



THE COUNCIL

Minutes of the meeting of the Council held on Tuesday 22 November 2011 at The Open University, Walton Hall, Milton Keynes

- Present: Lord Haskins (Chair) (except Minute 19), the Vice-Chancellor, Mr E Briffa, Dr S Ding, Mrs S Dutton, Dr I Falconer, Prof J Fortune, Dr A Freeling, Dr M Hopkins, Mr R Humphreys, Mr B Larkman, Ms R McCool, Ms L Murphy, Dr T O'Neil, Mrs R Spellman, Mr M Steen, Prof W Stevely
- In Attendance: Pro-Vice-Chancellor (Curriculum and Qualifications), acting Pro-Vice-Chancellor (Learning, Teaching and Quality), Pro-Vice-Chancellor (Research and Scholarship), Director, Students, Finance Director, University Secretary, Senior Assistant Secretary (Central Secretariat), Assistant Secretary (Central Secretariat), Director, Strategy (for part of meeting), Director, Communications (for part of meeting)
- Observing: Mr S Farmer (Chief Auditor), Mr S Hill (Commercial Director)
- Apologies: Mr H Brown, Mrs M Cantieri, Ms S Macpherson,

1 WELCOME

The Chair welcomed two new external co-opted members of the Council, Brian Larkman and Ros McCool, and the Pro-Vice-Chancellor (Research and Scholarship), Professor Tim Blackman, to their first meeting of the Council. Professor Alan Bassindale was welcomed as the acting Pro-Vice-Chancellor (Learning, Teaching and Quality). Two new members of staff, the Chief Auditor, Stan Farmer, and the Commercial Director, Steve Hill, were welcomed as observers at the meeting.

2 DECLARATION OF INTERESTS

There were no declarations of interest.

3 MINUTES

C-2011-03-M

- 3.1 The University Secretary, Fraser Woodburn, said that there was an error in minute 9.4, which had said that the international strategy would be presented to the Council in November 2011. It had not been the intention to bring the international strategy to this meeting of the Council. Steve Hill had only just joined the University as Commercial Director and would need time to develop the strategy. The minute should read "The strategy to be presented to a later meeting of the Council would clearly define the various ways in which the University would go to market around the world".

- 3.2 The Council **approved** as a correct record the minutes of the business meeting held on Tuesday 19 July 2011, subject to above amendment.

4 MATTERS ARISING

Referring to minute 9.5, which confirmed that the University would be decommitting from employing associate lecturers (ALs) in Europe, a member observed that it was ambiguous as to whether it was the tuition that would cease or the employment of ALs, and requested an update on the situation. The Finance Director, Miles Hedges, said that it was difficult to have contracts of employment with ALs in European countries that conformed to the employment practices and regulations in those countries due to very different employment laws. A project plan had been prepared, that included a communications strategy, which would ensure that the University achieved this objective whilst protecting the position of students.

5 CHAIR'S BUSINESS

- 5.1 The Chair reminded the Council of the University's current position in the higher education (HE) environment. The Government had been persuaded to allow part-time students access to fee loans from the Student Loans Company, making part-time study for qualifications free at the point of access for the first time. The UK Market Strategy research had confirmed that this was very important to students. The OU had announced its full-time equivalent (FTE) fee of £5000, the lowest price in the HE sector. Many other universities were now pulling back from the higher fees that they had originally declared.
- 5.2 In anticipation of difficult times, the OU had strengthened its financial position considerably by generating substantial surpluses in the past three years and through a major cost reduction programme, which had taken out some £37 million of costs to date, with a similar amount still to be removed. This had been achieved with remarkable co-operation throughout the University and without fundamental change to the OU's direction.
- 5.3 The whole of the University's strategic planning process continued to ensure that the OU would thrive in the new market environment. The Vice-Chancellor's Executive (VCE) had agreed to increase the marketing budget by £4.5 million in the current year in order to ensure that the right message reached sufficient potential students to generate the planned numbers for 2012/13 onwards. Building a relationship with new students to help them to deal with the huge changes in the HE environment was a critical part of the strategy.
- 5.4 The University had budgeted for a surplus of £26 million in 2011/12, further strengthening the financial position prior to the changes in England coming into effect. The financial modelling for 2012/13 onwards had been developed on a prudent basis, assuming a reduction in student numbers, and including an allowance of £50 million for one-off costs of change over the next two years. The revenue from new regime students in England was forecast to comprise only 19% of total revenues in 2012/13 and so the University would have time to react should recruitment vary from target. This percentage would increase each year, but was only forecast to come a majority of total income in 2016/17, giving further time to react to student demand varying from expectations.
- 5.5 There were still several unknowns, including how students would respond to the changes over the next few months. Funding for widening participation was uncertain and there were unlikely to be any answers until the spring of 2012. The competitive situation was being closely monitored: it was possible that there would be more private part-time provision, but

less from the public, traditional university sector. There were unresolved policy issues in all four nations and the economic situation continued to decline. Nevertheless, the University was in a good position moving forward.

6 VICE-CHANCELLOR'S REGULAR REPORT

Internal matters

- 6.1 The Vice-Chancellor congratulated Lord Haskins on his appointment as chairman of the Humber Local Enterprise Partnership; and Rob Humphreys, Director, OU Wales, on his appointment by the UK Government to an independent, seven person commission to review financial and constitutional arrangements in Wales. This was a great accolade for Mr Humphreys and reflected well on the standing of the OU in Wales and the wider UK.
- 6.2 Further to the Council Residential Weekend in September 2011, work on the University's new strategy had continued apace. The outcomes of this work were dealt with elsewhere on the agenda (C-2011-04-10).
- 6.3 Academically, the University had been making strong progress in a number of areas. For the past two years, the OU had been running the Vital Programme designed to help teachers use ICT to add value to lessons and to find new ways to engage learners. It had been part funded by the Department for Education (DfE) and had been a remarkable success to date: more than 7,000 teachers had used the available resources. The DfE had now given the University another £1.25 million to expand coverage to include resources in geography, science, modern languages and mathematics.
- 6.4 The University had also been taking steps to improve its own pedagogy. Through the Roadmap Acceleration Programme (RAP) the OU had just delivered a new online learning system based on the latest version of the Moodle platform. It included many enhancements to the familiar teaching tools, such as blogs, wikis and forums, as well as new developments in eAssessment and in the delivery of media content to mobile devices. These developments provided OU staff with more scope to develop richer learning pathways, gave students more choice in how they organised and undertook their learning, and enabled studying and collaboration on mobile phones.
- 6.5 On the research front, Dr Jon Goulding of the Science Faculty had been working with the National Medical Laser Centre to develop a drug which would dramatically boost the effectiveness of cancer treatment. It would break down the resistance of cancer cells in the skin, breast and neck to laser treatment and significantly improve the prognosis for the patient. It was hoped that the drug would soon be available to practitioners.
- 6.6 The OU had also continued to build on its excellent track record in space exploration. It was one of nine UK universities involved in the European Space Centre mission to search for dark matter, which made up the majority of the universe but was very hard to detect. The mission would measure galaxy distortions, effectively looking back in time some 10 billion years when dark energy appeared to have accelerated the expansion of the Universe.
- 6.7 Professor Jonathan Silvertown had been recognised by the British Ecological Society for his outstanding work in involving the public in university research using online platforms. Through Professor Silvertown's projects, the public had been able to contribute to various aspects of OU research, from adding to the University's knowledge of snail evolution, to discovering a species of moth new to Britain. In making the award, the President of the

Society had particularly commended Professor Silvertown for his "enthusiasm and creativity".

- 6.8 The Teacher Education in Sub-Saharan Africa (TESSA) programme had received another major award, this time from the World Innovation Summit for Education (WISE). The WISE awards were designed to showcase innovative educational projects from around the world. The OU programme had been chosen from among hundreds of entrants and praised by the judging panel for its "outstanding quality and ... exceptional impact".
- 6.9 The Trustees of the Ferguson Foundation had just invited the University to apply for a grant of £1 million to support further work on TESSA. This followed a recent visit to the University by some of the trustees.
- 6.10 Under the Systems Futures programme, work on systems redevelopment had made a good start with the delivery, on time and to budget, of a new system to support research administration.
- 6.11 The University's Estates staff had received awards from 'Britain in Bloom' and 'Constructing Excellence'.

External environment

- 6.12 The HE environment continued to be changeable and uncertain, especially in England. In the summer, the University had announced that it would charge £5,000 to new students in England studying 120 credits a year (i.e. the full-time rate) and half that for those studying 60 credits. BPP University College had pitched their fees at the same level. Most other universities had set their fees closer to £9,000, with the average across all universities being approximately £8,300. However, in the past few weeks, 27 English universities had indicated a change to the fees they had planned to charge full-time students in 2012/13. This had followed an announcement by ministers of new measures to manage student places: the Government would hold back 20,000 full-time places in 2012/13 and re-allocate them only to those institutions charging less than £7,500 a year, net of fee waivers. The Government was using such levers to distribute student places according to their policy ambitions, both in terms of providing more flexibility for students achieving higher 'A' level scores and of rewarding institutions charging lower fees.
- 6.13 A member asked whether the University should be concerned about the reducing differential between the OU's fees and those of other universities. The Vice-Chancellor replied that there was still a large gap, but that the University would be monitoring this carefully together with the patterns of enrolment. According to the latest data from the Higher Education Statistics Agency (HESA), with the exception of the OU and Birkbeck, most institutions were reducing their part-time provision. The only institution known to be charging fees below £5000 was University College Coventry, which had declared fees of £4800 focussed on part-time.
- 6.14 The Vice-Chancellor said that the University had also made some significant progress on the terms under which loans would be made available to part-time students. From 2012/13, part-time undergraduates in England would be expected to contribute towards the costs of their higher education once they were earning more than £21,000. Ministers had originally said that part-time students would be expected to start making these contributions three years after the start of their studies. Now, after representations from the OU and Birkbeck, the Minister of State for Universities and Science, David Willetts, had agreed, subject to Parliamentary approval, to extend the period to four years, and in some cases four and a half years, after the start of the course.

- 6.15 The OU had continued to work on two other major issues for the part-time sector in England: protecting the widening participation allocation and retaining the part-time allocation. The University had received significant support on the first of these from the Department for Business, Innovation and Skills (BIS) Select Committee earlier in November 2011 when it had said that “widening participation in higher education has an important impact on future economic prosperity and therefore is worthy of public investment.” The issue had also been supported by a number of peers in a recent Lords debate on higher education. The University would build on this support when it briefed Coalition peers in December 2011 during a meeting that had been organised for the OU by Lord (Timothy) Boswell.
- 6.16 Elsewhere in the UK, the University had been making significant progress in getting a better deal for part-time teaching and for part-time students. In Wales, the Assembly Government had announced that it would extend tuition fee loans and grants to part-time students from 2012/13. This had been good news, but the University had had some concerns about the speed of implementation and the number of issues that were yet to be resolved. Consequently, the OU had requested a delay until 2013/14 in order to better prepare students for the transition. Leighton Andrews, the Minister for Education and Skills in Wales, had agreed to this request. The Vice-Chancellor had thanked the Minister personally for his support for part-time students in Wales during his visit to Walton Hall on 21 November 2011.
- 6.17 In Scotland, full-time students were still able to study free of charge, but part-time students had to pay fees. However, the Scottish Cabinet Secretary, Mike Russell, had said that the Government would be looking seriously at the issue of part-time fees as part of its review of student support. This was encouraging and provided an opportunity for the University to argue the case for part-time students in Scotland.
- 6.18 In Northern Ireland (NI), the OU had decided to seek transfer of its funds for teaching from the Higher Education Funding Council for England (HEFCE) to the Northern Ireland Assembly. This was for the same reason that the University had transferred funding for its Scottish and Welsh students to the Scottish Government and the Welsh Assembly some years ago. The Department for Employment and Learning in Northern Ireland (DELNI) was supporting this move and had already taken up the issue with HEFCE. It was hoped that the transfer would be completed by September 2012. An indication of the progress being made in embedding the University in the HE environment in the Republic of Ireland was that the OU in Ireland had been granted membership of Universities Ireland.
- 6.19 A member remarked that in the past both the OU and HEFCE had wondered whether the University should be funded separately, because it was so different from traditional higher education institutions (HEIs). However, HEFCE’s move from grant provider to targeted investor made it a more comfortable place for the OU to be, and provided an opportunity for the University to ensure it was a recipient of such targeted investment. The Vice-Chancellor agreed that the OU would soon cease to be the anomaly in HEFCE and find itself with a key role to play. The OU continued to talk to HEFCE about the two biggest targeted allocations, widening participation and the part-time premium. There had been reports in the media about the number of courses that were starting to disappear from HEIs, and it was in areas such as this, as the sector began to consider how it could maintain the breadth and depth of its offering, that the University might begin to take a significant thought leadership position. For example, the OU, operating across the four nations, could, if appropriately supported, be in a unique position to fill some gaps.
- 6.20 The OU's latest ‘app’ for mobile devices was called OU News and offered access to all OU media press releases, the student and alumni community website (Platform), YouTube, OU

Twitter accounts, and Facebook. It was available from both the Apple Store and the Android Market Place.

- 6.21 A member commented that the profile of the OU had risen significantly as a result of the renegotiated contract with the BBC. Programmes such as The Frozen World on BBC1 and the Brain Season on Radio 4 promoted the University far more than had been the case in the past. The Vice-Chancellor agreed that the OU now had a very different relationship with the BBC. The University was close to finishing a television series called The History of Wales, which would be broadcast at prime time across the UK. It would be supported by a radio series in Welsh, in which issues of national identity would be debated in a robust way. The OU's involvement with such programmes would demonstrate its distinctiveness across the four nations of the UK.

7 FEES AND FINANCIAL SUPPORT STRATEGY

C-2011-04-01

- 7.1 The University Secretary, Fraser Woodburn, introduced the paper and highlighted the fact that, between the last meeting of the Strategic Planning and Resources Committee (SPRC) and this meeting of the Council, one of the major uncertainties had been removed. The Welsh Government had decided to delay the introduction of a new fees and financial support regime for part-time students for one year. The delay would be helpful as there had been much left to resolve: it would enable the University to set a fee for 2013/14 with a fuller understanding of the regime and with the opportunity to influence it, particularly in the areas of widening participation and the support available for some students who already had a qualification. Rob Humphreys, Director, OU in Wales, added that there were two unknowns: the amount of the public investment fund and the way in which it would be allocated across various institutions. The additional year would provide an opportunity not only to influence the allocation, but for the University and the Welsh Government to see how the student market responded to the changes in England and the effect on widening participation.
- 7.2 Mr Woodburn said that for students in Scotland, Wales and Northern Ireland and transition students in England at undergraduate level, an inflation increase of 5% was proposed. The same increase was recommended for postgraduate students across the UK. For directly taught undergraduate students outside the UK, including Europe, the proposal was to charge the same fee, i.e. £5000 per FTE, as for English students. As this was a substantial increase for these students, transition arrangements mirroring those in England would be put in place.
- 7.3 A member said that there had been many assumptions and much analysis put into the paper that he did not fully understand. The use of 5% as a measure of inflation, as although currently an appropriate measure for RPI and CPI, was well above average earnings. Consequently, the assumption that this increase would not have any affect on student recruitment appeared to be optimistic. Mr Woodburn responded that it was an informed assumption: recruitment had been buoyant across the UK in the old fee regime, although it was unknown how students would respond to a fee of £5000 in the new regime. The University was above the numbers that it needed to achieve to meet its Government funding targets and the market research had indicated that a fee of this level would be acceptable. This was not to say that the University would be able to continue with an RPI/CPI increase indefinitely, but it was considered possible for the forthcoming year. For simplicity, the University had set the same fee in Northern Ireland, Scotland and Wales as the transition fee in England. It might not be possible to maintain this position, and the University might have to differentiate the fee in Scotland and Northern Ireland from the transition fee in England in future.

- 7.4 Another member observed that the SPRC minutes stated there was no flexibility to adjust the fees following their approval by the Council. However, if the assumptions about fees and student behaviour across the four nations were proved to be wrong, to what extent could the University be flexible? Mr Woodburn responded that there was not much room for manoeuvre as the University would have to announce the fees in its prospectus in early 2012 and this would be legally binding. Whilst there were unlikely to be any difficulties in reducing the fees if required, it would not be possible to increase them for 2012/13. It would, of course, be possible to change the fees completely for the following year, 2013/14. The member said that it was important that the University had a process in place to enable it to track student registrations and to decide in a timely manner how to respond if there was a collapse in student registrations. The Chair thought it would be difficult to justify a reduction in fees after the event, when some students would have already signed up to a higher fee. Much would depend on whether other universities held the line, but it would seem foolish to change the fees during the current year. Mr Woodburn said that the fee for the new regime had been set at the lowest possible level for financial sustainability, so to reduce it further was not really an option. The OU's fee was the lowest in England, with the exception of that published by the University College Coventry. Those universities that had already reduced their fees had taken them to below £7500, but they were still above £6000. The transition fee and the fees in Wales, Scotland and Northern Ireland were the ones under discussion, and a collapse in demand was not envisaged in these areas. The University's ability to recruit new regime students in England was of greater concern. It would be difficult to respond to such a collapse in a timely way, as it would be unknown until the October recruitment had taken place. This would mean that any reduction in fees would be in year, which would be very difficult.
- 7.5 A member asked for a reminder about the assumptions regarding student numbers. There might be an increase at present as students tried to register before the fees increase, but what level of drop-off was anticipated for 2012/13? Mr Woodburn said that there had been a slight increase in February registrations and the University expected to be above target on those continuing students who would become transition students. In 2012/13, new regime students would represent just 19% of the University's income, so the University would be able to manage even if there were a significant drop in registrations. When the strategy had been set in July 2011, the assumption for financial modelling purposes had been that the University would have difficulty in recruiting because the marketing would not be quite right and there would be resistance to the new fees. The modelling had assumed, therefore, that the University would only recruit at 85 % of its target numbers. In the medium term, the assumption had been that student numbers would drop by 18%. However the Marketing Division was still aiming to get 100% of the target numbers in 2012/13. In response to a query, Mr Woodburn said that by December 2011 the UCAS figures would give a reasonable indication as to whether the numbers for full-time students were dropping, and by February 2012 this picture would be fairly precise. If the full-time numbers were dropping, it would suggest that the OU might also be in difficulties. The campaigns for the OU's own recruitment would commence on 26 December 2011. Some 500,000 enquiries would have to be generated between then and the end of March 2012, and the University would monitor whether that number was going to be achieved. Beyond March 2012, reservation and registration numbers would be available as a guide. These would be monitored much more closely than normal. In response to a question from the Chair, Mr Woodburn said that reports on progress would be presented to each Council meeting.
- 7.6 A student member asked whether, since the transitional arrangements would only apply to one qualification, the slight increase in current registrations would level out over time. Mr Woodburn said that this was unclear, as students were still very uncertain about whether the new fees regime was being introduced and, if so, whether it would affect the OU. The University had to educate its existing students to enable them to make an informed choice about registering under the transitional arrangements or as part of the new fee regime, but

this communication had not yet begun. It was possible, therefore, that there might be a further substantial increase in numbers for the February intake as students registered early in order to qualify for the transition fee arrangements. Currently, numbers were sufficiently buoyant to meet the OU's transition funding requirements from HEFCE.

- 7.7 Referring to postgraduate fees, a member observed that the Council was being asked to approve an average 5% increase, whereas SPRC were asked to agree a 5% increase where possible, and asked whether the Council was being asked to approve an increase of more than 5% in some circumstances. Mr Woodburn said that this would be a market decision, which would be made in consultation with the relevant faculties. There was a possibility that the University might charge more than 5% in some circumstances, although it was doubtful that this would make sense. In response to a query from the Pro-Vice-Chancellor (Research and Scholarship), Mr Woodburn confirmed that the fees for postgraduate research would be considered separately.
- 7.8 With reference to paragraph 46, a member asked what might be the political repercussions of setting a higher fee in Wales than in England. Mr Woodburn said that the recommendation to SPRC had not been to charge a higher fee, but for the University to keep its options open in the light of the uncertainty about the fee regime in Wales. The University would have to make a political, as well as a financial, judgement to charge more than in England, although this was not an issue that had to be resolved at present. A particular issue was that in England the University was expected to get funding from HEFCE, amounting to approximately £1000 per year per student, which included a significant sum to support widening participation. However, the fee arrangements in Wales were unknown and the University might have to contribute to widening participation and support in Wales. However, this would be known by the time the University brought forward a recommendation on the fees in Wales and it would have the opportunity to think through all the repercussions, including the political ones. Mr Humphreys said that the University could assume that it would receive money from the Higher Education Funding Council in Wales (HEFCW), but the total size of the public investment fund was unknown, as well as how it would be allocated. There were financial risks if the University were to charge the same fee in Wales as in England and yet accrue less income, but the political risks in charging a higher fee would also have to be taken into account when making the decision.
- 7.9 The Chair remarked that the position in England and Scotland was clear for an indefinite period, and the Welsh position would be clarified in the next twelve months, but the situation in Northern Ireland was uncertain. Mr Woodburn said that the University had many concerns regarding Northern Ireland. The OU could not continue to be funded through HEFCE for students in Northern Ireland, not least because HEFCE would not have sufficient funds to support such activity. The University had been trying to persuade the NI Government to seek the transfer of funding from HEFCE in order that the OU could be directly funded in Northern Ireland. The NI Government had now written to BIS to seek the transfer. If this did not happen, the OU would cease to be funded for students in Northern Ireland. Referring to a recent conversation with the Director, OU in Ireland, John Darcy, a student member said that even if funding were devolved from HEFCE it could not be self-supporting, as Northern Ireland was such a small province: other government departments would have to pay a levy to fund the education budget. Mr Woodburn clarified that such a levy would be necessary to fund HE in Northern Ireland, not just the OU. The education budget was not sufficient to support the arrangements in Northern Ireland and, in order to increase the funds available, money would have to be taken away from other departments. This would prove very difficult in a constrained budget environment. The NI Government would be seeking a full transfer of its funding from HEFCE. If this happened, there would be no net additional cost to the NI Government in the current year. However, HEFCE would have less money in 2012/13 and funds would decline rapidly thereafter, so the University would seek for the transfer to be based on this year's funding, not that of future years.

7.10 A student member said that she was pleased to see that the fee for European and Republic of Ireland students had been set at the same level as that for England, as it meant that the response she had been giving to student enquiries had been approximately right.

7.11 The Council:

- a) **approved** for undergraduate students in Scotland, Wales, Northern Ireland and those in England eligible for transitional arrangements an increase in the standard 60 point undergraduate course fee from £700 to £735 and the standard 30 point undergraduate course fee from £400 to £420, overall an average 5% increase in undergraduate course fees for these students (paragraphs 2 to 35);
- b) **approved** a fee level of £5,000 per full time equivalent (FTE) for directly taught undergraduate students, outside of the UK starting study in 2012/13, matching fee levels in England (paragraphs 39 to 46);
- c) **approved** transitional arrangements and fee levels directly taught undergraduate students, outside of the UK will match those in England, including a 5% increase in the supplement charged to these students (paragraphs 47 to 48);
- d) **approved** an average 5% increase in postgraduate course fees, where possible (paragraphs 49 to 56).

Action: AFW

8 REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL, INCLUDING THE CHIEF AUDITOR'S REPORT

C-2011-04-02

8.1 The Chair of the Audit Committee, Claire Ighodaro, presented the paper. With reference to recommendation 4 of the Annual Review of Council Members (C-2011-04-14), that "each of the Chairs of the Council Committees should, on an annual basis, make a presentation to the Council on the Committee's main functions and the key issues before it", the Council was asked to endorse the proposal that, should it agree the recommendation, this would be the first of those presentations from the Audit Committee.

8.2 The report of the Audit Committee to the Council and the Vice-Chancellor was not only a requirement of HEFCE, but also good practice for all audit committees and would be undertaken regardless of the regulatory requirements. Although the Council delegated the responsibility for risk and controls to the Audit Committee, this responsibility remained that of the Council and members were urged to raise any concerns that they might have.

8.3 The report looked at the work of the Audit Committee throughout the year and the way it was constituted, and then provided an overall opinion that, based on the assurances it had received, the University had adequate and effective arrangements for risk management and governance and for ensuring economy, efficiency and effectiveness in delivering its business activities. The Chief Auditor's report (Appendix 2), whilst generally positive was limited with regard to the University's internal control of the process for the reimbursement of expenses for the second consecutive year. The Audit Committee had expressed its disappointment to the executive that the Chief Auditor had again had to qualify his opinion, but had itself given an overall positive opinion because it had received assurances that the matter had finally reached a resolution and a new expenses system was being implemented. The University Secretary, Fraser Woodburn, confirmed that the new system was in place. The agreement with the union had been reached on the same day as the Audit Committee meeting. This was important, as some members of the union executive

had been advising members to follow a route that had not been in line with either the old or the new policy. By reaching an agreement and issuing a joint management-union statement, it had been possible to reinforce a line that was now backed by the union. The Finance Division would be reinforcing the new policy with University units and a qualified opinion on this subject was not expected next year. Mrs Ighodaro said that Audit Committee and the Council should be reassured to hear this, as the issue was not only one of probity and reputation for the OU, but also had a financial impact.

- 8.4 There had been a robust internal audit programme during the year. The previous Chief Auditor, Christine Sanderson, who had been with the University for many years and had made a major contribution to the success of internal audit, had resigned during the year. As part of its responsibilities, the Audit Committee had assured itself that there were no circumstances, other than personal reasons, that had led to Mrs Sanderson's resignation. The new Chief Auditor, Stan Farmer, was welcomed to the University: a smooth transition was taking place and the Audit Committee had no concerns about the change.
- 8.5 Two internal audit activities had been graded red. One concerned data quality and management, where there had been a security issue around student data. This had been dealt with immediately and was not, in the Audit Committee's opinion, of on-going concern. The second was with regard to staff expenses, where the audit had raised a number of issues that were of concern to the Audit Committee. The remaining internal audits had been graded green, with some amber. Management action had been agreed in all cases and in many instances had already been implemented. The Audit Committee monitored management action and ensured that there was no lag in the delivery of that action.
- 8.6 The Audit Committee's work had been broken down against its terms of reference (C-2011-04-02 Appendix 1: AUC-2011003-10 Appendix 2) and the Committee had reviewed its own effectiveness. There were no major issues.
- 8.7 The Audit Committee members and others who had contributed to the committee's agenda were thanked for their work, as were the management team for their co-operation throughout the year.
- 8.8 Referring to the issue of staff expenses, a member said that the Council should not assume that junior staff were less assiduous in checking expense claims: in practical terms, many such staff were more likely to check the claims and to notice any discrepancies than their senior colleagues. Mrs Ighodaro responded that in summarising the recommendation, the report might have given the wrong impression. There were no issues, in principle, with a junior member of staff checking expenses, but rather with a culture that resulted in situations where not all such staff were effectively challenging or questioning. Mr Woodburn said there was a distinction between authorising and checking: authorisation should not be made by junior staff unless they were clearly acting on behalf of a member of senior management; similarly, checkers should be supported by senior management when challenging expense claims. The issue was one of management structure.
- 8.9 A member asked whether the fact that the University had been subject to fraud was a result of a failure of procedures. Mrs Ighodaro said that the fraudulent change of bank account details notification in respect of a regular supplier (Appendix 2 paragraph 30) was a type of fraud that was on the increase, but which was preventable by good controls. The internal audit had revealed that the OU's control procedures were good, but had not necessarily been followed in this case. The Audit Committee had asked for information on lessons learned and how these would be applied in the future. The Finance Director, Miles Hedges, said that the internal audit had found that there was no evidence to suggest that anyone within the University had been involved with the perpetration of this fraud, but had the checking procedures already in place been followed by the member of staff concerned then

the fraud would have been prevented. Following the report, disciplinary action was being considered. The University had been alerted to this type of fraud earlier in the year and had strengthened its procedures. Further to this incident, the procedures had been reviewed again and detailed documentation put in place. The procedures would be audited later in the year. The bulk of the loss would be covered by insurance and would not be a loss to the University.

- 8.10 The Chair noted that the procurement process had been graded amber, but was more concerned about the quality of procurement, which could be extremely bad in some organisations. For example, large sums of money could be wasted in areas such as travel by purchasing first class seats, failing to book ahead and so on. Mrs Ighodaro responded that the internal audits looked at quality and value for money, and consequently would pick up on such issues. Mr Hedges said that the quality of the procurement process was very important. The University's Procurement Manager was looking at ways to improve the procurement processes not only to heighten control, but also to reduce the administrative burden in order to encourage compliance and ensure effectiveness.
- 8.11 The Chair thanked Mrs Ighodaro for the work that had gone into the report and for its comprehensive nature.
- 8.12 The Council and the Vice-Chancellor **noted** the Audit Committee's Annual Report for 2011.

9 ANNUAL ACCOUNTABILITY RETURN C-2011-04-03

- 9.1 The Chair of the Audit Committee, Claire Ighodaro, said that the Audit Committee had reviewed the Annual Accountability Return and had made no changes of significance this year.
- 9.2 The Council:
- a) **noted** the contents of the Annual Accountability Returns;
 - b) **agreed** that the Vice Chancellor should sign Part 2 of the Annual Assurance Return (Annex E) on its behalf.

10 HEFCE ASSESSMENT OF INSTITUTIONAL RISK C-2011-04-04

- 10.1 The Chair of the Audit Committee, Claire Ighodaro, said that HEFCE had once again assessed the University as "not at higher risk", which was very positive. There had been a few minor issues, but these had already been dealt with and HEFCE's approach to the OU would be light touch.
- 10.2 The Council **noted** that the University was assessed as 'not at higher risk'.

11 FINANCIAL STATEMENTS 2010/11 C-2011-04-05

- 11.1 The Finance Director, Miles Hedges, introduced the paper, which indicated that the University had had a very successful financial year, with a surplus, before £2.8 million of exceptional items, of £47.3 million. Income had been boosted by a one-off grant from the HEFCE of £20.6 million and costs had been essentially held level in cash terms as a result of the continuing cost reduction measures.

- 11.2 The Operating and Financial Review covered the same topics as last year, with the section on future developments concentrating on the changing funding environments in the UK nations and the University's response to these changes (pages 17 to 19 of the financial statements).
- 11.3 This year the section in the covering paper on the Responsibilities of the University's Council had been extended to summarise how these responsibilities had been discharged (paragraphs 18 to 22). With significant changes in the funding environment being introduced from next year, the rationale for using the going concern basis for the preparation of the statements had been set out in some detail and the information provided (paragraph 22 a – h) accorded with guidance issued by the Financial Reporting Council that was relevant to universities. Whilst the accounting requirements were for going concern issues to be considered only for the next 12 months, the financial modelling presented to Finance Committee and summarised to the Council in July had covered the period to 2019/20, when a steady state for the new funding regime in England would have been reached.
- 11.4 The Treasurer, Michael Steen, commented that however routine the financial statements might appear, they represented an account of the Council's stewardship and were a highly significant component of the Council's corporate governance responsibilities (pages 26 – 27). The statements were lengthy in order to comply with the vast number of rules and regulations. The Council could be reassured that the process undergone had been the normal one: the Finance Committee had scrutinised the statements in a joint meeting with the Audit Committee, the internal auditors and the external auditors, PricewaterhouseCoopers (PwC). PwC had reported that the audit had gone well and no matters of significance had been raised by them.
- 11.5 The financial results were very satisfactory and were a testament to the Vice-Chancellor and the executive. The highlights were set out on page 3 of the financial statements, and indicated that the University had strengthened its financial position considerably through generating a surplus of 10% of total income and drawing down its £60 million loan facility. The resultant boost to liquidity had given the University the ability to weather the period of considerable economic uncertainty and the significant changes in the funding of HE in the UK. The conclusion of the financial and operating review on page 19 emphasised this strong financial position, alongside the University's provision of excellent cost-effective higher education, which would enable the OU to contribute to the transformation of the UK in a competitive and uncertain globalised economy.
- 11.6 There was no room for complacency, as the outlook was uncertain at both the macro and the micro level. However, with the UK Market Strategy exercise, the University had done all that it reasonably could to limit the risks. The boost to liquidity had given the University considerable fire power to fund one-off costs of change and to provide a buffer should the future not turn out as predicted.
- 11.7 The preparation of the statements represented a massive exercise, both physical and psychological, although only a small amount of the information was of critical importance. Mr Hedges and his team were to be thanked for their work in getting the Council through this regulatory burden in a trouble free and timely manner. The Finance Division were also thanked for their hard work and loyalty throughout a year in which the pressures had been massive and unusual.
- 11.8 The Chair of the Audit Committee, Claire Ighodaro, confirmed that the Audit Committee had attended the joint meeting with the Finance Committee, and were satisfied with the process leading up to these reports. The feedback from the external auditors supported the comments made by the Treasurer and the Finance Director. A member who was also a

member of the Finance Committee reinforced these remarks. The process had been thorough, the preparation by the Finance Division professional and the outcome satisfactory.

- 11.9 With reference to the extraordinary financial climate, a member asked, where the University was placing the considerable surpluses that had been generated. Mr Hedges said that this issue had exercised both the Finance Committee and the Finance Division for many months and was under constant review. At the September 2011 meeting, the Finance Committee had agreed to increase the maximum sum placed in the University's two professionally managed money market funds. Since then, as bank deposits had matured, the University had increased these funds to the maximum. At the last meeting, the Finance Committee had agreed to increase the limit on UK government gilts and this had now been implemented. Nearly three-quarters of the University's cash reserves were now either in government gilts or one of the two money market funds. Deposits with UK banks exceeding three months had been curtailed dramatically. A paper would be presented to the January 2012 meeting of the Finance Committee that would review the overall policy in depth and consider other asset classes to see whether diversification would reduce the University's overall risk profile. The situation was difficult at present, but the University was endeavouring to place its funds in the best assets possible to preserve the OU's capital.
- 11.10 Referring to page 14, which included the statement "the balance of £3.1 million arose from an increase and change in mix in full-time and part-time staff", a member asked whether this meant that the ratio of full-time to part-time staff had increased and, if so, whether this was a trend that was likely to continue with further savings. Mr Hedges responded that the mix had changed as a result of operational decisions taken throughout the year. The mix always changed from year to year according to the balance of courses being presented and the way in which the workload was managed. The effective management of the workload this year had led to this result, and it was hoped that this would continue going forward.
- 11.11 The Council:
- a) **approved** the University's consolidated financial statements for the year ended 31 July 2011;
 - b) **authorised** the Treasurer, Vice-Chancellor and Finance Director to sign on its behalf the University's consolidated financial statements for the year ended 31 July 2011;
 - c) **noted** the audit representation letter that would be signed on its behalf by the Vice-Chancellor and Finance Director.

12 FINANCIAL FORECASTS 2011

C-2011-04-06

- 12.1 The Finance Director, Miles Hedges, introduced the paper. For the second year in succession HEFCE had requested no detailed figures beyond the current financial year at this time, on the basis that to have provided them would have given spurious accuracy at a time of huge uncertainty. The uncertainties were not just about the market conditions in the new environment, but also with regard to the BIS settlement to HEFCE and HEFCE's own decisions that would be announced in March 2012. The results forecast were in line with the budget approved by the Council in July 2011.
- 12.2 The financial forecasts for later years were due to be submitted to HEFCE in July 2012 and, in order to meet the HEFCE timetable, the Council was being asked to delegate authority

for their approval to Finance Committee. The Council would receive a copy of the submission at its meeting in July 2012.

- 12.3 The financial forecasts that would be submitted in July 2012 would be based on the UK Market Strategy modelling updated for subsequent HEFCE and BIS decisions, the policy decisions taken elsewhere in the UK, the latest market intelligence and the first indications of student demand.
- 12.4 The Treasurer, Michael Steen, said that the commentary had been discussed at Finance Committee and its comments were reflected in the final version before the Council for approval. Finance Committee would review carefully not only the financial forecasts for future years, but also the University's overall resilience should student numbers in the new regime vary from projected levels. In this context, the financial modelling shared with Finance Committee at its meeting in June 2011 had indicated that revenue from new regime students in England would comprise only 19% of total revenues in 2012/13 and would not reach a majority of total revenues until 2016/17, which would give the University further time to react to student demand varying from expectations. The University was in an extremely good position compared to most other organisations in the sector.
- 12.5 The Council:
- a) **approved** the financial forecasts and commentary to 2011/12;
 - b) **delegated** approval of the submission to HEFCE of the financial forecast and commentary for 2012/13 to 2014/15 to Finance Committee when it meets on 26 June 2012.

13 FINANCE COMMITTEE

C-2011-04-07

- 13.1 The Treasurer, Michael Steen, commented that decisions had been taken at each of the meetings to reduce counterparty risk of the University's investments; first, by increasing the limits on the two money market funds; secondly, by increasing the limit on gilt holdings; and thirdly, by reducing the maximum deposit period with banks to three months' duration. All these measures had since been implemented. Finance Committee was being very cautious at present, but would review the Treasury Management Policy again in January 2012.
- 13.2 Referring to the minute 4.2 of the Appendix 1 (F-2011-04-M), which referred to "savings from better management of student/tutor allocation", a member said that there was an inference that the geographic basis of student/tutor allocation was being eroded. It was likely to be eroded further by curriculum support teams and the roll out of the student services operating model. What early warning indicators were in place to check whether this was damaging the student experience in a way that might impact on the OU's business? In the absence of the Director, Students, the Director, Teaching and Learner Support, Dr Christina Lloyd, responded that the University regularly reviewed the allocation and group sizes after the start of every presentation, although there were currently no mechanisms in place to elicit student feedback on this matter specifically. However, there was a considerable amount of student feedback available through associate lecturers and the overarching National Student Survey (NSS). On the whole, student group size was not an issue that arose through these mechanisms. The member said that the issue was more one of geography and what the trend might mean in terms of social relations within a tutor group. If it led to a situation where students were not progressing, would the University be in a position to identify the problem? Dr Lloyd said that the OU had no evidence one way or another, but further consideration would be given as to whether the University should be doing more to elicit such feedback.

Action: CL

13.3 The Council **noted** the minutes from the meetings on 23 September 2011 and 25 October 2011 (F-2011-04-M and F-2011-05-M).

14 AUDIT COMMITTEE

C-2011-04-08

14.1 The Chair of the Audit Committee, Claire Ighodaro, introduced the paper. The last meeting had been primarily concerned with the year end financial results, corporate governance statements and so on. There had also been an update to the University's risk profile. There were no other items of any significance to be reported to the Council that were not covered elsewhere on the agenda.

14.2 The Council **noted**:

- a) the unconfirmed minutes of the meeting (AUC-2011-03-M);
- b) the paper presented to the Audit Committee comprising the Annual Report of the University's Nominated Officer for its related/subsidiary undertakings (AUC-2011-03-M minute 9.2 and Appendix to the minutes);
- c) that the Audit Committee's Annual Report to Council with the Chief Auditor's Annual Report appended to it for information (AUC-2011-03-M minutes 9.5 and 10), had been submitted as a separate item (C-2011-04-02);
- d) that the Annual Assurance Return 2011 (AUC-2011-03-M minute 14) had been submitted as a separate item (C-2011-04-03).

15 REMUNERATION COMMITTEE

C-2011-04-09

The Council **noted** this report following the 2011 review of senior staff salaries.

16 STRATEGIC PLANNING AND RESOURCES COMMITTEE

C-2011-04-10

Strategic Plan

16.1 Further to the discussion at the Strategic Planning and Resources Committee, the Director, Strategy, Guy Mallison, provided an update on the progress made on the Strategic Plan and how the feedback from the discussions at the Council Residential Weekend in September 2011 had been incorporated.

16.2 The feedback, and in some cases challenge, had been at a number of levels: first at the level of the overall Strategic Plan and how this was managed; and second with regard to some of the particular strategic priorities, namely the Future Customer Experience, the Study Experience and Open Media and Informal Learning. Three major cross-cutting areas had been flagged:

- a) The need to diversify income and not simply to reduce costs – further work was now being done on the priority mandate concerned with Ensuring Financial Sustainability to take this forward.
- b) The need to provide greater clarity about what individual priority mandates were due to deliver – the presentation of the mandates had now been reorganised to show

more clearly the outcomes and benefits that would be delivered and how success would be measured for individual priorities.

- c) The need to measure success at institutional level, as well as for each priority. The strategic intent was concerned with the OU's effective transition in the new market place - a number of metrics had been identified that would indicate the University's success in achieving that intent.

16.3 The feedback regarding the Future Customer Experience had informed how this would be designed and the benchmarks to use. The issue of benchmarking had also been raised with regard to the value of the OU Study Experience against the University's competitors. The role of ALs and other students in supporting the redesigned student journey was also being given further consideration. Those working on the Open and Informal Learning mandate were now reflecting on their role and how it related to other parts of the organisation, how the impact of their activity was measured, and how that activity could be used to support other priority mandates.

16.4 The discussion at SPRC had primarily focussed on the measures of success. The preliminary list for discussion had prompted a number of comments on areas that the University should track and measure:

- a) The return to students, not only in terms of what they achieved as a qualification, but also with regard to improved employment prospects and other benefits.
- b) What students and other external stakeholders really value and what they believe should be tracked and measured.
- c) Quality, particularly as the University went through considerable change. The role of SPRC and other governance bodies in this activity should also be reviewed.

Much of the work concerning measures was still in progress, but a plan for approval, including a number of measures and specific targets, would be presented to the Council in February 2012.

16.5 A member asked whether, in terms of establishing key performance indicators, the key information sets that the University had to provide as an institution had been considered. Mr Mallison said that these had provided the initial input for the KPIs, but the University had not been restricted by them as there were some measures that were important to the University that did not have to be provided publicly. Once the KPIs had been identified, they would be embedded into the corporate dashboard and reporting processes, and would be tracked and measured on a regular basis.

16.6 A member commented that the sustainability of the OU was related to employing and retaining appropriately skilled staff, to staff morale, and to issues such as the University's carbon footprint. These matters might be internal, but they would still have an external impact and should be measured. Mr Mallison agreed that these were important measures and that the University could do more to measure them than it had done historically. The University considered these areas to be part of its operational measurement. The Vice-Chancellor said that it might be useful for the Staff Strategy Committee to review the measures on the dashboard and suggest any that might be missing. The University Secretary, Fraser Woodburn, said that he would welcome such a review, as it was difficult to establish valid measures for staff skills and performance. The regulator required the University to have a plan for reducing its carbon footprint, so there were hard targets in this area, which were difficult to achieve in the medium term. These targets had not appeared on the strategic dashboard to date, but Estates Committee was kept informed of progress.

Action: NH

- 16.7 With reference to the forward financial projections, a member noted that the research and grant income was significantly lower. In terms of the priority mandate, the targets for August 2012 were significant. It would be helpful if the Council could be informed of progress at some intermediate date, and the Pro-Vice-Chancellor (Research and Scholarship) would no doubt value the opportunity to say what action was being taken before August 2012.

Action: TB

- 16.8 Referring to the diagram showing how the University's strategic intent would be achieved through four objectives underpinned by eleven priorities, a member asked for clarification on what was meant by major cross-cutting change programmes. Mr Mallison said that the priorities were of different shapes and sizes, and worked on different timescales. A number had been identified as particularly large and would impact a large number of units across the University. They involved considerable change and greater risk, and consequently were being managed as core programmes supported by a distinctive infrastructure.

UK Political Landscape and Funding Environment

- 16.9 The Director, the OU in Wales, Rob Humphreys, commented on the way in which the UK Political Landscape and Funding Environment was presented. Information was provided regarding parliamentary engagement activity in England (paragraphs 19 – 24), but not on the similar activity that took place in Scotland, Wales and Northern Ireland. It would be helpful if a paragraph could be included that covered such engagement in the other UK nations in order ensure that SPRC and the Council were kept informed and could scrutinise it as necessary. Mr Woodburn agreed and suggested that the amount on England could be reduced, thereby providing space for a paragraph on each of the other nations. In response to a question from the Chair, Mr Humphreys said that the OU presented itself to each of the local party conferences. For example, the Vice-Chancellor had recently met with the Minister in Scotland and the funding council chief executive and chair in Wales.

Action: AFW

SPRC Constitution

- 16.10 Commenting on the revised constitution for SPRC, Mr Woodburn said that a proposal had been put to SPRC regarding a change to its responsibility for the allocation of resources, but it had not been accepted by the committee. SPRC had not been effective in carrying out this responsibility, but rather than remove it from its terms of reference, the committee would consider ways in which it could be more effective in discharging this responsibility.

Organisational Changes

- 16.11 With regard to agreeing the organisational changes recommended by SPRC, the Chair reminded members that this was one of the Council's constitutional obligations. The changes were relatively small, but had to be approved by the Council.

- 16.12 The Council:

- a) **noted** the unconfirmed Minutes from the meeting (SPRC-2011-04-M);
- b) **noted** the unconfirmed Confidential Minutes from the meeting (SPRC-2011-04-CM);
- c) **noted** the paper presented to SPRC on the UK Political Landscape and Funding Environment (SPRC-2011-04-05-Updated);

- d) **noted** the paper presented to SPRC on the Strategic Plan 2011-2015 (SPRC-2011-04-01);
- e) **noted** that the SPRC recommendations to the Council on the Fees and Financial Support Strategy (SPRC-2011-04-CM Minute 2.6) are dealt with elsewhere on the agenda (C-2011-04-01);
- f) **agreed** the SPRC recommendations to the Council on organisational changes (SPRC-2011-04-04, SPRC-2011-04-04A and SPRC-2011-04-CM Minute 4.2 and SPRC-2011-04-CM Minute 4.4);

Action: NH

- g) **agreed** a revised constitution for SPRC (Appendix: SPRC-2011-04-03-Appendix-02-Revised).

17 THE SENATE

C-2011-04-11

- 17.1 Referring to paragraph 2.20 and the matter of accelerated degrees, a member said that this was also on the agenda for Scottish ministers and the University should be careful not to dismiss them. The Vice-Chancellor, Martin Bean, said that an analysis of this issue was currently being undertaken.
- 17.2 With reference to paragraph 2.26 of the confidential paper (C-2011-04-11b), a member commented that the debate about communication had assumed a broadcast communication, but should there also be a two-way communication. Mr Bean agreed that two-way communication was required and it would be facilitated.

Action: LH

- 17.3 The Council **noted** the following matters for information:

- a) Strategic Planning and Resources Committee
- b) OU Strategic Plan 2011-2015
- c) Principles of the Undergraduate Qualification and Modular Delivery Models
- d) The Council

18 VICE-CHANCELLOR'S ANNUAL REPORT

C-2011-04-12

- 18.1 The Vice-Chancellor said that the annual report had been put together by the Director, Communications, Lucian Hudson, and his team. It was a document designed to present the face of the University to the external world, and the Council, as custodians of the institution, had much to be proud of. The report was available in both hard copy and electronic format: the print run was small, as the paper document was only used for a select audience, and most people would be directed to the on-line version.
- 18.2 The Chair said that the Annual Report was a distinctive document containing a great story and that the Communications team were to be congratulated.
- 18.3 The Council **noted** the Annual Report for 2010/11.

19 MEMBERSHIP COMMITTEE

C-2011-04-13

19.1 The Vice-Chair, Professor Bill Stevely, took the chair for the item concerning the extension of Lord Haskins' term as Pro-Chancellor. Professor Stevely had already spoken to most members of the Council individually on this matter. Although Lord Haskins had been due to step down as Pro-Chancellor and Chair of the Council at the end of 2012, it was proposed that he be invited to extend his term to the end of 2014. The current turbulence and uncertainty within the HE environment meant that it was not a good time to change the person in this role. The corollary was that the Membership Committee took early steps to find a suitable replacement in good time.

Action: Membership Committee

19.2 The Council :

a) **approved** the following recommendations:

i) the names of the three external co-opted members of the Council to serve on a joint Senate/Council Pro-Vice-Chancellor (PVC) Appointment Committee to replace the current Pro-Vice-Chancellor (Curriculum and Qualifications), subject to their agreement and availability;

Action: CS

ii) that the Lord Haskins be invited to continue as Pro-Chancellor and Chair of the Council until the end of 2014;

b) **agreed** that no action is needed in respect of the attendance records for the Council and its committees, as agreed by the Membership Committee.

20 ANNUAL REVIEW OF COUNCIL MEMBERS

C-2011-04-14

20.1 The Vice-Chair, Professor Bill Stevely, introduced the paper and thanked members of the Council and the administrative staff for their co-operation and support in compiling the report. It was the first time that an annual review of Council members had been conducted. The original intention of the Governance Review had been that the review should first provide an opportunity for members to comment on the effectiveness of the Council, and second enable a process of appraisal for Council members. The latter had not been attempted on this occasion and the paper included a proposal to undertake this on a rolling basis in the future, as it was impractical for the Vice-Chair to have a meaningful discussion with every member over a short period of time.

20.2 A summary of the responses to the questionnaire was attached as Appendix 1. These responses, alongside the conversations with individual members, indicated that the Council was operating well on the whole. The issues raised had been wide-ranging: on the one hand, some members had requested that the minutes of the last meeting were included with the papers for the next; and on the other, some observed that whilst the Council took forward the business of the University, it was important not to lose sight of the mission and vision of the OU. Some of the recommendations made were already being actioned: for example, the need for the Council to be able to monitor a set of key performance indicators (KPIs); and also for members to be able to access papers electronically.

20.3 The Chair of the Staff Strategy Committee, Ros McCool, commented that the report was comprehensive and interesting to read. The recommendation that the Staff Strategy Committee had greater exposure to the Council was welcomed, and the Committee would discuss how this might be achieved later that day.

20.4 The Council:

- a) **noted** the responses from the self assessment questionnaire;
- b) **approved** the recommendations 1 – 10.

Action: CS

21 REPORT ON COUNCIL RESIDENTIAL WEEKEND 2011

C-2011-04-15

The Council **noted** the report of the proceedings of the annual residential meeting of the Council, which took place at The Open University in Milton Keynes in September 2011.

22 DECLASSIFICATION OF COUNCIL PAPERS

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

C-2011-04-01	Fees and Financial Support Strategy
C-2011-04-05	2010/11 Consolidated Financial Statements Appendix 2 Audit Representation Letter
C-2011-04-06	2011 Financial Forecasts – December 2011 Submission
C-2011-04-10A	Strategic Planning and Resources Committee - Attachment: Strategic Plan 2011-15
C-2011-04-10B	Strategic Planning and Resources Committee and attachments
C-2011-04-11B	The Senate

23 COUNCIL MEETING DATES 2011/12 AND 2012/13

C-2011-04-16

- 23.1 The Vice-Chancellor said that the amendments to the 2012 programme of meetings concerned the cancellation of the Council Residential Weekend in September 2012 and the addition of a mini strategy session to the ordinary business meeting scheduled for May 2012. This strategy session would be followed by a dinner, at which the executive would be available, which would be optional.
- 23.2 In 2013, the Residential Weekend would take place in May, preceded by an ordinary business meeting of the Council. This would become the regular slot for this activity. The rationale behind this change was to ensure that Council members had the opportunity to provide input at the front end of the strategy refresh and strategic planning process.
- 23.3 A student member welcomed the change to the date of the Residential Weekend, as new members would have had the opportunity to get to understand the University and its direction before having to input into the strategy.
- 23.4 A member commented that, were the dinner to be optional on this occasion, there would be a gap of almost two years without the opportunity for a valuable social event. The Vice-Chancellor acknowledged this point and said that the University consider the options and make a proposal.

Action: CS

23.5 The Council **agreed**:

- a) the amendments to the dates of the meetings in 2012;
- b) the programme of meetings for 2013.

24 DATE OF NEXT MEETING

The next ordinary business meeting of the Council will be held on Tuesday 28 February 2012 at 9.45 am for 10.00 am in the Hub Theatre, The Open University, Walton Hall, Milton Keynes.

25 REVIEW OF MEETING

The Chair invited members of the Council to reflect on the meeting and suggest whether anything might have been done differently to make it more effective. Members who wished to comment after the meeting could speak to the Chair or the University Secretary.

Julie Tayler
Assistant Secretary
Central Secretariat
November 2011

Attachments:
Appendix: Strategic Planning and Resources Committee constitution

Key:
AFW Fraser Woodburn
CL Dr Christina Lloyd
CS Central Secretariat
LH Lucian Hudson
NH Nigel Holt
TB Professor Tim Blackman