

**OPEN UNIVERSITY STUDENTS ASSOCIATION LIMITED
BOARD OF TRUSTEES (BoT)
22 May 2020**

MINUTES

Minutes of the online meeting of the Board of Trustees (BoT) held on 22 May 2020 at 9am via Microsoft Teams.

PRESENT

Allan Blake, External Trustee and Chair
Cath Brown, President and Deputy Chair
Caroline Cowan, Vice President Administration
Alison Kingan, Student Trustee
Kirsty Lamb, Student Trustee
Annabel Lane, External Trustee
Cinnomen McGuigan, Student Trustee
John Paisley, Student Trustee
Mark Price, External Trustee
Adelaide Ribaud, Student Trustee
Claire Wallace, Student Trustee

IN ATTENDANCE

Rob Avann, Chief Executive
Wendy Burrell, Deputy Chief Executive (Student & Staff Engagement)
Mark Cameron, CEC Observer (except item 6)
Kate Dungate, Head of Digital Communications (item 2)
Magda Hadrys, Head of Operations (item 4)
Alison Lunn, Deputy Chief Executive (Finance & Resources)
Danielle Smith, CEC Observer (except item 6)
Amy Undrell, Conference Project Manager (item 5)
Fanni Zombor, VP Media & Campaigns (item 2)

<p>SECTION A: INTRODUCTORY ITEMS</p>

A. WELCOME

A.1 The Chair welcomed the Trustees to the meeting, the first being held online via Microsoft Teams. He gave a special welcome to Mark Price, the new External Trustee attending his first BoT meeting as well as the two CEC observers who were attending for the non-confidential items of the meeting, Mark Cameron and Danielle Smith.

B. APOLOGIES FOR ABSENCE

B.1 Leanne Quainton, Head of Executive Support & Staff Welfare (Minutes)

C. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

C.1 The Minutes (BoT 02/20/M) from the meeting in February 2020 were approved.

C.2 Item 6.3: The Deputy Chief Executive (Finance & Resources) reported that a paper around investment options for the Association's reserves would come back to a future meeting. The team were currently information gathering and awaiting further information from the OU and the bank.

<h2>SECTION B: ITEMS FOR DISCUSSION AND POSSIBLE DECISION</h2>
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1. REPORT FROM THE CHIEF EXECUTIVE/SECRETARY

1.1 The Chief Executive presented his regular report.

1.2 Trustees had previously approved two extensions of Contingency Leave for COVID19 reasons in line with the OU's offer and the OU had recently announced that there would be a further extension to 28 August 2020. The Trustees were asked to approve an extension of pandemic Contingency Leave to 28 August 2020 for OU Students Association staff.

1.3 **RESOLUTION:** Trustees approved the extension.

1.4 A final draft of the Bye-laws were on the forum for approval and this version incorporated all previous feedback made by the CEC and BoT. Once approved, the Bye-laws will be going to Conference.

1.5 **RESOLUTION:** Trustees approved the final version on the basis that formatting will be finalised and that follow up work will be undertaken to ensure that Trustees are notified about nominations for Honorary Life Membership after the nomination has been discussed and agreed at CEC and given time to consider before the nominee is informed of their award.

1.6 The Chief Executive highlighted the outcome of the subvention that was covered in more detail in the finance paper. He reported that funding will be increasingly difficult in the coming years and the Association has been informed by the OU to not assume any additional income above inflation will be available in future years. If additional funding was required, the Association will be asked to produce a bid that will go through the OU's processes, which is another change for the Association in that these discussions would normally be had with our key contact, PVC Students. Discussions around the future relationship with the OU continue at the President's regular meetings with PVC Students.

1.7 The negotiations over the valuation and future funding model for the USS Pensions scheme remained ongoing between the employers' representatives (Universities UK) and the employees' representatives (Universities and Colleges Union, UCU). The current pandemic has meant that no further progress has been made. Universities UK has written to employers stating that a report to the Joint Expert Panel

recommended that employers would be open to exploring higher risk approaches to the valuation but that they would require far more information from USS in order to weigh up and respond more fully on this matter and have asked for longer and more transparent consultation processes to explore this more. Employers have also stressed that the scheme is at the very limit of affordability in terms of contributions from both employers and employees.

- 1.8 The Chair congratulated the Policy & Public Affairs Officer, Dan Moloney on the responses to the Higher Education Commission's Disabled Students Inquiry and the Parliamentary Education Committee's call for evidence on the impact of COVID-19 on education and recommended that these documents be published on our website and on social media.
- 1.9 The BoT formally congratulated the elected 2020-22 CEC and Trustees who will start their terms on 1 August 2020. Commiserations were given to those that were unsuccessful on this occasion.
- 1.10 The negotiations over the Licence to Occupy and Shared Services Agreement remain ongoing with the OU. The President and Chief Executive raised their frustrations with the spiralling time and rising legal costs of the process with PVC Students at their most recent regular meeting. The Chief Executive is meeting the PVC Students team on 5 June to see how this can be moved forward.
- 1.11 The Chief Executive reported on the steps that have been taken in response to the COVID-19 pandemic and subsequent recovery planning. The staff team have been working from home since 17 March and overall, have performed admirably in continuing to work and deliver as usual. Lots of work has been done to keep the team connected and communicating. Programmes such as Slack, Zoom and Teams are being used, on both a work and social level. A lot of focus continues to be placed on mental health. The staff team have a group of Mental Health Champions who all completed the Mental Health First Aid course in April 2019. The Champions meet and talk frequently and have a session in each weekly Team Huddle to encourage staff to talk about different aspects of their lockdown experience and share tips, information or simply shared experiences and challenges. A Coronavirus Contingency Group had been formed at the beginning of March prior to lockdown and continued to meet weekly to take actions to assist with our ability to cope with the pandemic. A major recent focus had been on recovery planning for post-lockdown. Feedback from a survey circulated to all staff had previously been published on the BoT forum where staff were asked what they would like to hold onto from this experience in the future, the things they wish they would have had in place before lockdown, and their concerns about returning to a new 'normal' in the office. The flexibility to work from home, the communications channels and mental health activities came out as key areas that staff would like to continue with, as well as the wish that they all had the appropriate equipment in place to better enable them to work remotely and access the various systems and networks. A number of concerns were captured around returning to the office including using the shared services (catering, toilets, meeting rooms and kitchen) and how they would be handled, hygiene and social distancing measures and how visitors to the office would be handled. The OU have asked all units to prepare and submit to the central pandemic planning committee a recovery plan to help them decide what units were business critical and were required to return to campus as soon as it can re-open. Based on the information received in the staff survey, the Chief Executive with the help of the Coronavirus Contingency Group had prepared a draft response, which was shared

with Trustees, to advise that the Association staff team would remain working from home for the foreseeable future with the intention that it is reviewed as and when government guidance and University plans were released. . The BoT were supportive of this plan and also approved a proposal for the default position for any events/meetings held for the remainder of 2020 to be online unless there was a particular reason to change this. The Chair thanked the staff team and student representatives for coping so well during this time.

- 1.12 Student Trustee, Alison Kingan highlighted the Government funded scheme, Access to Work that is a free service that is available to staff to help with any mental health issues. External Trustee, Annabel Lane offered to send procedures that she had used in her workplace around re-entry to the office and health and safety measures implemented. She raised that a phased return in the future would be sensible to allow the environment to be as controlled as possible and to help staff adjust again to a major change. External Trustee, Mark Price recommended that investment was made into the equipment required by staff now, in the likely case that working from home becomes more frequent in the future or another lockdown occurs. The Deputy Chief Executive (Finance and Resources) confirmed that she was exploring a possibility with the OU of swapping staff PCs in the office for laptops and docking stations in the hope of assisting with this new way of working. The Chief Executive was grateful for the support and advice from Trustees.

2. WEBSITE PROVIDERS

- 2.1 Fanni Zombor, Vice President Media and Campaigns and Kate Dungate, Head of Digital Communications were in attendance for this item.
- 2.2 VP Media and Campaigns and the Head of Digital Communications asked the BoT for approval for the progression of a procurement project with the aim of selecting a future website provider for OUstudents.com. The proposal had been approved by the CEC at their April meeting. If approved by the BoT, the next steps would be a wide consultation with stakeholders through virtual meetings and workshops to inform the specification required for a new website before inviting a number of website providers to tender for the contract, including the current provider
- 2.3 The importance that the website has for the delivery of the Association's strategy was reiterated alongside the requirement for additional functionalities that the current website could not provide. Some of the intended benefits from a new site would be the ability to provide a superior and more interactive experience for students through new functionalities such as live ideas polls and improved events pages as well as better search functions and the ability to host larger numbers of visitors to the site at one time.
- 2.4 It was noted that the OU Students Shop was also hosted by the same current provider under a separate contract and the option of bringing them together would be investigated as part of the scoping and consultation work.
- 2.5 The paper included a ballpark estimate cost of around £20,000 for the initial set up and testing work and actual costs would return to the BoT for approval once the tender process was completed. It was reiterated that this was very much an estimate, as the tendering process against a clear specification would be the only way to obtain accurate quotes.

- 2.6 **RESOLUTION:** Trustees approved the continuation of the project within the estimated costs.
3. **FORECAST OUTTURN FOR 2019-20 AND DRAFT BUDGET PROPOSAL FOR 2020-2021**
- 3.1 The Deputy Chief Executive (Finance & Resources) reported on the forecast outturn for 2019-20 highlighting that a lot had changed in the last few months with having to move events online. This had meant that the organisation was now anticipating an in-year surplus of circa £193k. The subvention funding had now been confirmed and figures adjusted accordingly. It is now unlikely the OU will seek to recoup the allocation to cover pension contribution increases in April 2020 that have been deferred until October 2021 but we might expect future pension contribution increases may not be fully funded in the future. Discretionary spend has also been affected by the Coronavirus pandemic and activities that were allocated for these funds including the governance review and management development training have been postponed to 2020-21. It is expected that the Association will now end the year with a surplus of £12,000 in discretionary funding. It was suggested that perhaps we could increase the pot next year to enable these projects to be rolled over. Based on the revised forecast for 2019-2020, it was anticipated that the Association would be ending the year with a cumulative reserve of circa £883k.
- 3.2 The draft budget for 2020-21 was presented following confirmation of the final subvention agreement. Trustees were asked for their approval in principle for a budget that plans to end the year with an in year surplus of circa £82k, allowing flexibility for the Chief Executive and Deputy Chief Executive (Finance and Resources) to review allocations between budget codes to support still evolving business plans.
- 3.3 A working group is being established to look at other possible income streams for the Association in the future, as well as looking at where savings can be made on an ongoing basis.
- 3.4 A query was made regarding the Head of Student Voice position which the Head of Volunteering was currently covering and whether this impacts her capacity in her original role. It was confirmed that the draft budget includes the provision of an Assistant in the team and the intention is to recruit for the vacant Representation Officer position over the next few months to help with capacity. The Head of Volunteering is carrying out a review on how better to support CCRs to ensure that representation remains a key priority for the Association. The team are also looking into whether democracy and elections could potentially be moved to the Representation team as part of their future remit. The role of Returning Officer is currently shared amongst the Management Team and although an external Returning Officer had been recommended in the past, this was not considered under the most recent elections review and a fuller proper elections review would be required in the first instance. Moving elections administration into the Representation team could potentially allow for ongoing staff capacity to continue to work on developing our approach to elections.
- 3.5 External Trustee, Mark Price raised caution around making additional investments and decisions now that would not be funded long term that would continue to eat into the reserves. It was highlighted that risks around contracts have been mitigated by extending them on a fixed term basis to 2021 and can be ended if funding is not

found, although it was hoped that funding would be forthcoming. Projects and costs savings will be looked at and how things can be delivered for less.

3.6 It was confirmed that there was no provision for an additional face to face element of Conference following moving it online this year but a budget has been included for a volunteer recognition event in 2021.

3.7 **RESOLUTION:** The BoT approved the draft budget in principle.

4. REPORT ON THE FINANCIAL POSITION OF OUSA (SERVICES) LTD AND PROPOSAL FOR THE FUTURE

4.1 Magda Hadrys, Head of Operations joined the meeting for this item.

4.2 Deputy Chief Executive (Finance & Resources) introduced the paper giving an overview of the current position of OSL (OUSA Services Ltd), the trading subsidiary of the OU Students Association. The loss of the income from the exam papers in 2016 had left OSL struggling to cover its costs. At the end of 2019, OSL had an accumulated loss of £31,489, and owed the Association £109,000. OSL's business plan for 2019/20 supported the Association's continuing investment in its subsidiary which, up to March, was on track to make a small profit at the end of 2020. As a result of the Coronavirus pandemic, OSL activity has curtailed and the cancellation of the University's graduation ceremonies and closure of the warehouse has had a significant impact on the company's finances. It is now predicted that the subsidiary will make a loss of at least £12,000 at the end of 2020. With uncertainty extending into 2021 and doubt around face to face events resuming any time soon, the future of the subsidiary is uncertain.

4.3 Legal advice sought is clear that, in these circumstances, the Association should not continue to support the subsidiary because it no longer meets the two reasons stated in charity law in providing financial support for subsidiaries: to give financial investment, where there is a clear financial business case to do so; or where funding the trading subsidiary is an effective means of advancing the charity's charitable objectives. Trustees would therefore risk personal liability for the losses of its subsidiary by continuing to support it financially and the OSL Directors would also risk criminal liability for wrongful trading should decisive action not be taken.

4.4 The Directors of OSL met on 6 May and after taking the legal advice on board, made the decision for the shop to cease trading in its current form. The work involved in this would involve a winding up process which was anticipated to cost in the region of £5,000. The recommendation from the OSL Directors was to streamline the operation and bring trading into the OU Students Association Ltd, with the Association's Trustees effectively writing off the debt from the trading subsidiary. This decision would mean that trading would need to remain under the small trading tax exemption limit of £80,000 per year as it cannot be linked directly to the achievement of our charitable objectives.

4.5 The chair questioned the liabilities that OSL incurs that would be passed to the Association if the recommendation were passed. The Head of Operations confirmed that the company currently has £30,000 worth of operating costs; the warehouse's charges, postage, professional fees and insurances costs, although as trading would be reduced, cost would therefore reduce too. Calculations showed that if a £60,000 turnover achieved a 50% profit margin, the shop would cover its own costs. It was

further proposed to change the role of the current staff vacancy of the Team Supervisor to a part-time Operations Assistant to reflect the reduction in operations and to help save costs. The Operations team have also started reviewing stock and profitability of items. With the warehouse reopening on 1 June, trading can begin again, therefore minimising the loss at cessation. The Head of Operations will also re-negotiate the warehousing and distribution contract due to the loss of income and reduced business requirements over the last few months and to reflect the proposed reduction in activity going forward.

- 4.6 A CEC observer asked whether there was any scope if things substantially improve and grow in the future, to move the company back out from the Association as an external entity to allow over £80k income. It was confirmed that this would be possible but looked unlikely at present.
- 4.7 Head of Operations argued strongly for the recommendation to continue trading and to move the company under the charity due to the benefits that it brings to students, the ongoing legacy and benefits to the Association in raising awareness and developing a sense of community and belonging rather than simply winding up the operation completely and ceasing all trading. The President agreed that the shop's function performs a valuable strategic function for the Association and an important service for Open University students.
- 4.8 **RESOLUTION:** The BoT agreed with the recommendations from the directors of OSL to wind up the subsidiary company and bring into the charity. A simultaneous review of the administrative operations and stock range will also take place.

SECTION C: ITEMS FOR INFORMATION

5. CONFERENCE 2020

- 5.1 Amy Undrell, Conference Project Manager joined the meeting for this item.
- 5.2 Staff are currently working through several key challenges in creating an efficient and accessible platform to host Conference 2020, ensuring flagship events and speakers and ensuring quorum was reached in the business voting. Guidebook was being explored as the platform that would host the Conference schedule and this would then link through to Microsoft Teams for each session. It is anticipated that the platform would be open early for delegates to go in and test the software beforehand and that the Tech team would be available throughout the weekend if any issues arose. Work around ensuring quorum was met involved planned communications to keep delegates informed and engaged throughout in addition to an incentive to only being able to attend Conference activities if they have voted first. We would also be putting on a Q&A session to give students the opportunity to better understand the business section and its importance. The programme has been split into three areas: Educational, Inspirational and Wellbeing that also align well to the Association's strategy.
- 5.3 Business voting opens on 12 June to 24 June. The Deputy Chief Executive (Student and Staff Engagement) raised that she had prepared the report of the Board of Trustees on the Board's behalf and would be posting this into the forum for

comments following the meeting on a short turnaround. Voting closes 48 hours before Conference opens in order for us to work with Civica to give access to those delegates who voted. Clear communications will be made to delegates so that they understand this criteria.

- 5.4 A big risk for the Association was if quorum was not achieved and a question was asked around the contingency plans for this. The Chief Executive confirmed that the team are aiming at achieving the 40% quorum required with the work that is taking place however legal advice will be sought if this does not happen and will be brought back to Trustees. There was a clause in the Articles of Association that the BoT can override any decision made by Conference in certain scenarios and within certain parameters but if this was to be the case, we would take the appropriate advice and examine the options.
- 5.5 The Chair thanked the Conference Project Manager, Conference Steering Committee and the rest of the staff team for the amount of planning and work going into the arrangement of this event in the current circumstances.

6. STAFFING REPORT

- 6.1 This item was of a confidential nature and has therefore been reserved to the confidential section of the minutes. The CEC observers left the meeting for this item.

7. ANY OTHER BUSINESS

- 7.1 The Deputy Chief Executive (Student & Staff Engagement) noted that staff morale was high despite the stress and anxiety of this time and thanked the BoT and Chief Executive for their support and understanding during this time.
- 7.2 The Chair raised whether the changes taking place due to the pandemic will affect the timings and implementation of some of the strategy projects. The President thought that the incoming CEC would be best placed to consider these changes once they had taken up office, especially as the next wave of strategy projects was due to get underway following Conference.

8. DATE OF NEXT MEETING

This was set for Friday 24 July 2020, 9am to 12pm via Microsoft Teams. The new Board members will be observing this meeting before officially joining the Board on 1st August.

Discussions will continue online in the meantime.