

THE COUNCIL

Minutes

This paper presents the unconfirmed Minutes of the last meeting of the Council held on 18 July 2017 at the Open University Student Recruitment and Support Centre (SRSC) in Manchester.

The Council **approved** these Minutes as a correct record at its meeting held on Tuesday 28 November 2017.

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THE COUNCIL

Minutes of the meeting of the Council held on Tuesday 18 July 2017 in Conference Rooms 1 & 2, the OU in the North West of England (OU NWE), Manchester.

Present: Mr R Gillingwater (Chair), Mr H Brown (Treasurer), Mr P Horrocks (Vice-Chancellor) Ms N Simpson (President OU Students Association), Dr J Baxter, Mr S Begbie, Mrs F Chetwynd, Mr J D'Arcy, Professor J Draper, Dr S Dutton, Ms R Girardet, Mrs R Lock, Dr T O'Neil, Mr R Spedding, Mrs R Spellman, Dr C Spencer, Professor W Stevely, Dr B Tarling, Ms S Unerman, Dr G Walker, Professor J Wolfe

In Attendance: Professor Hazel Rymer, Pro-Vice-Chancellor (Learning and Teaching Innovation), Professor Josie Fraser, Executive Dean, Faculty of Science, Technology, Engineering and Mathematics, Mr J Wylie, Acting University Secretary, Mr M Zuydam, Group Finance Director, Mrs D Turpin, Head of Governance, Ms Sue Thomas, Senior Manager, (Governance), Mr Laurence Holden, Interim Group Finance Director (for minutes 8 and 9) Ms Anna Barber, Head of Strategic Planning (for minute 11), Ms Louisa Allen, Strategy and Risk Manager (for minute 11).

Observers: Professor John Brooks (Vice-Chair elect), Mrs Fiona Roberts, Group Human Resources (HR) Director, Mr Tony Martin, Transformation Director, Mr L Hudson, Director of Communications

Apologies: Mr P Greenwood

1 WELCOME

- 1.1 The Chair welcomed everyone to the meeting, including Professor John Brooks (Vice-Chair elect), Mr Mel Zuydam, Group Finance Director, Mrs Fiona Roberts, Group HR Director and Mr Tony Martin, Transformation Director, who were attending their first meeting.
- 1.2 The Chair thanked Mr Billy Khokhar and Ms Anna Henderson, Heads of Student Support, Academic Services and Professor Hazel Rymer for their very informative presentations that morning on the work of Student Recruitment and Support Centres and OpenCreate, respectively.
- 1.3 On behalf of the Council, the Chair congratulated Ms Nicola Simpson on her election as President of the OU Students Association.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

C-2017-02-M & C-2017-02-CM

The minutes and confidential minutes of the meeting of the Council held on 9 May 2017, were **approved** as a true record, subject to the following amendment:

C-2017-02-CM: Minute 7.21, to read:

(deletions shown in strikethrough and additional text in italics):

The Acting President, OU Students Association, commented that the proposal lacked detail and agreed with the concerns about the business model, the risks, and the phasing and implementation plans. The paper did not have a strong student focus and was not explicit about the impact of the revised operating model on students and the student journey. The University had to ensure that students were able to succeed in the future, but it was also essential that the proposal did not have a negative impact on current students. The plans must be communicated in a positive way. ~~The OU Redesign project team had engaged well with the Students Association, but members of SMT were finding it difficult to engage staff as they were being provided with limited information.~~ *Ms Simpson commented that there had been recent improvements in engagement with the Students Association but engagement had not been as good as she would have expected.*

4 MATTERS ARISING AND ACTION TRACKER

C-2017-03-01

The Council **noted** the Council Action Tracker at July 2017.

5 CHAIR'S BUSINESS

The Chair had no business to report that was not covered elsewhere on the agenda.

6 VICE-CHANCELLOR'S REGULAR REPORT

6.1 The Vice-Chancellor thanked the Governance Team for their assistance with the arrangements for the meeting and colleagues in Manchester for their hospitality and warm welcome. He explained that the meeting would be an important opportunity to discuss progress on the OU Redesign project and the way it would be delivered, through the Students First Transformation Programme. Mr Horrocks reported on a number of issues with implications for the University.

Good Work: The Taylor Review of Modern Working Practices

6.2 The Vice-Chancellor welcomed the strong references contained within the Review, published on 11 July 2017, to lifelong learning and upskilling during working lives. The Department for Education had informally indicated that some support would be made available for adult learning but it was likely that this would be in technical education, so the University would need to reflect on how it could re-orient some of its activity towards developing relationships with, and student progression from, further education colleges, as is the case currently in Scotland.

Tuition Fees

6.3 Since the election, debate had increased on tuition fees for students. Mr Horrocks believed that there might be some amendments to repayment terms and possible pressure to retain fees at existing levels. However, he did not foresee any substantial changes on the affordability of part time fees and considered it unwise to refrain from necessary reforms in the belief that policy shifts might reduce the need for change.

Annual Institutional visit by the Higher Education Funding Council for England (HEFCE)

6.4 Representatives from HEFCE had visited the University earlier in the month and had raised two key issues facing the University, student retention and the financial implications of the OU Redesign project. As part of this year's Annual Provider Review, the University had been required to provide supplementary information to HEFCE on initiatives to improve student retention. HEFCE advised the University that there had been considerable discussion of this issue before confirming its overall satisfactory verdict and

Mr Horrocks advised the Council that he viewed this as a significant warning that urgent progress was required. He was concerned that due to its openness and delivery methods there was less consistent acknowledgement across the University of the need to improve student retention. Mr Horrocks commented that in England there appeared to be less regulatory and policy sympathy for this position and when making the case for openness, performance had to be improved.

- 6.5 During the institutional visit, HEFCE had also drawn attention to the financial implications of the OU Redesign project. The scale of the forecast deficit for next year was noted, but it had been confirmed that this was "not a concern, given that at the end of the proposed change programme the OU would still have a strong balance sheet".

FutureLearn

- 6.6 Two partnerships to deliver online only degrees had been announced with Deakin University in Australia and Coventry University. The latter would lead to the roll out of 50 fully online degrees over the next five years, with the initial offer targeted on postgraduate (PG) programmes for students outside the UK. Mr Horrocks informed the Council that concern had been expressed over the impact on the University's own markets by the partnership with Coventry University as indicated in a letter circulated to members. He reminded the Council that the University offered very few online-only PG qualifications and these were not primarily targeted at international markets. Mr Horrocks considered the success in winning this business a positive step for FutureLearn and its future profitability and a significant one in the face of considerable competition. The University could learn from such initiatives in the sector and use them as a stimulus for digital innovation.

Nations' news

- 6.7 The Vice-Chancellor reported that in Northern Ireland, the provisional grant letter indicated a smaller reduction than anticipated (2%) which was a good result in difficult circumstances. In Scotland, the Scottish Funding Council (SFC) had confirmed a 2% increase in general grants, a 1% increase in capital funding and the maintenance of the disabled students' premium. The SFC had also committed its continuing support for the Young Applicants in Schools Scheme with a further 3 years of funding.

University news

- 6.8 Mr Horrocks summarised a number of other achievements within the University:
- a) the University had been named as a finalist for the Higher Education Academy's first Global Teaching Excellence Awards;
 - b) the inauguration of the OpenSTEM Lab remotely controlled robotic telescopes which were unveiled online from Tenerife; and
 - c) the formal launch of the combined Faculty of Arts and Social Sciences (FASS) at an event named "FASS Forward". The event reflected on the role of humanities subjects being at the moral core of the University and how critical it was to ensure these subjects responded to major social and political events

Student Numbers

- 6.9 The Vice-Chancellor updated the Council on recruitment for the October 2017 Presentation. Both undergraduate and postgraduate new student numbers for 2017J were expected to achieve target (currently at 31% of target). However undergraduate continuing student numbers were currently at 42% of target. At this point last year, 51% of target had been achieved. This was of concern, however the gap was closing and every effort was being made to achieve the targets. Mr Horrocks commented that following the decline in student numbers over recent years precipitated by the funding changes in 2012, growth was expected in future years through improvements to student

retention and progression, the introduction of Degree Apprenticeships and post graduate curriculum expansion. The data, however, emphasised the critical need for the Redesign work.

Leadership in Wales

- 6.10 The Acting University Secretary reported that the Director, OU in Wales was currently on a period of study leave until he retired from his role in November 2017. The University and the Chair of the Audit Committee had received a number of anonymous submissions relating to the operating culture in the Wales office. Internal and external investigations had been carried out and no further formal action was to be taken, however certain cultural issues would be addressed. For an interim period, John D'Arcy, Nation Director of The Open University in Ireland, would also provide leadership in Wales. A member reassured the Council that limited repercussions had been noted in the external environment in Wales.

Questions and comments

- 6.11 A representative of Associate Lecturers (ALs) acknowledged the benefits to the profitability of FutureLearn from the partnership between FutureLearn and Coventry University, but sought clarification over the exact nature of the benefits to the University. The Vice-Chancellor emphasised that the partnership had both financial and strategic benefits, and brought a different perspective which was essential in the increasingly competitive environment in which the University operated. A representative of the Senate expressed his concern that, through this particular arrangement, the University risked a competitor entering its core market. The Vice-Chancellor emphasised that the market was highly competitive now, with many key players whom Coventry University could have established partnerships. It was essential for the University to be diversifying its income sources and he saw considerable benefits from this partnership.
- 6.12 The Chair of the Staff Strategy Committee welcomed the opportunities for increasing participation in lifelong learning as advocated in the Taylor Review. She urged the University to be proactive in this area and establish connections with charities, trades unions and other organisations to maximise potential opportunities. She commended the work of the Social Partnerships Network in widening access and social inclusion, and considered there to be significant latent demand for pathways to meet the particular needs of individuals in specific sectors of activity.
- 6.13 The Chair of the Audit Committee acknowledged the way the University had handled the issues arising from the anonymous notifications received in respect of the operating culture in the Wales Office, but requested that the University reflect on the matter to see if any lessons could be learned going forward.
- 6.14 A representative of the Senate sought further information on tuition delivery for module presentations starting in October, and whether the position was stable. The Pro-Vice-Chancellor (Learning and Teaching Innovation) (PVC LTI) informed the Council that the reports from KPMG and the Business Performance Improvement (BPI) team had been issued and two online discussion sessions had been organised. She considered that the disquiet over the issues last year had dissipated and that the discussion during the sessions had focussed on tuition for October 2017 (17J). Professor Rymer reported that contracts for ALs were being rolled over to the 17J presentations wherever possible and this had been received very positively.

7 STUDENTS FIRST TRANSFORMATION PROGRAMME

C-2017-03-02

- 7.1 The Vice-Chancellor introduced the paper and clarified that the purpose of the paper was to seek approval of the parameters of the Students First Transformation Programme (SFTP) financial model set out in Section 2, following the assurance provided by Finance Committee at its meeting on 27 June 2017, and to seek views on the mobilisation,

planning and capability enhancement progress as OU Redesign outputs were consolidated to become the Students First Transformation Programme (Section 1). It would also be valuable to seek views on communications and engagement as conducted so far and planned for the future. Mr Horrocks explained that it was necessary to seek a balance between the speed of change being implemented and engagement with stakeholders, and it would also be helpful to receive the views of members on this particular issue.

7.2 The transformation programme was entering its detailed design phase and progress was now expected to accelerate, with significant work planned for completion in the next two months. The Group HR Director and Transformation Director were focusing on engagement activity and there was a clear commitment to share information. A workshop for Senate members was being arranged for 20 September 2017 and work was ongoing to engage with ALs, the OU Students Association, Heads of Schools and the University professoriate.

7.3 Mr Horrocks reiterated the key message that the SFTP placed students at the heart of a transformed University. He presented an aspirational vision of the future through a short animation that sought to bring a flexible and responsive world to life. He also explained that following feedback from both the Council and the Senate, the key messages on the redesign had been simplified and grouped into four themes:

Student experience: the delivery of an experience that was student-centred, coherent and consistently excellent. This would include innovations such as Personalised Open Learning, new, larger events across different modules and more direct contact with academic staff.

Digital by design: the embracing of the University's legacy of technological innovation and reinventing it for the future.

Investing in academic excellence: in curriculum, research and scholarship that supports students and de-committing where student benefit was limited, as the Senate agreed in the Academic Strategy.

Integrated organisation: through new and more efficient ways of working. Collaborative working across the organisation and removing duplication; saving significant amounts of money and allowing investment in the improvements required.

7.4 The changes outlined in the four themes would enable the University to meet its strategic objectives, allow it to be more agile and make savings resulting in a more sustainable organisation. Mr Horrocks reflected that although the project had been titled OU Redesign, it was not in effect a single movement, but a series of shifts to enable changes to be implemented.

7.5 A representative of ALs drew attention to the letter circulated to members of the Council from the professoriate in the Faculty of Arts and Social Sciences and expressed her concern over the comments in relation to ALs. She considered the comments to be unacceptable and disrespectful to colleagues. A representative of the Senate agreed that the stance taken in the letter was untrue and unacceptable. Reflecting on a number of letters received, he commented that all authors had accepted the need for change at the University and he felt that the Council should be optimistic that there was an appetite to move the University forward. He believed though that there was a sense of suspicion amongst colleagues that a plan or a model for the University in the future existed which was not being shared, and he felt future communications must dispel that myth. It was suggested that "champions" could be identified to support the Programme and Heads of Schools could be in a good position to assume that role. The Vice-Chancellor

emphasised the importance of working as a cohesive community and agreed to refer the concerns raised to Executive Deans.

- 7.6 The President, OU Students Association commented that students' reactions to the Programme had been muted (page 1 of paper) as she considered there was no culture of engagement with the student body. She advised the Council that she had not made this view known publicly yet, but was considering doing so. She reminded the Council of the Principles of the Student Charter which stated that the University and students would work together and she felt that this was not happening at present. Ms Simpson also referred to the UK Quality Code for Higher Education which referred to universities and students working in partnership with mutual respect, but felt such a position had not been reached. She expressed her concern that if consultation was due to take place with students, details must be issued urgently especially if it was to be completed for changes to be considered at the next meeting in November. Another representative of the OU Students Association supported this viewpoint and emphasised how important it was for the Council to hear these opinions. It was suggested that significant negative feedback was being noted on student forums and information provided to student representatives appeared to be inconsistent, for example, when referring to digital learning materials. Student representatives could be very powerful champions of the proposed changes if they were able to work with the University to promote key changes. However, as a previous report had showed, the numbers of continuing students was falling and this could be as a result of the student experience they received.
- 7.7 The Vice-Chancellor apologised that student representatives did not feel sufficiently included in consultation on the SFTP. A student representative would be invited to join the Programme Steering Group and Mr Horrocks offered to explore the best ways to use student forums to consult on and develop proposals. The Transformation Director supported these suggestions and advocated the concept of involving stakeholders in the design phase to ultimately become champions of the Programme.
- 7.8 Reflecting on the comments on digital learning experiences, the PVC LTI explained that continuing students would not currently be impacted by any changes in delivery of learning. She emphasised that the key driver for delivering modules differently was to improve the student experience and would be based on pedagogical evidence. Professor Rymer reiterated that new modules would be produced in a digital way to enable study on a variety of devices and to enable them to be much more dynamic and agile, and the involvement of students was essential.
- 7.9 Several members drew attention to a lack of clarity over timescales for further work in the Programme and considered that this was having an adverse effect on engagement by University staff. A representative of the Senate also advised caution over possible reactions of change fatigue amongst staff due to the number of recent major reorganisations. It would be important for those leading the Programme to be aware of this and to carefully reflect on the level and pace of change required to ensure engagement and minimise insecurity amongst staff.
- 7.10 A representative of ALs requested greater involvement of ALs in the workstreams. She considered them to be major stakeholders in the proposed changes but felt they were currently excluded. Another representative of the Senate emphasised the need for strong engagement as the project progressed and supported the earlier suggestion that Heads of Schools could play a critical role in promoting engagement amongst senior academic colleagues.
- 7.11 The Group Human Resources Director confirmed that the Programme management was committed to developing a high level timeline by the end of July 2017. She emphasised that the implementation of the Programme was envisaged as a series of waves and not a

“tsunami”. The Programme was currently seeking to fill a number of roles using the expertise and experience that existed across the University. The Transformation Director empathised with the frustrations expressed over lack of detail at present, but reassured the Council that detail would be available to share.

- 7.12 An external member requested more detail on the financial modelling and also on the availability of training in leadership through periods of significant change. Another external member considered that staff might be reacting instinctively to the language used in communications and suggested careful attention was paid to this. Another external member commended the University on the information presented on the Programme and the animation and felt it presented a very positive portrayal of the significant journey being undertaken. He also urged clarity and consistency in communications. He also reflected that in embarking on major change an organisation had to identify the key driver as improving quality, time or reducing costs. He believed that improving quality across the institution was key.
- 7.13 The Chair of the Audit Committee considered that the Programme was now reaching a critical point as it entered the Design Stage. He urged the University to reflect on the severity of the changes proposed and its capacity to deliver them, and was concerned that there was a lack of confidence going forward. He acknowledged constructive responses from members so far, but noted the concerns of representatives of ALs and students. He believed that investment and engagement were critical to the success of the project and it was essential to communicate effectively across the organisation. He sought assurance that the letters which had been received would be responded to appropriately.
- 7.14 The Chair assured the Council that careful and full responses to the letters received would be sent after the meeting. He acknowledged the gravity of the situation and asked the University to reflect upon the comments heard in relation to engagement and particularly with students and ALs.
- 7.15 The Vice-Chair commented that the content of the letters received had been very inwardly focussed and did not appear to have taken on board the external environment in which the University was currently operating. He encouraged the University to drive forward the implementation phases and had every confidence that they would be delivered. The Vice-Chancellor confirmed that the Programme Team would reflect on the comments received, especially those referring to engagement. The Group HR Director added in response to a comment that a programme of blended learning interventions were about to commence for Senior Team members and further detail was available in the Human Resources Report (C-2017-03-04)
- 7.16 The Chair proposed that the approval of the parameters of the SFTP financial model would be taken following the consideration of papers C-2017-03-06 and C-2017-03-07.
- 7.17 After consideration of the 2016/17 Forecast Outturn (C-2017-03-06) and the 2017/18 Revenue Budget (C-2017-03-07) (Minutes 8 and 9 below) the Council **approved** the parameters of the SFTP financial model set out in Section 2 of the paper.

8 FORECAST OUTTURN C-2017-03-06

The Council **noted** the 2016/17 forecast consolidated outturn surplus of £7.5 million.

9 2017-2018 REVENUE BUDGET C-2017-03-07

- 9.1 Mr Laurence Holden, Interim Group Finance Director introduced the paper and explained that the University’s consolidated proposed 2017/18 budget recommended by the Vice-Chancellor’s Executive (VCE) and Finance Committee in the context of the financial forecasts through to 2019/20 (C-2017-03-08), was for a budgeted deficit of £77.3m. In

addition, the high level financial implications of OU Redesign (OUR) had been discussed by VCE and Finance Committee and included as a placeholder, subject to revision, for the first year financial impact of OUR. This position had been noted by HEFCE in the context of the University embarking on a major change programme. The Treasurer commented that the Finance Committee had recognised that the modelling of the costs of change and future savings was based on high level assumptions, and agreed that the investment in the net cost of change for OUR could span a maximum period of three years of deficits from 2017/18.

- 9.2 The Treasurer also confirmed that the Finance Committee, as requested by the Council, had been carefully monitoring the performance of FutureLearn. Performance had improved in key challenging areas and, following advice from external consultants, the Committee had agreed that the overall funding requirement should be retained at the original ceiling of the University's £30m shareholding in the company. The Chair thanked the Finance Committee for its detailed scrutiny and helpful report.
- 9.3 A representative of the Senate requested further detail on the intended purposes of the initial funding requested for the SFTP, for example, was it to improve the quality of provision for current students or was it to develop future improvements. The Interim Group Finance Director explained that it was essential that 'business as usual' activities were maintained whilst undergoing the transformation, so funds were required to ensure sufficient capacity was available. Funding was also required to commence work on systems development. Another member commented that the risks identified in paragraph 18 of the paper were based on high level assumptions being made of ongoing income to the University. A representative of the Senate drew attention to the forecasts of income rising and was concerned that the predicted level of increase was optimistic. The Interim Group Finance Director assured the Council that contingency allowances were built into the budget to protect the University against non-achievement of the projected increase. A member also commented on the increase in staffing costs identified in Appendix 2 to the paper and enquired whether these were related to the OUR project. It was confirmed that the costs included temporary staffing to support the Programme but these costs were time limited to a three year envelope.
- 9.4 An external member also urged caution that expenditure on systems and information technology (IT) was an area where budgets could be exceeded as systems often required customisation. He asked if sufficient contingency was built in to the budget to allow for this. The Chair suggested that an item be added to the agenda for the next meeting of the Council to focus on IT and that the Chief Information Officer be invited to the meeting.

Action: Committee Secretary

- 9.5 The Council **approved** the proposed revenue budget for 2017/18 of a deficit of £77.3m after allowing for a placeholder in the budget, subject to revision as plans for the University's redesign (OUR) became more developed, of £64.6m.

10 FINANCIAL FORECASTS TO 2019-2020 C-2017-03-08

The Council **approved** on the recommendation of Finance Committee, the financial forecasts and commentary for submission to HEFCE by 31 July 2017.

11 RISK APPETITE PROPOSALS AND STRATEGIC RISK UPDATE C-2017-03-03

- 11.1 Ms Anna Barber, Head of Strategic Planning and Ms Louisa Allen, Strategy and Risk Manager introduced the paper and explained that it presented a proposed risk appetite framework and statement for consideration and a revised Risk Policy integrating the proposed risk appetite statement. It also included a regular update on the Strategic Risk Register. The risk appetite statement had been developed taking into account the

Council's initial steer from the discussion at its meeting in March 2017. It therefore reflected a general agreement that the University should be prepared to take on greater risk with rigorous risk management and effective controls in place. It also distinguished between operational innovation, with a more open risk appetite, and the implementation of operational change, which required a more cautious approach. Ms Barber emphasised that taking on greater risk to secure longer term sustainability did not mean controls would be loosened in any way. In fact, the approach would be to adopt increased care and attention to managing risks.

- 11.2 Members of the Council were divided into two groups and asked to consider three key strategic risk areas, employee relations, IT vulnerability and organisational change capacity. A number of significant issues in relation to each risk area were identified to inform the group discussions and these included:

Employee relations: Lack of engagement and support, risk of industrial action, staff leaving and University not attractive for recruitment. Mitigating actions included continuity planning, proactive engagement with trades unions, building trust, encouraging involvement in innovations, effective timing and engagement strategy.

IT vulnerability: Ageing systems, modern applications interface into old architecture, risk of overspend on IT projects. Mitigating actions included IT transformation work stream, evidence of resilience against attack.

Organisational change capacity: Coping with change, ensuring talent is identified in the University to design and implement the proposed changes. Mitigating actions included rigorous sequencing and planning, careful selection of individuals to work on plans and adequate ring-fencing of their time, championing of innovative ideas.

- 11.3 Following consideration of the risks, members of the Council reported back on the observations arising from their groups. These included the need to adopt a more positive and consistent approach to engagement and staff input with specific attention being given to encouraging involvement from ALs and students. It was acknowledged however that engagement was a two way process and that staff needed to embrace a change in culture in the organisation. The differential impact of any industrial action was identified and Council members requested that they be informed promptly if the risk of industrial action increased. Members recognised the problems associated with increasingly ageing IT architecture with unreliable interfaces as a significant risk factor. It was also suggested that social media fora be more closely monitored for issues that might cause reputational damage. It was also important not to be complacent over cybersecurity as new threats emerged regularly.
- 11.4 In considering the risk appetite statement, the Chair reflected that the University in the past had been deficient in its approach to risk, but had made significant progress in addressing this by devising the Risk Appetite Statement. In responding to comments that there had been limited time to consider the statement, the Chair suggested that consideration of risk become a regular agenda item for meetings of the Council. This would enable "deeper dives" into specific risks, such as those relating to IT as agreed for the next meeting.

Action: Committee Secretary

- 11.5 The Chair proposed that in approving the Risk Policy and risk appetite statement, it was in spirit of it being "work in progress" and subject to regular review. The Treasurer supported this approach, but sought clarity as to how the policy and statement would be more firmly embedded in the University's operation. Ms Barber drew the Council's attention to the six point Implementation Plan set out in paragraph 15 of the paper.

11.6 The Council:

- a) **approved** the Risk Policy, including the finalised risk appetite statement subject to the caveat in minute 11.5 above; and
- b) **noted** the developments in the Strategic Risk Register

12 CARBON MANAGEMENT PLAN: ANNUAL PROGRESS REPORT C-2017-03-05

The Council:

- a) **noted** the progress on reduction in carbon emissions; and
- b) **approved** the revised Carbon Management Plan.

13 FINANCE COMMITTEE C-2017-03-09A&B

The Council **noted** the unconfirmed minutes of the meetings held on 17 May 2017 and 27 June 2017.

14 AUDIT COMMITTEE C-2017-03-10A&B

The Council **noted** the unconfirmed minutes of the meeting held on 20 June 2017.

15 STAFF STRATEGY COMMITTEE C-2017-03-11

The Council **noted** the unconfirmed minutes of the meeting held on 13 June 2017

16 THE SENATE C-2017-03-12

The Council **noted** the report of the meeting held on 7 June 2017

17 ANNUAL REPORT ON HUMAN RESOURCES C-2017-03-04

- 17.1 The Chair of the Staff Strategy Committee introduced the report and emphasised that considerable progress had been made during the year despite many challenges. Ms Spellman acknowledged the work undertaken to implement the closure of regional locations and the support provided to staff by the Human Resources (HR) teams at this time.
- 17.2 Ms Spellman emphasised the need to reward exceptional performance from staff and consider more flexible reward structures. She commented that small gestures or changes can have significant impacts upon a workforce and cited the decision to roll over many contracts for ALs and remove uncertainty for them as an example of such an initiative.
- 17.3 Looking to the future, it would be essential to consider human resources issues at a strategic level, with co-ordinated action across the University. Ms Spellman considered that there was an opportunity for the Staff Strategy Committee to broaden its role in this respect. She also urged the University to become much more explicit in its communications and emphasise the external challenges facing it. Ms Spellman emphasised the need to build leadership capability in the organisation and commented that although the University delivered first class learning, it did not portray itself as a "learning organisation".
- 17.4 A representative of ALs confirmed how valuable the early confirmation of contracts had been for ALs, as it gave colleagues extra time to familiarise themselves with new

technology. She also enquired why data relating to ALs was not included in the charts shown on pages 10, 11 and 13 of the paper. The Group Director, HR explained that sickness absence for ALs was not routinely collected, but she would obtain detailed demographic information on ALs for future reports.

Action: Group HR Director

17.5 A member commented that the key priorities identified in the paper were very helpful, but she considered that an extensive framework of actions lay beneath these for the coming year. She supported efforts to increase the visibility of senior management, but was concerned over the load that many senior colleagues such as Executive Deans carried. She emphasised the need for the University to provide significant leadership development and support.

17.6 The Council:

- a) **agreed** the key priorities for 2017/18; and
- b) **noted** the report from the Staff Strategy Committee.

18 GOVERNANCE AND NOMINATIONS COMMITTEE C-2017-03-13

The Council **approved**:

- a) the appointment of Mary Curnock Cook as an external co-opted member of the Council with effect from 1 August 2017 for an initial term of four years; and
- b) the appointment of Caroline Stockmann as Treasurer with effect from 1 January 2018 for an initial term of four years.

19 ANNUAL EFFECTIVENESS REVIEW C-2017-03-14

19.1 The Chair commended members on their commitment to the Council as evidenced by their very high rates of attendance. He considered that the recommendations of the Council Governance Review had been adopted in a very positive way and he was confident that much more business was now conducted at meetings of the Council rather than within its Committees. An external member supported this view, but suggested it would be helpful for Council members to learn more about the successes of the University.

19.2 A representative of the Senate enquired whether the Vice-Chancellor's Executive considered the Council to be effective in its role. The Chair agreed to seek the views of VCE and report back.

Action: Chair

19.3 The Council:

- a) **noted** the status of the recommendations arising from the Council Governance Review and the annual attendance figures 2016/17; and
- b) **agreed** the entry about the Council for the Corporate Governance disclosure in the Financial Statements 2016/17.

20 DECLASSIFICATION OF COUNCIL PAPERS

20.1 The following papers remained confidential:

C-2017-03-02 Students First Transformation Programme (until all staff communications have been circulated)

C-2017-03-07 2017-2018 Revenue Budget

C-2017-03-08 Financial Forecasts to 2019-2020

C-2017-03-09B Finance Committee confidential minutes

C-2017-03-10B Audit Committee confidential minutes

20.2 The following paper was declassified:

C-2017-03-13 Governance and Nominations Committee confidential minutes (except CVs)

21 DATE OF NEXT MEETINGS

Tuesday 26 September 2017: Council Induction and Development Day

Tuesday 28 November 2017: Ordinary business meeting of the Council

Both events to be held at The Open University, Walton Hall, Milton Keynes

22 REVIEW OF MEETING

22.1 The Chair thanked all members for their participation in a productive meeting.

22.2 Mr Gillingwater placed on formal record his thanks on behalf of the University to Professor Bill Stevely and Ms Ruth Spellman for their significant contribution and commitment to the University during their terms of office on the Council, and wished them well.

22.3 The Vice-Chancellor confirmed that responses would be sent to those groups of staff who had written letters to the Chair of the Council and an update would be issued to staff after the meeting to provide further information on progress with the OU Redesign and SFTP.

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