BOARD OF TRUSTEES (BoT)
2 November 2017

MINUTES

Minutes of the meeting of the Board of Trustees (BoT) held on 2 November 2017 in the OU HR Training and Development Centre, Wilson Building, OU Campus, Milton Keynes.

PRESENT
Peter Bell, Student Trustee
Andrew Cooke, Student Trustee
Peter Cowan, VP Administration
Julia Davis, Deputy President
Mary Oparaocha, Student Trustee
Melanie Philpott, Student Trustee
Nicola Simpson, President (Chair)

IN ATTENDANCE
Rob Avann, General Manager
Wendy Burrell, Deputy General Manager
Mike Farwell, James Cowper Kreston (part)
Sally Kitchingman, Head of Resources
Tim O’Brien, Incorporation Project Manager
Caroline Poppenga, VP Representation & Research (observer)
Leanne Quainton, Executive Assistant (minutes)

INTRODUCTORY ITEMS

A. WELCOME

The President welcomed Trustees to the meeting giving a special welcome to the newly elected Deputy President, Julia Davis who had started in the role on 1 November. Caroline Poppenga, VP Representation and Research was also welcomed as an observer from the CEC. For the benefit of Julia and Caroline, attendees introduced themselves and the President gave an overview of the role of a Trustee.

B. APPROVAL OF DRAFT ACCOUNTS & LETTER OF REPRESENTATION FOR 2016-17

B.1 Mike Farwell from the Association’s external auditors, James Cowper Kreston, was in attendance to present the draft Trustees Report and Financial Statements for the year ended 31 July 2017. Before the meeting, Trustees had considered and commented on the documents along with the OSL (OUSA Services Limited) financial statements on their online forum. This was the first year that the new external auditors James Cowper Kreston had audited the accounts and Mike was pleased to
advise that there had been very few amendments to make to the figures in the regular budget reports received by the BoT throughout the year.

B.2 Mike talked the Trustees through the accounts answering any queries. He highlighted the Association's reserves policy of only 8.33% or one month's core expenditure which is unusually low for a charity and would normally be a higher amount. VP Administration confirmed that there is agreement with the OU that the Association is only permitted to only keep one month of its core expenditure in reserves, an area that we continue to question. It was noted that the OU have given written agreement that should the organisation ever get to the point of having to wind up, they would cover the cost of any redundancies which could be seen as a hidden reserve. However increasing the amount in our unrestricted reserves will be raised again in this year's subvention negotiations.

B.3 Mike highlighted the direct costs that had increased this year which included wages and salaries due to the increase of staff, and in Central Services that included the additional work in student voice, central representation and communications.

B.4 Trustees discussed whether additional disclosure was needed in the related party transaction section to fully explain the funds that flow between the entities (OUSA, OSL, OUSET and the OU). The commission received from NUS cards was clarified as monies for the BoT to decide where to allocate. In past years, this has been donated to OUSET however last year it was agreed to fund the work on the process of Incorporation. A decision will be needed over where the funds go this year and it was suggested that this might be best used towards any further costs of Incorporation.

B.5 Mike highlighted the OSL Accounts for Trustees information only as they will be approved by the OSL Board. OSL have a high operating expenditure resulting in an income of just £10k which is a considerably low profit margin for any trading company. Whether there are options to reduce expenditure to make the company more of a going concern will be the responsibility of the OSL Board. It became apparent that clarification is required on the process of the OU funding the loss of exam papers and how the transfer of those funds are made between the charity and the trading company. Stone King to advise.

B.6 **RESOLUTION:** Subject to the minor changes raised and seeking advice on the replacement income for exam papers, the draft accounts and letter of representation for 2016-17 were approved.

C. **INCORPORATION**

C.1 Tim O'Brien, Incorporation Project Manager joined the meeting. He and the General Manager updated on the progress of the Incorporation project since the last meeting in July. Jerard Bretts had been appointed as the key liaison point within the OU. A meet had been held on 9 October with OU colleagues from the legal team and finance office. The OU were supportive of the approach and inputted some key additions to the route map. The key outcome was that Jerard would draft a paper to go to the Vice Chancellors Executive outlining the project and seeking advice on the need for shared service agreements governing our use of OU services including payroll, IT and office accommodation. Should Conference approve incorporation next June, our new governing document would go to Council for ratification in March 2019. Jerard would also be seeking advice on this timing and whether we needed an
agreement in principle before this. Further meetings with the OU are to be scheduled, roughly bimonthly.

C.2 A full update had also been delivered to the CEC at their meeting in October where a thorough discussion was held about the rationale behind incorporation and what it meant from an operational perspective. Productive conversations were also had around the consultation process with the wider student body with the CEC preferring an engagement plan as a more effective way of engagement to holding a full consultation.

C.3 Trustees discussed the importance of Conference delegates being well informed prior to Conference next June and visibility of the project needing to be transparent and communicated early. Trustees fed in suggestions for the engagement plan that comprised of using the website and social media as well as the student magazine to increase the reach of the article, a Q&A on the process and a robust feedback loop for when enquiries come in. The cost of incorporation was also highlighted as being a potential issue with students so clear explanations of the benefits that the improved legal structure bring is essential. It was agreed that one of the major benefits of the process was a clearer understanding of contractual arrangements, liabilities and relationships with the OU and others. This benefit would be realised regardless of whether incorporation proceeded or not, and this helped to off-set the costs. The Memorandum of understanding will be a document that can be used to explain the process and Trustees agreed that the language should be more accessible and user friendly and that it would benefit from student comment and feedback before it is finalised.

C.4 **ACTION**: Further updates will be given to Trustees at each meeting.

D. **APOLOGIES FOR ABSENCE**

Andrew Hulme, External Trustee
Anna Jenkins, Student Trustee

E. **MINUTES OF PREVIOUS MEETING AND MATTERS ARISING**

E.1 The Minutes (BoT 7/17/M) from the meeting in July were approved.

E.2 No comments were made on the minutes or matters arising.

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**ITEMS FOR REPORT OR ENDORSEMENT FROM THE CEC**

1. **OU STUDENTS ASSOCIATION STRATEGY**

1.1 The General Manager introduced the strategy that contained the latest progress updates against each of the strategy actions. He flagged two areas. The Digital Communications team will be making a one page summary version of the strategy to go onto the website to make the document more accessible and easier to understand. The team will also be producing a booklet of the full strategy with action plans in a professional printed format to be ready for the January CEC to give out to
OU staff and student representatives. The other area of work flagged was that he will be bringing a proposal to a future BoT meeting for funds for external assistance to look at the formal process of performance monitoring of the strategy.

1.2 Trustees discussed the priorities in the strategy following the President relaying a comment made by an OU staff member that the Strategy was ‘ambitious’. VP Administration underlined that some projects will be dependent on the outcome of this year’s subvention negotiations. He advised that negotiations last year had been different to previous years in that the Association had been asked to give a number of options for growth that included a breakdown of certain projects whereas in the past, the final agreement had been reached via an overall growth figure. The Association will be more resilient in questioning that process if it is repeated this year to avoid the risk of getting to the stage of not achieving objectives because of the OU dictating the projects it funds.

1.3 A suggestion was made for staff to attend each BoT meeting to give a speed update on a project from the strategy for Trustees to understand better where funds are being spent. This will be dependent on meeting timings.

1.4 ACTION: Staff to include more detail in the update column of the paper with a suggestion of expanding the columns to include projected start and end dates of projects and ensuring update statuses are consistent across the teams.

ITEMS FOR DISCUSSION AND POSSIBLE DECISION

2. REPORT FROM THE GENERAL MANAGER/SECRETARY

2.1 The General Manager introduced this report that collates information on decisions made or items discussed online since the last meeting with any other updates Trustees should be made aware of.

2.2 He flagged the USS pension scheme that had seen recent press coverage on the deficit and the likely consultation on a new recovery plan later in the year. He warned that it could lead to more industrial action which affected marking and assessment last time the scheme changed which the Association took a stance against at the time.

2.3 ACTION: The General Manager to add the risk of additional pension contributions and industrial action onto the Risk Register.

2.4 Two upcoming consultations were highlighted; the Charity Commission Annual Return which the General Manager will post online along with a draft response for comment. The other, the UK Quality Code which again the General Manager will be preparing a draft and asking for CEC feedback. He raised his concerns regarding the proposal to move the chapter on student engagement to an appendix, seemingly taking away the necessity of universities engaging with students which will be a significant threat to our work on academic representation.
2.5 The President drew attention to the difficulties had in responding to consultations. There is an expectation for the Association to respond to consultations which is done through the General Manager with CEC input. It was thought having a consultation lead on the CEC would be beneficial to work alongside the General Manager on consultations - currently this sits with the President but an External Engagement Officer would be advantageous.

2.6 ACTION & RESOLUTION: Interviews for the external Trustee and Chair of the new Remuneration Committee to be scheduled for later in November. Peter Bell and Peter Cowan would lead the interviews.

3. RISK REGISTER

3.1 The General Manager drew Trustees attention to some minor updates made to the mitigating actions in the Risk Register.

3.2 The risks associated with Association Groups, DSG and Plexus, were raised and whether there will be a need for them to become separate entities like societies in the future. With the General Data Protection Regulation (GDPR) coming, it will be even more important to look at how data is collected so the operations of these self-governing bodies that fall under the Association umbrella may pose a significant risk to the wider Association.

3.3 The Peer Supporter Service was also flagged for risk due to how that service is delivered and the importance in ensuring Peer Supporters are given the best training to fully empower them, to understand the boundaries of the role.

3.4 The BoT had a lengthy discussion about risk and the depth of how far it extends. It was thought that the staff team need to be more aware of the risks in projects and more discussion and training around this would be beneficial. A Risk Management System document would be of value, especially for new Trustees coming in that gives an explanation on the need for a risk register, how it is managed and the Trustees role in it. Additional discussions for the BoT on the forum would be held to look at particular projects or threats and work to reduce the associated risk. It was suggested that perhaps an External Trustee should be nominated as the lead on risk.

3.5 ACTION: Trustees highlighted some areas where amendments were needed to the register. Risks to add to the register were identified as: Pensions, strike actions and over commitment. The General Manager to action.

3.6 ACTION: Discussions will continue in the forums.

4. STUDENT EXPENSES

4.1 Since the discussions at the BoT’s last meeting in July, VP Administration had been investigating further examples from other student unions and charities regarding models of organisations that cover aspects such as childcare in their volunteering expenses.

4.2 The overall findings in student unions were that childcare was not offered as an expense, therefore there was little to gain comparatively. This could be because of the availability of government childcare grants or because most other student unions operate in times where childcare may not be required. It was a similar situation with
the majority of charity models where volunteers are expected to volunteer the time they have available. Those voluntary sector organisations that do offer childcare expenses, vary widely from £3 per hour to £7 per hour with no apparent common themes or best practise of the practicalities and procedures.

4.3 Trustees discussed options, risks and additional costs associated with the introduction of childcare and to what extent the offer would go. It was agreed that it was essential that the extent of the time commitment involved was made clear in the remits for students to understand the obligations involved. Improving the offer of attending CEC meetings remotely was also a consideration although far from ideal for a whole weekend meeting.

4.4 **ACTION:** Further work is needed to attain whether childcare is a barrier to involvement and conversations will continue.

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5. **STAFFING MATTERS**

5.1 This discussion was of a confidential nature and has therefore been reserved to the confidential section of the minutes.

6. **FINANCE MATTERS**

6.1 The Income and Expenditure Report was tabled for the first quarter of the year to end October 2017. Head of Resources highlighted the changes that had been made to the budget this year which included central services being broken down by adding in a new line for student services which included the work done by the Student Voice Team in academic representation and the Student Support Team in equality, diversity and inclusion. A depreciation line had also been included for asset disposal because of the two missing laptops.

6.2 The cost of by-elections was discussed and there were different views on whether we should be sharing more details about the cost of theses.

6.3 **ACTION:** The General Manager will investigate whether there were any commercial restrictions.

6.4 The President discussed the idea of students being able to put a case together to request funds for an event/activity that the BoT or delegated authority could approve. Further work on the practicalities would be needed.

6.5 **ACTION:** VP Representation & Research offered to help VP Administration with this.

6.6 Trustees asked about the amount of money remaining in the discretionary fund, the pot of money for additional projects that the Trustees determine the allocations for. VP Administration indicated that some recent requests received from staff for these funds could have been budgeted elsewhere but this had been dealt with.
6.7 **ACTION:** Head of Resources to add Incorporation costs to show in the budget. To look at whether improved formats for the budget can be explored and whether a forecast column would be beneficial.

6.8 **RESOLUTION:** Head of Resources and VP Administration will revisit the budget and post a revised version with increased expenditure.

7. **ANY OTHER BUSINESS**

7.1 Melanie Philpott announced that she would be standing down from the Appointments Committee. Peter Cowan was approved as her replacement on the committee as the BoT representative.

7.2 This Minute was of a confidential nature and has therefore been reserved to the confidential section of the minutes.

8. **DATE OF NEXT MEETING**

The next face to face meeting of the BoT will be held on Monday 19 February 2017 at 10am.

Discussions will continue online in the meantime.