

## THE COUNCIL

### Minutes

This paper presents the confirmed Minutes of the last meeting of the Council held on 17 July 2018 at The Open University, Walton Hall, Milton Keynes.

The Council **approved** these Minutes as a correct record at its meeting on Tuesday 25 September 2018.

Dr Jonathan Nicholls  
University Secretary

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#### Attachments:

C-2018-04-M Minutes of the meeting of the Council held on 17 July 2018

## **THE COUNCIL**

Minutes of the meeting of the Council held on Tuesday 17 July 2018  
at The Open University, Walton Hall, Milton Keynes.

- Present:** Mr R Gillingwater (Chair), Professor M Kellett (Acting Vice-Chancellor), Mrs N Simpson (President, OU Students Association), Dr J Baxter, Mr S Begbie, Professor J Brooks (Vice-Chair), Mrs F Chetwynd, Mrs M Curnock Cook, Mr J D'Arcy, Prof J Draper, Ms R Girardet, Mr P Greenwood (until Minute 20, a proxy vote was provided for Minutes 21 & 22), Ms A Henderson, Mrs R Lock, Mr R Spedding, Dr B Tarling, Ms S Unerman, Dr G Walker, Professor J Wolffe
- In Attendance:** University Secretary, Head of Governance, Senior Manager, Governance (Working Secretary), Group Finance Director (from Minute 12), Chief Commercial and Strategy Officer (from Minute 12)
- Also:** Pro-Vice-Chancellor (Learning, Teaching and Innovation) (from Minute 12), Executive Dean, Faculty of Business and Law (FBL) (from Minute 12)
- Others in attendance for specific items:**
- Anna Barber (Minutes 1 - 11)
- Apologies:** Mrs C Stockmann (Treasurer), Dr C Spencer
- Observers:** Cath Brown, President Elect, OU Students Association (from Minute 12)

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### **1 WELCOME**

The Chair welcomed everyone, particularly Dr Jonathan Nicholls who was attending his first ordinary business meeting of the Council as University Secretary.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

**C-2018-03-M**

The Council **approved** the minutes of the meeting of the Council held on 22 May 2018 as a correct record of the meeting.

### **4 MATTERS ARISING AND ACTION TRACKER**

**C-2018-04-01**

The Council **noted** the Action Tracker.

### **5 CHAIR'S BUSINESS**

The Chair noted that it was the last meeting for Sue Unerman and Dr John Baxter, and would also have been the last meeting for Dr Clare Spencer who had been unable to

attend. On behalf of the Council, the Chair thanked these members for their contribution to the University's governing body.

**6 VICE-CHANCELLOR'S REGULAR REPORT**

**C-2018-04-02**

- 6.1 The Acting Vice-Chancellor updated the Council on the advocacy for the OU arising from two events which had taken place since the written report had been circulated: the House of Lords' debate on part-time and continuing education, and particularly the future of the Open University, on 5 July 2018; and the dinner, hosted by the Chancellor, Baroness Lane-Fox, where a cross-party group of Peers had discussed the reasons behind the decline in part-time study in England, as well as the recommendations that the OU wanted to see delivered as part of the Post-18 Review into education and funding. In both cases, the discussion had been robust, but very positive.
- 6.2 In response to a query from a member, the Acting Vice-Chancellor said that University's lobbying with regard to the Post-18 Review was focussed on:
- a) greater support for flexible learning, both part-time and distance-learning;
  - b) financial support for part-time students, either in the form of a fee reduction or the provision of a maintenance grant; and
  - c) a level playing field regarding sector metrics, such as those used in the Teaching Excellence Framework (TEF).
- 6.3 Members commented on the following matters:
- a) The University should consider offering solutions to the Government, as well as asking for concessions; for example, smaller 'chunks' of learning, particularly in areas where there were skills gaps, and Apprenticeships.
  - b) Financial support was unlikely to be forthcoming or, in the case of tax concessions, to have a big impact. However, given the significant rise in student applications following the increase in funding in Wales after the Diamond Review, it was clear that a better settlement in the Post-18 Review could lead to an improvement in part-time student numbers. The OU might consider providing the Government with some policy analysis around the areas of strongest growth in student numbers.
  - c) Changes to the TEF metrics would not require the Government to increase its budget, but might help to provide more flexible learning at less cost.
  - d) It was helpful for the Council to consider the wider, political environment, particularly following a period of internal focus. It would be useful to include a session on the higher education (HE) policy scene, using a speaker from an external organisation such as Advance HE, in the programme for the Council Development Day.
  - e) More opportunities for engagement between students and members of the Council would also be valuable.
- 6.4 The Chair congratulated the University on the confirmation of its EQUIS reaccreditation, which had been achieved in particularly challenging circumstances.

**7 CRITICAL REVIEW - STUDENTS FIRST TRANSFORMATION PROGRAMME**

**C-2018-04-03A**

- 7.1 The Acting Vice-Chancellor thanked Council members for participating in the Critical Review (CR) of the Students First Transformation Programme (SFTP), and the Acting Director of Strategy and her team for an excellent piece of work. Summarising the context

for the review, the Acting Vice-Chancellor observed that the report posed some challenging questions; however, it also provided an opportunity for reflection, to learn lessons and to take positive action to move forward. To date, the report had been seen by Council members and the CR Overview Board only. Earning the trust of the whole University was important, but it was also essential to protect the University's reputation; consequently, the Council was being asked to consider the wider circulation of the paper, alongside the key findings and recommendations.

7.2 The Acting Director of Strategy introduced the paper, commenting that the report's open and evidence based approach had been widely welcomed throughout the University community, and highlighted the main elements of the report.

7.3 Members welcomed the report and commented on the following matters:

- a) It was important to discard the words 'transformation' and 'business as usual' to describe different activities to ensure that everyone across the University felt part of a shared endeavour.
- b) The vision and strategy must be aligned; and the change and improvement objectives should be clarified. The case for change had not been well articulated, and the complexity of the transformation programme and the inconsistency of the language had resulted in a lack of understanding. Stakeholder engagement was crucial.
- c) Given the importance of the student voice, it was essential that the University collected data that was representative of the whole student body and would provide genuine market research. Only a small number of student representatives had contributed to the review and there had been no communication with the wider student community. The challenge was to understand the type of student the OU would need to serve in future, and how the University should develop to support them. More fundamental work was required on More Students Qualifying (MSQ) to provide the necessary focus.
- d) Clear communication around the reality of the financial situation was essential. The business model had altered significantly since the changes in the funding regime; and if the University did not have large reserves, the threat to its existence would be more immediate.
- e) In the short-term, it was necessary to address the £30m deficit and, if the Council agreed that the key priority areas were the right ones, to focus on those activities where reasonable progress could be made. In the medium term, the priority should be to appoint a new Vice-Chancellor and review how the University operated in the current policy framework. Longer term, there was a need to consider the future role of the OU and how the University could influence government.
- f) As the governing body was responsible for the overall strategy, there should be more communication from the Council, not just from the executive, to the University community.
- g) The OU needed to develop a culture where change and continuous improvement were business as usual. Currently, the University struggled with the concept that change would not always be perfect; the test and learn approach was welcomed.
- h) The University had been successful in managing major change in the past, winning over resistance by using change champions. Innovative work to bring about improvements was currently being undertaken throughout the OU; but the

boundaries between what could be dealt with immediately by management and what needed to go through governance were not always clear. It was essential to develop an enabling culture and to review the relationship between management and governance.

- i) A significant amount of work was taking place across the OU regarding retention and progression. A pan-University approach, which facilitated better communications between areas of activity, was essential to bring together the lessons already being learned.
- j) The intention to better enable governance bodies to fulfil their decision-making roles effectively was welcomed. Areas of governance were siloed, and there was no mechanism for promoting ideas for change more widely across the University. The Senate workshops had been helpful, but the Senate meetings were used to approve papers rather than discuss ideas. The priority must be to find time to engage people in discussing those ideas that will improve student outcomes
- k) A number of the recommendations highlighted the complex issue regarding the resourcing of significant change and indicated that the previous structure, and the use of consultants, had not been successful. Where possible, expertise should come from within the University; however, the University should be prepared to use consultants to bring in expertise in areas where capability had yet to be developed internally, such as transformational change and programme management. A dual approach was required, with consultants working alongside internal staff to a clear vision and sharing their knowledge and experience.
- l) The Four Nations perspective was key, as the University needed to provide confidence to the respective governments. The Four Nations operating model was an example of how projects could be managed successfully within the OU. The People Services transformation had also demonstrated there was talent in the University that could work in a more structured way with consultants.
- m) Whilst only three priority areas had been highlighted, they were similar to those that the University had already tried to address and were all very significant pieces of work. There were also a considerable number of activities encompassed within the recommendations. The Council required further clarity about what would be different and which activities would be stopped, and assurance of the University's change capability.
- n) Student Success could be viewed as an integral part of everyone's role, which would require effective cultural leadership. The Senate had a significant role to play in this area.
- o) The mapping of the operating model had resulted in greater complexity, rather than simplification. There should be more clarity about why the University was seeking to develop the operating model. The academic voice had not been captured well.
- p) Streamlining processes and bureaucracy was inherently linked to the recommendations on University culture; there should be leadership by example. Process provided security, but it should not surpass purpose. It was also important to find ways to work across the inherent boundaries within the University.
- q) The enterprise architecture and core systems replacement needed to be considered as a whole, and careful project management would be essential.

- r) The University should reflect on behaviours across the whole of the OU community, not only in terms of leadership style as indicated in the report, but also in respect of areas such as conduct on social media.

- 7.4 The Acting Vice-Chancellor responded that it was not what the University was trying to achieve that would change, but how it would go about it in terms of scale, pace and approach. The vision for the transformation had begun with six strategic priorities, which should be protected. However, they had become lost in a complex programme of workstreams and subgroups, where everything had to be done at once, and which had subsumed areas of activity, such as employability, that had already begun to deliver results.
- 7.5 Consequently, the approach had become over reliant on consultants who had driven the programme, rather than supported it. Whilst the University did not yet have the necessary change capability and would need to continue to use consultants, there had been a tendency to eclipse the skills and experience that already existed within the OU and in future the University should draw on this more.
- 7.6 The jeopardy, and need for and challenges of change, had not gone away; but there was more chance of success if the University prioritised. The SFTP had become unmanageable, but the Council could now provide support in driving forward the priorities. The work within Academic Excellence that had focussed on the University becoming teaching intensive was an example of an area of activity that had stopped. Some progress had already been made in other areas: the curriculum review was proceeding and there had been a good response to the voluntary severance scheme. Crucially, it was essential to deliver on student success if the University was to become the best organisation it could be.
- 7.7 The Chair suggested that the Council might consider the work already done on the curriculum, and its consequences, to evidence the University's capability in undertaking a project successfully. The Council might also scrutinise one of the three key priority areas, such as student success or the operating model, to provide a different perspective.

**Action: AVC**

- 7.8 The Council considered the communication of the Critical Review outputs and commented on the following matters:
- a) the format, language and detail of the report should be reviewed;
  - b) information on accountability and timescales should be published alongside the recommendations; and
  - c) the timescales for implementing the recommendations should be reviewed. For example, November 2018 would be too late to clarify the financial sustainability gap and the financial savings targets; whilst some of the recommendations around leadership style and University culture were already being addressed, well before the deadline of March 2019.
- 7.9 The Chair proposed that the Acting Vice-Chancellor and University Secretary review the report before circulation. The need for transparency was acknowledged, but it was important to be careful around sensitive areas.
- 7.10 The Council **agreed** that the Acting Vice-Chancellor, University Secretary and other members of VCE should aim to prepare an implementation plan, which demonstrated how the recommendations would be adopted and included accountability and timescales subject to careful review. The implementation plan should be produced within the next 4 –

6 weeks, and presented to the Council at an interim business meeting to be held in September. It was crucial to have an early understanding of how the University would move from the current situation to implementing the recommendations.

**Action: AVC, US & VCE**

- 7.11 The Council also **agreed** to release the report, with its key findings and recommendations, with a commentary from the Pro-Chancellor on behalf of the Council. It should emphasise the concept of the University as an organisation constantly in change and show the Council to be a reflective body, which was learning from the mistakes of the past.

**Action: AVC & US**

**8 LESSONS LEARNED C-2018-04-04**

Minute items 8.1 to 8.10 are presented in C-2018-04-CM (Confidential Minutes).

**9 SENATE MOTION C-2018-04-11-ATTACHMENT (S-2018-03-07)**

- 9.1 The Acting Vice-Chancellor reminded the Council that a motion of no confidence in SFTP had been presented to the April 2018 meeting of the Senate, but in the light of the events immediately preceding the meeting, consideration of the motion had been deferred. At the June 2018 meeting, the motion had been proposed again with some changes to reflect recent circumstances facing the University. Despite some members urging the Senate not to pre-empt the report of the Critical Review, the motion had been passed in its entirety.
- 9.2 Senate members of the Council observed that many members of the Senate had been concerned that, if it did not pass the motion, the Senate would appear not to have responded to voices across the University regarding SFTP. If the Council agreed with the issues concerning naming of the programme, the need for organisational change, and that the academic elements of the critical review of SFTP should be considered through the academic governance structure, then it would be seen to have responded positively to the Motion.
- 9.3 Members suggested that the communication from the Council regarding the release of the Critical Review report should acknowledge that the Council had considered the motion, was aligned with the concerns expressed in it, and hoped that the Senate would engage with the findings and recommendations of the Critical Review.

**10 CRITICAL REVIEW – SFTP: LEGAL ADVICE C-2018-04-03C**

Minute items 10.1 to 10.4 are presented in C-2018-04-CM (Confidential Minutes).

**11 CRITICAL REVIEW – SFTP: COMMUNICATIONS C-2018-04-03B**

- 11.1 The University Secretary introduced the paper, outlining the activities that would be rolled out following the Council meeting to communicate the agreed Critical Review report to VCE, the Unions and Senior Team, and then to all staff. Staff engagement events would take place online and at all OU UK locations on 24 July 2018, and there would be additional online events for associate lecturers (ALs) and student representatives. The University did not intend to take a proactive approach regarding the media, but a statement had been prepared in case classified material was leaked.
- 11.2 In response to members' queries about communications for students and ALs, the Chair requested that points of detail be discussed with the University Secretary after the meeting.

- 11.3 Some members suggested that the recommendations arising from the Critical Review should be reworded; whilst others said that the report should not be rewritten. It was important to emphasise that the report had been independently commissioned and had not been conducted by members of VCE, and to include the Council's response as part of the communication.
- 11.4 In response to members queries about sharing the report further, the Acting Vice-Chancellor confirmed that, following review, the whole of the first part of the paper, including the key findings and recommendations, would be shared with the University community. There was a judgement call about how much to share, but the most important factor was to establish a platform of trust by being completely open and transparent.
- 11.5 VCE members would receive the same information as the rest of the University. The timeframe in which the University had to respond to the recommendations and implementation plan was short.

**12 RISK MANAGEMENT POLICY REVIEW AND STRATEGIC RISKS UPDATE C-2018-04-05**

- 12.1 The Chief Commercial and Strategy Officer introduced the paper, which set out the proposed updates to the Risk Management Policy, including the risk appetite; and the current assessment of the University's strategic risks presented in the updated register.
- 12.2 Referring to the earlier discussion on Student Success, members observed that there were many risks to be managed, including a significant number around academic operation, which all had a current risk status of red (high risk).
- 12.3 In response to a question on why Risk 5.1, "We are likely to underperform in TEF and related rankings that have been linked with teaching excellence" had a target risk status of green, the Pro-Vice-Chancellor (Learning and Teaching Innovation) [PVC (LTI)] explained that whilst the OU had not yet applied to enter the TEF, it would be expected to at a later date and was now aiming for a classification higher than Bronze. The University had performed well in the subject pilots, and was continuing its dialogue with Government to ensure that the TEF was more relevant to part-time, distance learning providers.
- 12.4 The Council **approved** the updated Risk Policy, including the risk appetite.

**13 FUTURELEARN C-2018-04-06**

Minute items 13.1 to 13.14 are presented in C-2018-04-CM (Confidential Minutes).

**14 2018/19 BUDGET AND FINANCIAL FORECASTS 2022/23 C-2018-04-07**

- 14.1 The Group Finance Director introduced the draft budget for 2018/19, together with the financial forecasts for the next 5 years, which formed part of the regulatory return to the Office for Students (OfS). The comprehensive commentary highlighted the University's underlying position, and modelled the impact of the current assumptions around strategic change and the targeted improvements in student numbers, primarily due to better retention and progression. It demonstrated how the University planned to convert the underlying operational deficit to an operating surplus over the period.
- 14.2 The paper, which had been thoroughly reviewed by Finance Committee, also identified the key strategic, operational and political risks. Several of these were accumulative, which would allow time for the University to take mitigating action. If the budget and forecasts were approved by the Council, they would be subject to a regular monitoring throughout the year.



- 14.3 In response to a question on staffing assumptions, the Group Finance Director said that some cost reductions would be realised in the current year, but they would build up from the next financial year, and that the savings from the current employee led voluntary severance scheme would be accounted for in the current budget year. There would be a mapping exercise to ensure that these savings were not accounted for twice.
- 14.4 Responding to a query about the assumptions made regarding MSQ and Apprenticeships, the Acting Vice-Chancellor said that the plans were ambitious but that the University would be failing its students if it did not achieve them: Student Success was a key priority. The University was confident that it would reach the MSQ targets.
- 14.5 The Apprenticeship targets would be more difficult to achieve, but the risks were mitigated by other plans for income diversification. The Chief Commercial and Strategy Officer added that the forecasts had been revised due to the slower growth in Apprenticeships than originally anticipated; uncertainty had been created by the political situation and the development of standards. The OU was an example of an organisation that was not using the apprenticeships levy; the University was taking time to align its take up of apprenticeships with its own strategy.
- 14.6 Members observed that the whole University needed to understand the difficult financial position; the University had a huge operating deficit, which it could only manage due to the high level of reserves. The financial information should be presented in a simpler, more accessible way.
- 14.7 The Group Finance Director reported that he was currently visiting units around the University to explain the background to the OU's financial circumstances and engage with staff. A video had also been prepared to illustrate the situation in simple terms.
- 14.8 The Council **approved**, on the recommendation of Finance Committee, the budget for 2018/19 and the financial forecasts and commentary that fulfil the regulatory requirement for submission to the Office for Students.

**15 FORECAST OUTTURN 2017-18** **C-2018-04-08**

- 15.1 The Group Finance Director introduced the paper, highlighting that the forecast outturn deficit of £30.6m at the end of April 2018 was smaller than the budgeted deficit of £77.3m. The current forecast indicated a similar position.
- 15.2 After taking account of non-operating items, the forecast represented an underlying operating deficit of £10.6m, a favourable movement from the budgeted operating deficit of £29.8m. In response to feedback from the Council and Finance Committee, the paper now provided more information to clarify the difference between University's operating position and the total non-operating position.
- 15.3 The Council **noted** the 2017/18 forecast consolidated outturn deficit of £30.6 million

**16 FINANCE COMMITTEE** **C-2018-04-09A&B**

The Council **noted** the Minutes and Confidential Minutes of the meeting of the Finance Committee held on 26 June 2018.

**17 AUDIT COMMITTEE** **C-2018-04-10A&B**

- 17.1 The Chair of Audit Committee highlighted the Committee's discussion about the evaluation and provision of external audit. In line with the recommendation in HEFCE's Memorandum of Assurance and Accountability (Audit Code of Practice), external audit services should be market tested at least every seven years, and be subject to the annual

appointment process. However, in the light of the significant developments that were likely to impact the University over the next few years, and the good service received from PWC, he had recommended that this be deferred in order to ensure stability. Other members of the Committee had advised caution about the deferral; consequently, the Committee had agreed to give the matter further consideration in November 2018.

17.2 The University Secretary observed that there should be a structured interview and review process before reappointment. The Chair of Audit Committee confirmed that there would be an enhanced quality review with an independent partner.

17.3 The Council **noted** the Minutes and Confidential Minutes of the meeting of the Audit Committee held on 19 June 2018.

**18 THE SENATE C-2018-04-11**

18.1 The Acting Vice-Chancellor observed that there had been a different atmosphere at the Senate meeting. The launch of the proposed Senate forum, which had been intended to enable members to exchange ideas and comments between meetings, had been postponed at her request, as progress was being made with the new ways of working and more free and open debate within the Senate meetings.

18.2 A Senate member confirmed that the overall tone at the Senate meeting had been more positive and there had been structured discussions about matters such as academic performance and the curriculum review. A great debt was owed to the Acting Vice-Chancellor for her work in creating a more positive mood within the Senate.

18.3 The Council **noted** the Minutes of the meeting of the Senate held on 20 June 2018.

**19 OFFICE FOR STUDENTS - SUBMISSION C-2018-04-12**

19.1 The University Secretary observed that the University was obliged to register with the Office for Students if it wished to continue to award degrees. The additional evidence, including the Student Protection Plan and Access and Participation Plan, had not been included with the paper, but would be made available to members of the Council on request.

19.2 The Council **approved** that The Open University should submit an application to the Office for Students Register in the Approved (fee cap) category and thereafter be subject to the initial and ongoing conditions of registration.

**20 COUNCIL ANNUAL EFFECTIVENESS REVIEW C-2018-04-13**

20.1 The University Secretary observed that as recommendations to strengthen the role and effectiveness of the Council had been made and discussed as part of the Lessons Learned paper (C-2018-04-04), this paper was a light touch review, which mapped the business considered by the Council throughout the year against its terms of reference and members attendance at its meetings.

20.2. The Council:

- a) **noted** the annual attendance figures 2017-18; and
- b) **agreed** the entry about the Council for the Corporate Governance disclosure in the Financial Statements 2016/17.

**21 GOVERNANCE AND NOMINATIONS COMMITTEE**

**C-2018-04-14**

The Council:

a) **approved**, on the recommendation of the Governance and Nominations Committee:

i) the appointment of:

- 1) Maggie Galliers as an external co-opted member of the Council from 1 August 2018 – 31 July 2022;
- 2) Greg Walker as one of ‘three external co-opted members of Council’ on GNC with immediate effect until 31 July 2020, subject to that member’s agreement; and
- 3) Sandy Begbie as one of ‘two members of the Council who shall not be members of staff or students of the University’ on SPRC from 1 August 2019 to 31 July 2020, subject to that member’s agreement; and
- 4) Philip Robert-Tissot, as ‘a member of the Finance Committee appointed by the Council’ to Investment Committee with immediate effect until 31 July 2021; and

ii) the reappointment of Dr Barbara Tarling to:

- 1) GNC, as the member from the student categories of Council membership appointed by the Council, for a further period of two years from 1 August 2018 to 31 July 2020; and
- 2) SPRC, as the member from the student categories of Council membership appointed by the Council, for a further period of two years from 1 August 2018 to 31 July 2020; and

b) **noted**:

- i) that the recommendations of the Lessons Learned report appeared elsewhere on the agenda (C-2018-04-04);
- ii) that the recommended changes to the Council Standing Orders, Statement of Primary Responsibilities and Schedule of Delegation, arising from the mapping of current OU governance practice against the Committee of University Higher Education Code of Governance and the Scottish Code of Good HE Governance, would be presented to a future meeting of the Council for approval; and
- iii) the unconfirmed Minutes of the meeting of the Governance and Nominations Committee held on 27 June 2018.

**22 JOINT COMMITTEE FOR THE APPOINTMENT OF A VICE-CHANCELLOR**

**C-2018-04-15**

22.1 The University Secretary observed that, as the recruitment of a new Vice-Chancellor could take up to a year, it was important to get the process underway as soon as possible. The paper sought agreement for the appointment of the Chair of the Joint Committee. The Chair would consider the balance of skills required by the Council members of the Joint Committee; and the election of the Senate members would take place in September 2018. A recruitment agency would be appointed to assist with the process, which would commence in October 2018.

- 22.2 Members commented on the following matters:
- a) There was an inconsistent approach to the involvement of students in the recruitment of the University's senior executives. In this instance, the constitution of the Joint Committee did not provide an automatic place for a student member. There was a particular challenge in providing a student nominee given the timetabling of the student elections. If students were to have a voice, it might be necessary to ask the Senate to vote for the OU Students Association President.
  - b) Remuneration Committee had supported the sale of the Vice-Chancellor's residence; however, it might be advisable to delay marketing the property until it was clear whether this benefit was key to the appointment.
  - c) The draft process for the appointment of the Vice-Chancellor was complex, and should be reviewed.
  - d) As staff members of recruitment panels were required to have training in interview techniques, this should also be offered to members of the Joint Committee if necessary.

22.3 The University Secretary said that an appropriate process would be put in place, and acknowledged the challenges in appointing a student to the Joint Committee. The Head of Governance said that student input had been included in the previous recruitment process through candidates meeting with a group of students prior to interview.

22.4 The Chair of Remuneration Committee commented that the sale of the property had been included in the financial forecasts. The Acting Vice-Chancellor observed that it was essential to appoint the right person as Vice-Chancellor; if the provision of a residence was key to the appointment, then the candidate might not be the right one.

22.5 The Council **approved** the recommendation on the appointment of the Chair of the Joint Committee to appoint the Vice-Chancellor.

**23 ANNUAL REPORT ON HUMAN RESOURCES 2017-18 C-2018-04-16**

23.1 The Chair observed that the report was an excellent piece of work.

23.2 Members commented that the report did not cover the management of academic under-performance; that it was not clear what constituted a 'unit', and therefore what the mood of individual units was; and that there were no action plans arising from the staff survey, which had taken place in October 2017 and been published in January 2018.

**24 ANNUAL REPORT ON HEALTH & SAFETY 2017-18 C-2018-04-17**

24.1 Members commented on the significant increase in the number of management referrals during the year, particularly due to mental health. It was encouraging, however, that more staff were willing to discuss this issue. It was noted that the greatest number of management referrals was in the 'support' staff group, which also had the lowest level of morale and the greatest level of underspend.

24.2 The lack of clarity around the action being taken regarding cladding combustibility was also noted. The Acting Vice-Chancellor said that she would check how this was being addressed.

**Action: AVC**

24.3 The Council **noted** the Annual Report on Health and Safety 2017-18.

**25 ANNUAL REPORT ON ESTATES 2017-18 C-2018-04-18**

25.1 Members commented that the plan was lacking in ambition; and that, although the University was a leader in environmental education, it was well behind the sector in some areas.

25.2 The Chair noted that the report was an update on a strategy that had been approved in 2015. The University Secretary acknowledged that results against the key performance indicators should be better and more discussion was needed.

25.3 The Council **noted** the Estates Annual Report 2017-18.

**26 CARBON MANAGEMENT PLAN 2017-18 C-2018-04-19**

The Council **noted** the progress on reduction in carbon emissions.

**27 CHAIR'S ACTION C-2018-04-20**

The Council **noted** the action taken by the Chair on its behalf since the last meeting held on 22 May 2018.

**28 DECLASSIFICATION OF COUNCIL PAPERS**

The University Secretary confirmed that the following papers would remain confidential:

|               |  |
|---------------|--|
| C-2018-04-03  | Critical Review                                      |
| C-2018-04-04  | Lessons Learned                                      |
| C-2018-04-06  | FutureLearn  |
| C-2018-04-07  | 2018/19 Budget and Financial Forecasts               |
| C-2018-04-09B | Finance Committee (confidential minutes)             |
| C-2018-04-10B | Audit Committee (confidential minutes)               |
| C-2018-04-14  | Governance and Nominations Committee (appendix only) |

**29 NEXT MEETING**

29.1 The Council noted that an additional business meeting of the Council would be held on Tuesday 25 September 2018, together with the Council Development Day.

29.2 The next ordinary business meeting of the Council will be held on Tuesday 27 November 2018.

**30 REVIEW OF MEETING**

30.1 Members commented that it was not good governance to present significant reports such as those on HR, Health and Safety and Estates to the Council without allowing sufficient time for discussion. The Council should be assured that processes were in place, together with appropriate procedures for dealing with any issues.

30.2 The University Secretary said it was necessary to reconsider whether the Council had the capacity to scrutinise such reports, or whether they should be considered by a Council committee; for example, Audit Committee could review the Health and Safety report. The Estates report should be improved and a mechanism put in place that enabled it to be challenged.

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