Minutes of the meeting of the Board of Trustees (BoT) held on 22 September 2016 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
Andrew Hulme, External Trustee
Anna Jenkins, Student Trustee
Mary Oparaocha, Student Trustee
Chris Pane, President (Chair)
Melanie Philpott, Student Trustee
Nicola Simpson, Deputy President

IN ATTENDANCE:

Rob Avann, General Manager (Secretary)
Wendy Burrell, Deputy General Manager
Sally Kitchingman, Head of Resources
Tom Murdoch, Partner Stone King (part)
Leanne Quainton, Executive Assistant (Minutes)

INTRODUCTORY ITEMS

A. WELCOME

The President welcomed Trustees to the first meeting of the 2016-18 term.

B. APOLOGIES FOR ABSENCE

Jonathan Fudge, External Trustee

C. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

The Minutes (BoT 7/16/M) from the meeting in July 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 pick up any matters that had been dealt with online since the last meeting and for any information purposes.

1.2 The recommendations that had been approved with regards to payment for President and Deputy President were queried by a Trustee. The General Manager confirmed that these decisions had been approved by the outgoing BoT in July 2016. There had been deliberation over each proposal however Trustees reached an agreement and contracts for the next 2 year term had been drawn up accordingly. There will be a review of both contracts next year where the current BoT will have a chance to make revisions if necessary for the 2018-2020 term.

1.3 It was noted that staff fee waivers for modules had not been included as part of the discussions.

1.4 The General Manager advised Trustees that it would not be appropriate to re-open the debate here due to the potential conflicts of interest of two Trustees.

1.5 For the benefit of the Minutes, Andrew Cooke wished to record that he disagreed with the decisions regarding subsistence and salary.

ITEMS FOR REPORT OR ENDORSEMENT FROM THE CEC

None to report

ITEMS FOR DISCUSSION AND POSSIBLE DECISION

2. FINANCIAL MATTERS

2.1 Head of Resources, Sally Kitchingman tabled the updated budget for 2016-17. Clarification on the reserves of £366k was given. This is the amount carried forward from the Subvention with the University from last year that will be added to this years budget. The budget includes a discretionary spend of £60,000 that is monies for unforeseen projects/equipment/extras throughout the year that would need Trustees approval to spend.

2.2 ACTION: Head of Resources to analyse the projects that have benefitted from the discretionary spend in 2015-16 for Trustee’s information about the types of projects that had been supported previously to give an indication of the type of purpose this funding was used for.

2.3 RESOLUTION: The budget for 2016-17 was approved.

2.4 The Head of Resources fed back on the Audit meeting held earlier that day advising that all had gone well with only minor adjustments to be made to the accounts.
2.5 The draft accounts will go to the BoT for comment and approval in October before going on to Finance Committee and Council in November 2016. Updates to SORP (Statement of Recommended Practice) for accounting and reporting by Charities means that additions will needed to the report this year that will include how remuneration to senior management are handled as well as the inclusion of more information on risk management. The General Manager will be asking Trustees for input on these two areas when the accounts are posted for comment and approval.

3. INCORPORATION

3.1 Tom Murdoch, Partner at Stone King Solicitors was in attendance for this part of the meeting to present a paper on the potential process of incorporation. He gave an overview of what this would mean to the OU Students Association and the advantages and possible options to consider. He highlighted that it would be a substantial piece of work and a due diligence process is needed to fully understand the process, assets and liabilities involved.

3.2 Tom explained that the liability on a charity’s Trustees should be taken into account for every organisation that has an impact on people and that has legal contracts. The current structure of the OU Students Association means that the BoT would be personally liable for any debts of the Association. If incorporated, Trustees would have a level of protection due to the limited nature of the corporate structure and the Association, rather than the Trustees, would be the primary defendant in any regulatory or criminal prosecution as well as any litigation entered into or defended by the Association would be carried out in the name of the Association, not individual Trustees.

3.3 It the organisation chose to incorporate there would then be a further choice of legal vehicle; a CLG (Company Limited by Guarantee) or a CIO (Charitable Incorporated Organisation) both of which would be appropriate with various pros and cons for each. Traditionally, the majority of incorporated charities have been CLGs - a common structure, tried and tested and greater flexibility in terms of its constitution. The CIO is becoming increasingly popular however, and has the benefit of not requiring dual registration with the Charity Commission, unlike the CLG that has to be registered to both Charity Commission and Companies House.

3.4 A consideration to weigh up as part of the decision of vehicle relates to the Associations members (students). With either CIO or CLG it would be recommended that a distinction is drawn between the wider membership (the student body) and the BoT who would act as the legal members who would be given the charity law role in the prescribed company. The reason for this would be that the legal members of a CIO would need to sign up and be willing to accept that they act in the best interests of the charity, which the student body may be unwilling to accept. Unless active consent could be obtained it would not be possible for the student body to occupy this legal membership role and in addition it would be a change from the current situation of being members of the Association by default and having to opt out.

3.5 Tom described what the new structure might look like and the changes that would be needed to be made to the Constitution. VP Administration raised the fact that any changes needed would have to be approved by Conference 2018 which will need to be factored into timelines. Tom advised that the Constitution already contains a
provision to allow work on incorporation to take place beforehand as there will be a significant amount to do should the Association choose to proceed.

3.6 Tom flagged an issue around staff pensions and that the USS would have to be asked to transfer the guarantee scheme it currently has with the OU to the new entity in order for OU Students Association staff to continue in the scheme. This will need to be included in the due diligence and discussed further with the OU and a pensions advisor nominated by Stone King.

3.7 It was estimated that the cost of this work would be £10k-£20k + VAT although until due diligence was carried out, it would not be possible to put an exact amount. Tom stated that as part of the project, it would be desirable to have shared services agreements with all third parties (OSL, OUSET, OU, USS) to demonstrate the proper lines.

3.8 The General Manager recommended that the Trustees consider contracting a Project Manager to carry out the work needed, to act as liaison to Stone King and all other parties involved. It was thought that the work could take 6 – 18 months.

3.9 ACTION: The General Manager to obtain a quote for pensions advice; to ask other incorporated students’ unions about their experiences with the process; to scope out the tasks that would be required from a Project Manager; unpack the CLG/CIO options further and bring back to the next meeting a decision paper for Trustees to make a decision on whether or not to proceed.

4. RISK REGISTER

4.1 The General Manager had updated the draft Risk Register for the OU Students Association. Ensuring the organisation has an effective approach to managing risk is a key role of the Trustees and one that is reported on in the annual accounts. The General Manager explained the rating matrixes and the mitigating actions that were proposed to be taken to reduce the risks associated.

4.2 A risk that had been omitted was highlighted as a shortage of volunteers putting themselves forward to roles. This will be added in the next draft.

4.3 Trustees approved the format of the register and it was agreed that it needs managing effectively, potentially by smaller subgroups looking after each category to update these.

4.4 ACTION: The General Manager to bring forward suggested mitigating actions which require decision to future meetings.

5. WHAT MAKES A GOOD TRUSTEE

5.1 The document produced by the Directory of Social Change of their perceptions of ten things that make an effective or ineffective Trustee had been discussed on the forum by Trustees before the meeting.

5.2 The use of the forums for decisions in-between meetings was raised as an issue because not all Trustees were using them which was resulting in some proposals not being able to be progressed in adequate time. Trustees agreed that the Forums were
an important place to discuss matters in-between meetings that all Trustees should be using the forums.

5.3 AGREED: The office staff to add in a deadline date for response in the subject heading with a minimum, if possible, of 2 weeks for response. When a Trustee is not going to be available to comment for a period of time they should advise in the forums, allowing the others to take decisions without them. Otherwise they should be checking in the suite regularly.

5.4 ACTION: General Manager to bring to a future meeting the past decisions made by the Trustees to discuss whether an improved scheme of delegation could be put in place.

6. SCHEDULE OF MEETINGS

6.1 Trustees discussed the meeting dates for the next term.

6.2 AGREED: Schedule of BoT Meeting dates:
- Tue 22 November 9:30am – 3pm (to include Stone King Training)
- Mon 20 Feb 2017 – 10am – 1pm
- Mon 15 May 2017 - 10am – 1pm
- Thu 27 July 2017 – 1pm – 4pm
- Thu 2 November 2017 – 10am – 1pm
- Mon 19 Feb 2018 10am – 1pm

ITEMS FOR INFORMATION

7. STAFFING MATTERS

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

8. ANY OTHER BUSINESS

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

8.2 A Trustee asked for timings to be added to the Agenda to keep the meetings moving which was agreed.

9. DATE OF NEXT MEETING

The next face to face meeting of the BoT will be held on Tuesday 22 November at 9:30am.

Discussions will continue online in the meantime.