Minutes of the meeting of the Board of Trustees (BoT) held on 22 November 2016 in the OU HR Training and Development Centre, Wilson Building, OU Campus, Milton Keynes.

PRESENT

Andrew Cooke, Student Trustee
Peter Cowan, VP Administration
Anna Jenkins, Student Trustee
Mary Oparaocha, Student Trustee
Chris Pane, President (Chair)
Melanie Philpott, Student Trustee (via the telephone)
Nicola Simpson, Deputy President

IN ATTENDANCE:
Rob Avann, General Manager (Secretary)
Wendy Burrell, Deputy General Manager
Sally Kitchingman, Head of Resources
Leanne Quainton, Executive Assistant (Minutes)

INTRODUCTORY ITEMS

A. WELCOME

The President welcomed Trustees to the meeting.

B. APOLOGIES FOR ABSENCE

Peter Bell, Student Trustee
Jonathan Fudge, External Trustee
Andrew Hulme, External Trustee

C. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

The Minutes (BoT 11/16/M) from the meeting in September were approved.

1. REPORT FROM THE GENERAL MANAGER/SECRETARY

1.1 The General Manager outlined the contents of the paper advising that the purpose of this item was to record up any matters that had been dealt with online since the last meeting and any for information purposes.
1.2 Trustees had provided comments on the consultation from the Charity Commission on the power to issue official warnings and a formal response was submitted. Trustees had approved the application from the General Manager to join the NCVO (National Council of Voluntary Organisations) Members Assembly. Trustees had approved the draft accounts and letter of representation which were submitted for consideration by the University’s Finance Committee on 1 November and by Council on 23 November. A series of appointments had also been made to the Association staffing team.

ITEMS FOR REPORT OR ENDORSEMENT FROM THE CEC

2. CHANGES TO THE BYE-LAWS

2.1 VP Administration had brought forward proposed changes to the Bye-Laws for approval by the BoT after they had been discussed at the last CEC (Central Executive Committee) meeting and online. He explained that the review had been required to bring the Bye-Laws in-line with recent changes to the Association and Officer remits.

2.2 Several areas had been omitted from the review due to being addressed elsewhere; the section regarding grievance and complaints and the election procedures would both be subject to separate reviews; no changes had been proposed to the section relating to the Regions and Nations as this is being reviewed by the Grassroots Project; the Appointments Committee would be meeting to review their section; finally, the allocation of delegates to Conference will be discussed by the Steering Committee and brought to the CEC/BoT at a later date.

2.3 ACTION: To amend point 4.3.2 to reflect that the President and Deputy President are paid members but are not able to hold another post.

2.4 RESOLVED: With the amendment mentioned in 2.3, Trustees approved the changes.

2.5 The process of extended membership was raised by a Trustee as there was no formal process or guidance as to how and under what circumstances a student can apply for extended membership.

2.6 ACTION: VP Administration to draft criteria for inserting into the Bye-Laws.

ITEMS FOR DISCUSSION AND POSSIBLE DECISION

3. INCORPORATION

3.1 Tom Murdoch, Partner at Stone King Solicitors had presented a paper at the previous meeting on the potential due diligence process, implications and benefits of incorporation. Since the last meeting a further paper had been supplied that detailed
the key differences of the two suggested potential models, CLG (Company limited by Guarantee) and CIO (Charitable Incorporated Organisation) and the key differences for Trustees to take into consideration.

3.2 The CLG model is the most established vehicle of the two, which carried the lesser risks. The model displays a much greater flexibility in how it manages conflicts of interest, an issue highlighted by Tom at the last meeting due to several Trustees on the BoT having involvement across other related bodies i.e. Trustees of both the Students Association and OUSET (OU Students Educational Trust). However the appropriate legal vehicle could only be recommended following completion of the full due diligence process which would investigate the options.

3.3 A key issue for consideration was around staff pensions and what impact this would have with USS (Universities Superannuation Scheme), which Association staff are able to join. ARC Pensions Law had provided a quote to carry out a piece of work in detail to look at the relationship with USS should the Association become incorporated. They would advise on all issues and implications of this change including the debt that any transfer may trigger and the mechanisms available to deal with this.

3.4 The General Manager had approached other Student Unions to explore other experiences with incorporation, asking for any information/advice on the process. 16 responses had been received; 9 from others who were at various stages from considering incorporation to having incorporated and 7 who were also interested in receiving information. It was noted that all other Student Unions that had gone through or were currently going through the process had opted for the CLG model over the CIO.

3.5 Action: The General Manager to include in the due diligence process consideration of differences between obligations to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR).

3.6 The recommendation to recruit a Project Manager to lead the process was discussed. The option of contracting a consultant rather than recruiting a temporary member of staff was preferred due to the tight timescale of needing the project completed as well as the cost savings in terms of National Insurance and pension contributions. The General Manager will explore this option and obtain some quotes from recommended consultants.

3.7 RESOLUTION: Trustees approved the exploration of Incorporation and investigation of the due diligence process; Approved the appointment of ARC Pensions Law to assist with navigating pension issues; Approved the submission of a formal letter to the University Secretary and Director Academic Services to inform them of our intended work and to ask for support; Approved the engagement of a Project Manager and for the General Manager to explore contracting a consultant to perform this role; Approved the production of a terms of reference for a working group to oversee the process.

3.8 The President requested a further piece of work to be carried out by Stone King while the project was still in the early stages, to give further options of legal vehicles besides a CLG and CIO. Trustees had concerns that this was an unnecessary approach, which would delay any decision making. The General Manager
recommended that we should ask advice from our solicitors Stone King and suggested a conversation be held with Tom Murdoch to consider whether there are other vehicles to be explored.

3.9 **ACTION:** After the meeting, the President requested a supporting paper from Tom Murdoch detailing pros/cons of other vehicles and their comparison with CLG and CIO.

4. **FOLLOW UP TO RISK REGISTER**

4.1 Trustees had approved the enhanced approach to risk management and new risk register at their last meeting. The General Manager had brought some mitigating actions from the risk register for discussion and to agree next steps.

4.2 Appraisals were the first area. Staff appraisals are carried out annually but an appraisal for the General Manager had only been implemented for the first-time in 2015. Appraisals for the President and Deputy President should also be held and a suggestion was put forward to come up for a process for the BoT to undertake looking at itself and how it is performing as a group.

4.3 The General Manager advised that his last appraisal had been carried out by the President with Trustees inputting comments and feedback. Key members of the OU staff that worked closely with the General Manager had also been asked for their comments. The process had been positive however it was agreed that a more structured process and more training and advice for those carrying out appraisals is needed going forward.

4.4 **ACTION & RESOLUTION:** To continue the appraisal process for the General Manager to tie in with the next staff appraisals in April 2017. In the meantime, advice should be sought from the HR advisors and other Student Unions to help establish a more structured process for this to continue annually. It was agreed that the appraisal should be carried out by an Officer Trustee (either the President or Deputy President), an HR consultant and one other Trustee.

4.5 **ACTION & RESOLUTION:** The President and Deputy President appraisals to be established with the same format as the General Manager but the Officer Trustee carrying out the appraisal to be replaced with the General Manager. Trustees to continue discussions online.

4.6 An opt-in process was preferred for appraisals for the BoT with a suggestion of also offering them to the CEC if capacity allowed. Discussions to continue over whether these should be 1-2-1 appraisals or as a group discussion format.

4.7 The second area raised was over observers. The risk register refers to considering having observers from the CEC to attend BoT meetings and vice-versa to improve awareness and understanding and helping to avoid potential internal conflicts.

4.8 **RESOLUTION:** Trustees agreed that this should be discussed with the CEC at their next Meeting and formalised in the Bye-Laws as well as the option for a Trustee to shadow the office staff for greater understanding of what’s involved day to day.
4.9 ACTION: General Manager to discuss this with the Staff Management Team and come back with suggestions.

Disciplinary matters was the next area. One of the recommendations that emerged from the consideration of implementing payment for the President and Deputy President roles was that a review of the disciplinary procedures should take place, specifically around changing the responsibility of hearing a complaint against either of the two post holders to a nominated trustee, ideally an external trustee. Trustees agreed with this direction but also felt that it should be amended further by having a panel of volunteers from amongst the BoT who would be happy to deal with such processes, particularly as two may be needed to handle the separate parts. It was also agreed that the HR consultants should be asked to handle investigations. It was also suggested that there should be support provided to those subject to such grievances/complaints by those not part of the decision making. It was agreed that any complaint against the General Manager should be done in the same process.

4.11 ACTION & RESOLUTION: The process to involve a Trustee, ideally an external Trustee to be the named responsibility for receiving a complaint against the President, Deputy President or General Manager. An HR consultant to carry out the investigation into the complaint. A second Trustee, selected from a pool of Trustees depending on availability, would be nominated for any appeals process.

4.12 The final area Trustees discussed was remuneration. Delegation to a Remuneration sub-committee was discussed as an option for how remuneration matters are handled in the future. Work for the committee would include a review of the pay policy for senior staff following the introduction of a section in the Trustee’s report which sets out a pay policy for senior staff done as required by SORP (Statement of Recommended Practice). It would also look at reviewing the salary offered to the President and Deputy President in late 2017 in time for the 2018 elections.

4.13 ACTION & RESOLUTION: Trustees agreed in principle to a Remuneration sub-committee that could also involve others outside of the BoT – the General Manager will bring a proposal for discussion back to the next meeting. It was agreed to defer the review of the overnight allowance for the Deputy President from the scheduled February meeting to allow time to set up a Remuneration Committee that would look into this area.

| ITEMS FOR INFORMATION |

5. FINANCIAL MATTERS

5.1 The Head of Resources drew attention to the latest report highlighting the loss of earnings from the exam papers. The University have agreed to cover the loss at a reducing rate over a 5-year period although this was not approved in time for the 2016-17 subvention, therefore the Association will initially fund the loss this year from its reserves which will then be reimbursed by the University within the 2017-18 Subvention.
6. **STAFFING MATTERS**

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

7. **ANY OTHER BUSINESS**

7.1 Part of this discussion was of a confidential nature and has therefore been reserved to the confidential section of the minutes.

7.2 The Deputy President wanted to highlight how useful the Trustee Training in September had been and hoped that more opportunities could be explored.

8. **DATE OF NEXT MEETING**

The next face to face meeting of the BoT will be held on Monday 20 February at 10am., to include a meeting with the external auditors and a lunch with the full staff team.

Discussions will continue online in the meantime.