATIONS MADE IN JULY - ENABLING ACTIONS

12 The Council is asked to **agree**:

- a) to establish a Joint Business Committee to manage the flow of business between the Council, the Senate and the Vice-Chancellor's Executive; the continued need for this committee to be reviewed annually;
- b) 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;
- c) to establish short-life Strategic Advisory Groups to support key areas of strategic delivery; the number, membership (including student membership) and areas to be considered by the Vice-Chancellor's Executive for report back to the Council in November 2016;
- d) to refer the setting up of Stakeholder Groups to the Director, External Engagement.

A student stakeholder group formed in partnership with the OU Students Association (OUSA) has been suggested as one group that could pilot an approach to be adopted by other Groups when required. Another could be set up to support the University's 50th Anniversary campaign.

Feedback received on the Council Governance Review

Comments relating to Enabling actions recommendations

Theme	Specific comments	Our response
Visibility and connectivity (<i>para 12b</i>)	<ul style="list-style-type: none"> • More notice where there is opportunity to get involved, sometimes it feels 'too hard' to be supportive (views and participation 'not wanted'!) • Council members should be encouraged to communicate after meetings and a summary of decisions circulated • A little more collaboration and stakeholder management would be useful to engender more team spirit and continuity between and during meetings 	<ul style="list-style-type: none"> • The formal meeting on 27/9 will consider a paper proposing an approach to stronger and more effective communication and engagement with members.
Strategic Advisory and Stakeholder Groups (<i>para 12 c & d</i>)	<ul style="list-style-type: none"> • We need more details of how these will be constituted and how they will work • Should be student representation on the various groups mentioned • Concern re responsibility for stakeholder groups being assigned to the Dir, EE as no relationship with this role • Strategy needs to be developed by VCE in consultation with the whole of Council. Specialist advisors or internal inputs can be secured without setting up more groups. Defeats the purpose of the CGR to streamline • Why do we need a separate student stakeholder group when the strategy is about Students First? Risk current student interests will predominate and we will focus insufficiently on future students and the way the market is changing. • How will staff stakeholder Group relate to the People and Culture (AOC) strategic advisory group. Also not sure what difference there will be between a Strategic Advisory Group and the current SSC • Equality, Diversity and Inclusion should be integrated into the Strategic Advisory Group • The new sub-groups (Strategic Advisory Groups which seem to replace in-part some of the business of current Cttees of Council, and Stakeholder Groups) need to have a very clear purpose, status and remit; for example, it remains unclear to me where they plug-in, whether as advisory to management or governance or both. Some might argue it doesn't matter but it would be unfortunate to further muddy waters and exacerbate recent experiences / perceptions around what is 'governance' versus 'management', particularly if there is a perception of important business side-stepping governance through these groups. This review is a key opportunity to clarify rather than confuse on these matters. 	<ul style="list-style-type: none"> • Recommendations will be put on hold pending discussion of roles and responsibilities at the September workshop. This will inform consideration of committee structure by the Governance and Nominations Committee for report to the November Council meeting.

GOVERNANCE AND NOMINATIONS COMMITTEE

CONSTITUTION – DRAFT 27.09.2016

Purpose

The Governance and Nominations Committee is responsible for recommending to the Council external co-opted members of the Council, and Council membership of Council committees. It monitors the effectiveness of Council membership and advises the Council on matters relating to the role of Council members. It is also responsible to the Council for assuring the effectiveness of the University's Council governance arrangements.

Terms of Reference

Membership

1. To recommend the appointment or re-appointment of external co-opted members of the Council, including recommendations on periods of office in accordance with Council Standing Orders.
2. To recommend the appointment of Council members to committees of the Council and to other committees of the University, including University Officer and senior staff appointment committees where Council members are to be appointed.
3. To recommend the appointment of externally co-opted members of Council committees where appropriate, after discussion with the Committee Chair.
4. To advise on, monitor and review the processes for appointment and election to the Council, including succession planning processes, ensuring that they match or exceed best practice in the sector for openness, transparency, diversity and equality standards.
5. To monitor and review the Council skills register as an active tool which supports the best use of the skills, expertise and contribution of all Council members.
6. To maintain role specifications for chairs and members.

Balance and Diversity

7. To review and assess the composition of the Council, and its committees taking into consideration the balance of knowledge, experience and skills required, diversity and other factors relevant to its effectiveness, and to advise the Council accordingly.
8. To conduct an annual review of the Council Diversity Policy, to assess its effectiveness and the continuing relevance of the objectives, and to recommend any revisions that may be required.

Induction and Development

9. To monitor and review the processes for induction and development in relation to membership of the Council and its committees.

Performance

- 10 To monitor and review the contribution and performance of Council members and chairs of Council committees, and report the outcomes of the assessment of their effectiveness to the Council.

Governance

11. To develop, monitor and review the University's integrated governance assurance model comprising Council's Statement of Role and Primary responsibilities, Standing Orders and Schedule of Delegation.
12. To review arrangements for annual reviews of Council effectiveness and to recommend to the Council arrangements for major reviews of Council governance.
13. To approve amendments to constitutions of Council committees.
14. To review annually external developments in Higher Education Governance and report to the Council.

Membership

1. The Chair of the Committee shall be the Chair of the Council, Pro-Chancellor, *ex officio*.
2. Vice-Chair Council, *ex officio*
3. Vice-Chancellor, *ex officio*.
4. Two external co-opted member of Council appointed by the Council.
5. One member from the staff categories of Council membership appointed by the Council
6. One member from the student categories of Council membership appointed by the Council.

In attendance: University Secretary, Head of Governance

Secretary: Member of the Governance Team

Mode of Operation

1. The Committee, which is a committee of the Council, should meet at least twice a year, more often if required and as appropriate at other times specified
2. The Committee shall be quorate if three members, of whom at least two are from categories 1, 3 and 4, are present.
3. The Committee will report to the Council after each meeting (via minutes of the meeting)
4. The Chair will have the discretion to establish short-life working groups as required.