



## THE COUNCIL

Minutes of the meeting of the Council held on Tuesday 11 May 2010  
at BMA House, Tavistock Square, London, WC1H 9JP

- Present:** Lord Haskins (Chair), the Vice-Chancellor, Mr E Briffa, Mr H Brown, Prof C Earl, Mrs R Evans, Dr J Fortune, Dr A Freeling, Dr R Hamilton, Dr M Hopkins, Mrs C Ighodaro, Dr C Lloyd, Ms S Macpherson, Dr T O'Neil, Mr A Peck, Ms E Rankin, Mrs K Signorini, Mr M Steen, Prof W Stevely.
- In Attendance:** Pro-Vice-Chancellor (Learning, Teaching and Quality) , Pro-Vice-Chancellor (Research and Enterprise), Pro-Vice-Chancellor (Strategy and External Affairs), Director, Students, Finance Director, Director, Strategy, Director, Human Resources, Director, Communications, University Secretary, Assistant Secretary (Central Secretariat), Office Manager (Central Secretariat), Head of Vice-Chancellors Office.
- Apologies:** Mr S Barnett, Mr P Mantle, Ms C McEwen, Ms L Murphy, Pro-Vice-Chancellor (Curriculum and Awards), Senior Assistant Secretary (Central Secretariat).

### 1 MINUTES

C/10/1/M

The Council approved the minutes of the business meeting held on 2 March 2010.

### 2 CHAIRMAN'S BUSINESS

The Chair recalled his observation at the last meeting that a new government might have taken power by the time of this meeting. However, the current uncertainty in the political situation meant that various factors affecting the Higher Education (HE) sector might remain unknown for some time.

### 3 VICE-CHANCELLORS REGULAR REPORT

#### 3.1 Appointment of new Directors

The Vice-Chancellor, Mr Martin Bean, reported that three new Directors had been appointed in line with the new organisational structure presented to the last meeting of the Council. Ms Edith Prak, had taken up the post of Director of Development at the beginning of May 2010. Mr Guy Mallison had taken up his new role as the OU's Director of Strategy the previous day and would be reporting directly to the Vice-Chancellor. Dr James Miller would be taking up the post of Director, OU in Scotland at the beginning of August following the retirement of Dr Peter Syme.

### **3.2 Appointment of new Deans**

Two new Deans had also been appointed: Mr Jeremy Roche had taken over from Professor Shirley Reveley as Dean and Director of Studies in the Faculty of Health and Social Care on 1 April 2010; and Dr Simon Bromley replaced Professor Dot Miell as Dean and Director of Studies in the Faculty of Social Sciences on 1 March 2010.

### **3.3 OU Students Association (OUSA) Conference**

The Vice-Chancellor had attended part of the OUSA Conference in Nottingham in April 2010 and congratulated Ms Roz Evans on all she had achieved on behalf of her constituency during her first year as President, and on being re-elected for a second and final term of office. Ms Evans had made a major contribution to the progress of the OUSA Futures project, which had gained solid support at the conference.

### **3.4 The Open University in Ireland in Belfast - Opening of New HQ**

The Vice-Chancellor had attended the official opening of the new headquarters of The Open University in Ireland in Belfast. Over the past year, student numbers had increased by more than 10% in both Northern Ireland and the Republic of Ireland. The new hub with video conferencing and the latest communication technologies would allow the University to become even more effective in delivering flexible OU programmes throughout Ireland.

### **3.5 British Universities Film & Video Council's (BUFVC) Learning on Screen Awards**

The University had collected four prestigious BUFVC Learning on Screen awards at a ceremony in April 2010. *The Love of Money*, a three-part series for BBC2 that explored the collapse of Lehman Brothers and the ensuing global recession, had received the General Education Broadcast Award and the premier award for the Best Overall Film. *Saving Britain's Past*, a seven-part documentary presented by The Times' architecture critic, Tom Dyckhoff, had been recognised with the Special Jury Award. The OU's course production for the new Crime and Justice course, a film entitled *Opium: Culture, Wars, Markets*, had won the Course and Curriculum-Related Content award.

### **3.6 General Social Care Council (GSSC) reapproval**

The OU's social work degree programme had been reapproved by the GSSC in England for the next five years without conditions, which was unprecedented. With an annual intake of approximately 260 students, the degree programme was delivered in collaboration with over 350 employers in all ten English regions and had a large and diverse student body working in a wide range of statutory, voluntary and private organisations.

### **3.7 Space Leadership Council**

Lord Drayson, Minister for Science and Innovation, had invited John Zarnecki, Professor of Space Science, to be a member of the Space Leadership Council. As a member of this new advisory body, Professor Zarnecki would give strategic advice to the Minister and the UK Space Agency on future plans and opportunities for growth in the UK space sector.

### **3.8 The Open Arts Archive**

The Open Arts Archive, a major website and online archive hosted by the Art History Department, had been launched at the end of March at the Tate Modern. The archive provided free public access to recordings of a wealth of artistic, cultural and educational resources. It also linked the OU as a brand with high profile public institutions such as the Tate, as well as smaller regional galleries, including Milton Keynes and Kettle's Yard Cambridge.

### **3.9 Economic and Social Science Research Council (ESSRC) Large Grant**

The Open University, in partnership with five other UK universities, had been part of a successful ESSRC Large Grant bid for research into Poverty and Social Exclusion in the UK. The OU's primary contribution, led by Learning and Teaching Solutions (LTS), was in the dissemination of the research through the development of a new dedicated website, which would draw on the University's expertise in developing and maintaining open access sites, public engagement and data dissemination.

### **3.10 The Open Library**

In a recent article entitled "Font of knowledge is a click away", The Times Online had celebrated the work of the Director of Library Services, Mrs Nicky Whitsed, and her team in ensuring that OU students had access to one of the most advanced digital libraries in the world. The Open Library website received around 2.5 million hits every year, and users had access to 400 online databases, 30,000 e-journals and hundreds of thousands of e-books. The Open Library also hosted Open Research Online (ORO), a free and publicly accessible repository of the University's peer-reviewed research. Last year, more than 1,000 pieces of research had been added to the ORO database. With digital advances such as iPad, this was a 21<sup>st</sup> Century facility that students could access wherever they were.

### **3.11 OU Volcanologists**

OU volcanologists Dr Dave Rothery, Dr Hazel Rymer and Dr Dave McGarvie had been very active in briefing the world's media about the implications of the Icelandic volcano eruption. This was a great example of the contribution that the OU made to public life. Real time data on the volcano had also been sent via cell phone to OU students in the UK.

### **3.12 Funding for HE**

Since the last meeting of the Council, the Higher Education Funding Council for England (HEFCE) had sent out the annual grant letter and over three-quarters of the universities in England and Northern Ireland had seen cuts in their grant. However, in the short term, the OU's funding grant for England would increase in 2010/11 by 2%, mainly due to the University's success in student recruitment. There had been an even greater increase in the grant for Wales in 2010/11 of 6.4%; but in Scotland the increase was only 0.7%.

In his Budget statement, the Chancellor had announced a one-off allocation of £270 million, the University Modernisation Fund, to support a sustained increase in student places at universities and colleges in a period of economic recovery by adopting greater savings and efficiencies. He had also announced a £35 million university enterprise capital fund to support innovation and to help new graduates to start up companies. The OU was actively exploring and putting in bids to these funds. However, the Chancellor had also said that universities must make efficiency savings, so in the longer term the OU was still faced with a number of significant financial challenges. Consequently, the delivery of the University's planned net savings was still a major priority.

### **3.13 HEFCE University Modernisation Fund**

In response to the Chancellor's announcements of increased funding, the University had recently submitted a bid to the HEFCE University Modernisation Fund for 1500 FTE additional student numbers (ASNs) in 2010/11 and efficiency activities during that year amounting to £12.4 million. The Fund was structured to benefit those universities who could demonstrate that they could recruit additional students without increasing the costs. The University would not know the result of this bid before the end of May 2010, but if it were successful it would bring in more funding for 2010/11 to help the University meet the challenges going forward.

### 3.14 Student recruitment

Based on the April forecast, the University had now achieved 90% of the forecast intake volume for the year and was confident of reaching its target. Overall, the University had planned to grow by 2.8%. The overall forecast was for 79,426 FTE, which was 6.8% above target. This represented an overall growth of 7,076 FTEs, or 9.8% growth in one year. This was unplanned growth, and yet the University had been able to manage it and the associated cost base successfully.

## 4 US FOUNDATIONS

- 4.1 The Pro-Vice-Chancellor (Strategy and External Affairs), Professor David Vincent, reported that he, together with the Vice-Chancellor, Mr Martin Bean, and the Director of Development, Ms Edith Prak, had recently visited the US and met with representatives from The Carnegie Foundation for the Advancement of Teaching, The Bill and Melinda Gates Foundation, The William and Flora Hewlett Foundation and The Lumina Foundation for Education. The discussions had built on the actions agreed at the UK meeting in November 2009, and on the work subsequently carried out by consultants. Progress had been inhibited because the Foundations had been following the progress of legislation proposing substantial investment into the US education system, and this had been delayed by the passage of the Healthcare Bill. However, a \$2 billion investment in career and technical education training over 4 years had now been agreed.
- 4.2 During the visit, meetings had been held with the four Foundations collectively, with Carnegie and Hewlett separately, with George Mason University, and with leading community colleges, such as the Anne Arundel Community. Positive discussions had taken place, and the goodwill and interest of the Foundations was undiminished.
- 4.3 The OU and the Foundations had agreed to work together to prepare a four page scoping document to go to the new Department of Labor and other potential stakeholders, such as Community Colleges and employers. Proposals included building a new platform or portal through which the Community Colleges could target people who were unemployed or threatened by unemployment, and pathways specialising in the areas of healthcare, energy and healthcare information technology.
- 4.4 The University had been offered a planning grant by the Foundations that would support the development of Social Learn.

- 5 SECOND SUBMISSION TO THE INDEPENDENT REVIEW INTO HE FUNDING AND STUDENT FINANCE C/10/2/1**
- 5.1 The Pro-Vice-Chancellor (Strategy and External Affairs), Professor David Vincent, presented the paper and observed that the Browne Review was an all-party group. The Open University had already presented its evidence to the first stage of the review and good progress had been made to date in gaining support for the OU's case.
- 5.2 Since the paper C/10/2/1 had been circulated to the Council, further work had been done to the University's draft submission, the deadline for which was 14 May 2010. The submission set out the case for the reform of the entire funding and student support system for HE in order to remove the distinction between full-time and part-time education. Birbeck was working with the OU on a joint submission and discussions had been taking place with other external organisations to build support for the OU's propositions. The response in some quarters had been disappointing. The Universities UK (UUK) draft submission still dealt primarily with full time students, and it was possible that inertia and the old elite might force some version of the status quo, where part-time provision was treated as secondary to full-time.
- 5.3 As the Browne Review did not have the facility to do any cost modelling, the OU had been using the services of the Institute of Fiscal Studies and London Economics to work through the implications of its proposals. These would be shared with the Browne Review. The increase in cost was small in relation to the overall expenditure. If the funding and student support for part-time education were to be raised to the level of the full-time sector, it would cost an additional £146 million per year against a total investment of £7.2 billion. This additional expenditure could be dealt with by increasing the interest rate charged on student loans by 0.4%, which was considered to be manageable.
- 5.4 A separate submission was also being written, which considered the value of The Open University to the UK and which highlighted the risk of marginalising it through underfunding.
- 5.5 The supplement to paper C/10/2/1 was an internal paper that gave a balanced estimate of the possible outcomes for the OU if the funding situation remained the same or if the University succeeded in achieving the changes it sought. The Finance Director, Mr Miles Hedges, apologised for the late paper, but explained that some of the information from London Economics had only been received on the previous day.
- 5.6 The paper considered two scenarios. Paragraphs 6 – 8 looked at the first scenario, where the current funding and student support arrangements were retained. The second scenario was to change to a 'mode-blind' system, where the division between full-time and part-time study in respect of funding was removed and a new fees and loan system was introduced. As student fees were currently paid up front, any increase in fees was likely to have a negative effect on recruitment.
- 5.7 The modelling suggested that a 'mode blind' system could be of more benefit to the OU in dealing with further cuts (or the least worst option), than if part-time students continued to have less support as full-time students.
- 5.8 A member observed that the modelling exercise did not appear to take account of the market as a whole. It assumed stagnation in the market place, whereas the ability to charge higher fees for part-time programmes might attract different providers into the market. Professor Vincent responded that if the funding arrangements were to be changed, the OU would have to accept greater competition. Another member said that the modelling might not have been done from a real sector view, but focussed on the negative impact of government action on The Open University: the more the government took out of the sector, the worse it would be for the OU.

- 5.9 The proposal seemed to suggest that, in a period of economic difficulty, the government would lend more to students and that the universities would be allowed to make more money. Nevertheless, lowering the upfront cost of education and deferring the payment of fee loans was something that the Treasury would approve of and provided an interesting opportunity for the OU. Higher interest rates might be viewed as a stealth tax. If the University's funding was reduced, which seemed likely, then it should target its funds at those students who struggled to pay, thereby supporting the widening participation agenda. Professor Vincent replied that the government would cut direct funding to universities irrespective of the recommendations from the Browne Review. Other universities could respond by increasing their fees, but if the OU did not get access to increased fees it would suffer the full brunt of the cuts.
- 5.10 Another member commented that the government were likely to 'cherry-pick' the recommendations from the Browne Review. Part-time education had been heralded as a more flexible and innovative way forward, and should therefore be a major theme in any submission from the OU. The Open University was in a position to offer students a means of minimising the cost of education and, if it were to get extra funding, it would have to persuade the government that part-time provision was the solution. However, if there were no additional funds in the HE sector overall, then part-time providers could only be better off by taking money from the full-time sector.
- 5.11 The Vice-Chancellor agreed that simply asking the government to pay more towards the cost of part-time education was inappropriate. However, the Review had no funding for business modelling, so those that had done it for them would be listened to, particularly if they had considered the total available funds and not just those in the full-time sector. The OU's submission should consider the real costs of the whole sector under the current rules and then compare them with the alternative. It should not suggest that the University's proposals will simply add to the costs. The University should also make clear that the idea of introducing real rates of interest as a means of offsetting the cost of student loans was not an OU idea. The University should be clear that its aim was to achieve an equitable system of distributing funding.
- 5.12 The Pro-Chancellor commented that the general public were of the view that if the government charged student fees then it saved money, but the government still had to carry the debt: it was simply transferring the obligation to pay from the state to the student. The Browne Review was unlikely to propose increased fees, but neither would it propose that the government should increase its spending. It would be better to provide more student loans, than to incur the expense of further grants. If this were the case, then the cost could be offset by higher interest rates.
- 5.13 The Vice-Chancellor remarked that the Higher Education Contribution Scheme (HECS) that operated in Australia was credit based for both full-time and part-time education, and allowed HE to be free at the point of entry if a student achieved the appropriate high school grades. Institutions set a student contribution level for each course and if students paid their tuition fees upfront, they qualified for a discount. Alternatively, students could choose to defer payment and repay the full fees through the tax system once their salary reached the agreed threshold. This provided a safety net. The more a student earned, the more would be clawed back in tax.
- 5.14 A member remarked that the submission did not suggest that the ELQ policy should be abandoned. Professor Vincent responded that it had not seemed sensible to renew the University's proposal for reinvestment in ELQ. Another member suggested that it should be included as an economic rather than a moral issue: as a means of retraining people looking for re-employment.
- 5.15 A member commented that the Russell Group were likely to make a submission that suited the Group, but not necessarily the full-time sector as a whole. The Open University would

not be the only faction in the debate, but it did not want to be more divisive than necessary. Consequently, it should emphasise advantages of part-time education to the nation, by highlighting the lower cost of part-time provision and the fact that students would pay tax at the same time as they studied.

- 5.16 The Browne Review was committed to reporting in June 2010, although the current political situation might cause a delay. After the 14 May 2010 submission deadline, the University would begin its campaign to get its proposals accepted. The Council would be kept briefed in order that members could play their part. Professor Vincent said that the University would prepare a communications brief, mobilise the student body, and employ all its networks to pursue its aims. A mode blind system was conceptually moral and practically possible.

## 6 FORECAST OUTTURN

C/10/2/2

- 6.1 The Finance Director, Mr Miles Hedges, introduced the paper and highlighted the favourable movement from budget of £10.3 million. This movement had arisen mainly from three sources: a net contribution from course fee income arising from higher than budgeted student numbers coupled with a less than proportionate increase in direct teaching costs; a net contribution from externally, grant funded projects that were not known at the time of budgeting; and early cost savings made by units.
- 6.2 The favourable movement in the forecast of £4.1 million was made up from both positive and negative factors, but overall the position was satisfactory.
- 6.3 The Treasurer, Mr Michael Steen, commented that the position was a testament to those involved, but that the University had to remain cautious. The OU was facing a difficult and uncertain future, particularly with regard to grant funding. It was important that it continued to meet its targeted savings and find still more. Nevertheless, it was in a good position to face the uncertain future.
- 6.4 The Chair remarked that the impact of the ELQ policy had meant that the OU was taking steps to reduce costs ahead of many other universities. It was doing an excellent job, which would help the University through the next 10 years.
- 6.5 The Council **noted** that the 2009/10 forecast consolidated outturn was a surplus of £19.3 million for the University and all its subsidiary undertakings. This represented a favourable movement of £10.0 million compared to the budgeted surplus of £9.0 million, a favourable movement of £4.1 million since the October forecast, and was subject to the risks identified.

## 7 FINANCE COMMITTEE

C/10/2/3

- 7.1 The Treasurer, Mr Michael Steen, presented the paper and drew attention to minute 4 concerning the Funding Council's grant announcements. The increase in grants for England and Wales were welcome and here the OU had done better than the rest of the sector. In Scotland it was more on a par with other HE providers.
- 7.2 Minute 5 considered issues affecting the future financial position. The output from the 2010 Income and Expenditure Model was broadly in line with the 2009 Financial Forecasts, so there was currently no need for further action. There were two risks: the European Union's challenge in respect of the higher fees charged in Europe and the increased cost of the pension scheme take up by associate lecturers. A member asked when the University was likely to hear the outcome of the EU challenge. The Finance Director, Mr Miles Hedges, said that a robust response had been sent, but it was impossible to predict the timescale for a reply.

- 7.3 Referring to Minute 7, Mr Steen said that there would be no changes to the Treasury Policy at this time, but that it would be reviewed once the funding picture was clearer.
- 7.4 The Chair commented that Scotland was not covered by the Browne Review and, as a consequence, the gap between the nations was likely to widen. A member added that the situation was unlikely to change in the short to medium term, but that a big problem was building up in the longer term.
- 7.5 The Council **noted** the minutes of the meeting of the Finance Committee held on 23 March 2010.

## 8 **AUDIT COMMITTEE**

C/10/2/4

- 8.1 The Chair of Audit Committee, Mrs Claire Ighodaro, said that the Council were being asked to approve the revised risk management policy. It was not significantly different, but the wording around risk management had been clarified. There would always be risks in the University's activities, but this should be balanced across the OU and should be clear to those leading the strategy. It was important for the University to use the risk register, particularly during this period of uncertainty.
- 8.2 The Audit Committee had received the Vice-Chancellor's report on Value for Money, which included an excellent summary of the University's key initiatives. The Committee recommended that this would provide useful briefing information for the induction of new members to the Council.
- 8.3 The Council **approved** the revised Risk Management Policy (Appendix 1 to these minutes)

## 9 **STAFF STRATEGY COMMITTEE**

C/10/2/5

- 9.1 The Council **noted** the unconfirmed minutes of the meeting of the Staff Strategy Committee held on 2 March 2010.

## 10 **STRATEGIC PLANNING AND RESOURCES COMMITTEE**

C/10/2/6

- 10.1 A member asked whether any lessons had been learned from the OU/Pearson pilot global MBA project. The Vice-Chancellor responded that a formal post-mortem paper was being prepared in collaboration with Pearson, which would look at the outcomes of the pilot from both sides. This would also be used to inform the international strategy.
- 10.2 The Council **noted** the unconfirmed minutes from the meeting of the Strategic Planning and Resources Committee held on 10 February 2010.

## 11 **THE SENATE**

C/10/2/7

- 11.1 The Vice-Chancellor, Mr Martin Bean, reported that there had been some useful discussion at the Senate, particularly with regard to the international strategy. The Senate had been pleased to receive the strategy at a point at which they could influence its content.
- 11.2 A Senate member agreed that the early statement of intent had been welcomed by the Senate. The paper had been commended by many members for its clarity. There had been some confusion between the philanthropic (not-for-profit) and for-profit activities, and some debate about whether they should be kept distinct, as their modes of operation were not entirely separate.



- 11.3 In terms of the University's current international work, there were examples of both success and failure, and the OU needed to learn lessons from both. The links between international and domestic business were also noted, and there had been a suggestion that the models being proposed for international activity could be used at home. There had been some realistic commentary about competitors at home and abroad; and the way in which the OU was culture bound in some areas.
- 11.4 Much goodwill had been expressed, tempered by some scepticism that some of the models would work. Overall, the Senate had been supportive of the international strategy.
- 11.5 The Council **noted** the report of the items discussed at the meeting of the Senate held on 27 January 2010.

## 12 OUSA REPORT

C/10/2/8

- 12.1 The OUSA President, Ms Roz Evans, presented the report and thanked the Vice-Chancellor, Mr Martin Bean, and the Director, Students, Mr Will Swann, for their contributions at the OUSA Annual Conference in April 2010.
- 12.2 There had been many positive highlights during the OUSA President's first year in office, including membership of the National Student Forum (NSF), which had links with the Department of Business, Innovation and Skills (BIS) and talked directly to HEFCE. Other members of the NSF deferred to the OU member for issues concerning part-time provision. The draft of the student response to the second call for evidence to the Browne Review had just been received. It proposed that full-time and part-time provision for young and mature students should be treated equably and that everyone should be able to afford university education regardless of their background. It argued for a fair system of support, where students had the choice to pay fees up front or after their course, and where students were able to choose a mode of study to suit them, without being influenced by cost.
- 12.3 A tour of the nations and regions had enabled the OUSA President to meet with both national and regional directors, and with representatives from the National Union of Students (NUS). This had been particularly positive in Scotland, where the NUS had included OU students in their questionnaire regarding funding.
- 12.4 The proposals for *OUSA Futures* had been accepted wholeheartedly by Conference in 2010. A formal constitution would be prepared for final endorsement at Conference 2011. The blueprint had been provided by the NUS, but would be adapted for use by a Student Association rather than a Student Union. OUSA were currently working with the Director, Students and the University Secretary to ensure that the constitution was fit for purpose.
- 12.5 The OUSA President thanked the University for the opportunities that OUSA were given to communicate student views, and the student team itself who were excellent at conveying those views.
- 12.6 The Chair responded that OUSA were doing an excellent job for the University, and that they would play a particularly important role over the next year. The OU's greatest strength was its relationship with its students, and the University was indebted to the President and her team.
- 12.7 The Vice-Chancellor added that there was no better way of understanding what the OU did for its students than by attending an awards ceremony. All members of the Council should attend at least one degree ceremony every year to be inspired and fulfilled. The Chair agreed and commented that it was the ultimate reward for all those involved with the OU to see the value that students and their families and friends assigned to their achievement.

## 12.8 The Council:

- a) **noted** the report from the OUSA President
- b) **approved** the constitutional amendments set out in paragraph 2.8 and contained in Appendix 2 to these minutes.

**13 MEMBERSHIP COMMITTEE**

C/10/2/9

- 13.1 The University Secretary clarified that there were two vacancies on the Council, one vacancy for a Council member on Finance Committee and one vacancy for a Council member on Staff Strategy Committee.
- 13.2 The potential candidate identified for both the Council and Finance Committee had now turned down the invitation, and other candidates would be considered. The nominee would also have provided some Welsh representation on the Council, but this requirement might now have been satisfied in some other way. The Chair invited members of the Council to submit names for the Membership Committee to review.
- 13.3 The possible candidate identified for both the Council and Staff Strategy Committee had agreed in principle, but had to clear her acceptance of the appointment with the Chair of her organisation's board.
- 13.4 Mr Edward Briffa and Mr Anthony Freeling were approaching the end of their first term of office on the Council and were eligible to serve for a second four year term. The Chair thanked them for their contribution to date.
- 13.5 The Council approved the following recommendations from the Membership Committee:
  - a) That one of the forthcoming vacancies for external co-opted members of the Council should be filled by one of the nominees from the list of suggestions who had significant experience in the field of human resources, subject to her agreement. The appointment would run from the date of agreement to 31 July 2013.
  - b) If the candidate was unwilling or unable to accept the invitation, a second nominee with significant experience in the field of human resources and already a member of a Council subcommittee, should be approached to fill the vacancy.
  - c) The appointment of one of the nominees, who was being approached to join the Council, to the Staff Strategy Committee, subject to her agreement. The appointment would run to 31 July 2013.
  - d) If the candidate was unwilling or unable to accept the above invitation, the second nominee with significant experience in the field of human resources, who was already a member of Staff Strategy Committee, should be approached to fill both vacancies.
  - e) That Mr Edward Briffa and Mr Anthony Freeling should be re-appointed to the Council for a further four year term from 1 August 2010, subject to their agreement.

**14 CHAIR'S ACTION**

C/10/2/10

The Council **noted**:

- a) The re-appointment of Ms Jennifer Seeley to the Audit Committee for a further four year term from 1 August 2010

- b) The re-appointment of Mr Frank Neale to the Finance Committee for a further four year term from 1 August 2010

## 15 DECLASSIFICATION OF COUNCIL PAPERS

The Council **agreed** to retain the confidential status of the following papers:

- a) Second Submission the Independent Review into HE Funding and Student Finances (C/10/2/1 + Supplement)
- b) Membership Committee (C/10/2/9)

## 16 FAREWELL AND THANKS

The Council thanked Dr Rosemary Hamilton, who was retiring at the end of June, for her services to the Council and to the OU in Ireland.

## 17 NEXT MEETING

The next ordinary business meeting of the Council will be held on Tuesday 20 July 2010 at 9.45 for 10.00 am at BMA House, Tavistock Square, London, WC1H 9JP.

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Assistant Secretary  
Central Secretariat  
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May 2010

Attachments:

Appendix 1: Risk Management Policy

Appendix 2: Resolutions of OUSA Conference 2010 Changing the Constitution



## Risk Management Policy

### 1. Purpose

This Risk Management Policy (Policy) sets out the high level arrangements for risk management, control and assurance at the University. It provides a definition of risk and risk management, sets parameters for the University's risk appetite, defines the University's risk management strategy and describes the governance arrangements and responsibilities for managing risk.

Understanding and controlling risk is important to the University. Effective and efficient risk governance and oversight provide management with assurance that the University's business activities will not be adversely impacted by risks that could have been foreseen. This in turn reduces the uncertainty of achieving the University's strategic objectives as defined in OU Futures.

### 2. Definition of Risk and Risk Management

Risk can be defined as the uncertainty around the University's ability to achieve its business objectives and execute its strategy effectively. Risk arises as much from the likelihood that something beneficial will not happen as from the threat that something adverse will. Effective risk management and control is important to the University's long term success.

### 3. Approval and Maintenance

The Policy is approved by Council on the recommendation of Audit Committee.

The Policy is reviewed by Audit Committee at least annually to ensure that it continues to be relevant to the University's current and planned activities. Changes are recommended to Council for approval.

### 4. Risk Appetite

The University's aim is to ensure that the level of risk it accepts within individual areas of activity continues to maintain a balanced portfolio of risk across the University as a whole.

### 5. Risk Management Strategy

The aims of the Open University's risk management strategy are characterised as follows:

- To create a risk aware culture that starts at the top and permeates its way throughout the University, providing a level of transparency and openness that encourages accountability, learning, action and continuous improvement in the quality of risk management.
- To embed a strong risk culture into the University's day to day activities, not as a separate activity but as a model which inherently incorporates consideration of risk and influences business strategy, decision making, incident management and organisational design.
- Risk measurement that allows us to understand the University's risk profile and establishes an explicit risk appetite to guide decision making.

- Risk management meets the expectations of all stakeholders.

## 6. Governance and Responsibilities

An effective risk management structure requires governance, oversight and management. The governance role sets strategy and approves policy and tolerance and receives assurance that strategy is being delivered in line with Policy. Risk oversight involves establishing a framework of rules, mechanisms to measure, monitor and report risk exposures and a challenge and support process to ensure that risk is managed effectively.

### **Risk Governance Council**

Council has overall responsibility for risk management and sets the tone for risk management within the University. Council determines the University's overall parameters for the institution's risk appetite. Council assures itself that risk management requirements are consistently and rigorously applied through receipt of risk reports considered by the Vice Chancellor's Executive, the committees reporting to Council or Council itself. Council is assisted in fulfilling its responsibility for risk management by the University's Audit Committee.

### **Audit Committee**

The Audit Committee on behalf of Council considers:

- Regular assurance reports from management on compliance with risk management policy and management of risk exposure relative to appetite;
- Independent assurance reports from internal audit on the quality of internal controls and on the adequacy and effectiveness of the risk management framework;
- Independent reports from the external auditors;
- Revisions to the University's Risk Management Policy and recommends changes to Council.

### **Risk Oversight**

The Vice Chancellor is accountable to Council for implementing an appropriate risk management framework and for allocating responsibilities to individuals within that framework, so that Council's Policy requirements are met. The Strategy Unit is responsible for monitoring implementation of the Risk Management Framework through the University's planning processes and reporting to the University's Executive.

### **Risk Management**

Managers throughout the University are responsible for complying with the Policy and for managing the risks associated with their operational activities and processes.

The University's Risk Management Framework describes the method for applying Policy requirements, including the tools and techniques to use for risk identification, assessment, monitoring, management and reporting.

## 7. Risk Assurance

Assurance is provided through transparent, timely and objective risk reporting. High quality accurate risk management information helps to ensure that senior management is made fully aware of all material risks to which the University is exposed.

Additionally, the Chief Auditor provides an annual report on the effectiveness of risk management systems and controls across the University, which helps to inform the Audit Committee's opinion on the effectiveness of risk management provided to Council.

Revised January 2010

## RESOLUTIONS OF OUSA CONFERENCE 2010 CHANGING THE CONSTITUTION

**(These are numbered according to their numbering in the official OUSA Conference Document CD1 as considered by Conference.)**

### **Resolution 1**

Wherever the terms 'Region(s)' or 'Regional' are used to include reference to the UK Nations the terminology should be changed to reflect the status of those Nations.

### **Resolution 2**

In section 5.3.2.3, delete 'in the FirstClass branch conference(s)' and replace with 'in the branch forum(s) on FirstClass or other University-provided system'.

In section 6.6.5, after 'FirstClass' insert '(or other University-provided)'.

### **Resolution 3**

In section 5.3.2.5 delete 'Voting shall be by a show of hands unless a secret ballot is required by 25% or more of the members present;'

### **Resolution 4**

Add new paragraph 5.3.2.11:

Whenever a face to face meeting is held, there must also be an option for members to have full participation in the same business as that meeting by online access.

### **Resolution 5**

at 6.2.2 delete the phrase "(subject to Executive Committee approval)"

### **Resolution 6**

Delete first sentence of section 6.2.10 and replace with:

Any OUSA member resident in the Region may attend the online element of any meeting of the Regional Forum as a visitor without giving notice, provided they already have appropriate read or read/write permissions to the relevant online forum. Any OUSA member resident in the Region may attend the face to face element of any meeting of the Regional Forum as a visitor provided that the member has given not less than one week's notice to the Regional Forum secretary.

### **Resolution 8**

insert as new paragraph 6.6.3:

Whenever a face to face meeting is held, there must also be an option for members to have full participation in the same business as that meeting by online access.

Renumber existing 6.6.3 and subsequent paragraphs accordingly

**Resolution 14**

Section 15.1 replace this paragraph with the following:-

“The Executive Committee shall have the power to exempt any unit of O U S A with the exception of the E C from complying with the detailed requirements on each type of unit contained within this Constitution either for the purpose of trying to identify more effective forms of localised organisation by experimentation or for the purposes of trialling any new forms of organisation adopted as policy by Conference 2010.”