



THE COUNCIL

Minutes of the meeting of the Council held on Tuesday 10 May 2011 at The Open University, Walton Hall, Milton Keynes

- Present: Lord Haskins (Chair), the Vice-Chancellor, Mr S Barnett, Mr E Briffa, Mr H Brown, Dr S Ding, Mrs M Cantieri, Dr I Falconer, Prof J Fortune, Dr A Freeling, Dr M Hopkins, Ms S Macpherson, Ms L Murphy, Dr T O'Neil, Mrs R Spellman, Mr M Steen, Prof W Stevely
- In Attendance: Pro-Vice-Chancellor (Curriculum and Qualifications), Pro-Vice-Chancellor (Learning, Teaching and Quality), Interim Pro-Vice-Chancellor (Research and Enterprise), Director, Students, Finance Director, University Secretary, Senior Assistant Secretary (Central Secretariat), Assistant Secretary (Central Secretariat)
- In Attendance for part of meeting: Director of Strategy, Communications Director
- Apologies: Mrs C Ighodaro, Dr C Lloyd, Mr P Mantle, Ms C McEwen, Mr R Humphreys

1 WELCOME

The Chair welcomed Mrs Marianne Cantieri, the newly elected President of the OU Students' Association (OUSA), to her first meeting of the Council.

2 DECLARATION OF INTEREST

There were no declarations of interest.

3 MINUTES

C/11/1/M

The Council **approved** as a correct record the minutes of the business meeting held on Tuesday 1 March 2011.

4 MATTERS ARISING -

C/2011/2/02

The Council **agreed**:

- a) To appoint a Redundancy Committee under Paragraph 11 of Statute 21 'to select and recommend the requisite member of academic staff for dismissal by reason of redundancy' by such date as it may specify.
- b) The members of the Redundancy Committee.

5 CHAIR'S BUSINESS

The Chair commented that the University was currently in the midst of an intense period of work regarding the development of a new strategy. It was the intention of the University to involve the Council as much as possible so as to inform the decisions to be taken at the July meeting of the Council and the critical work to be done at the Residential Weekend in September.

6 VICE-CHANCELLOR'S REGULAR REPORT

- 6.1 The University had hosted a major visit for UDS philanthropic foundations shortly after the Vice-Chancellor had joined the University in 2009. The OU had now been awarded a \$750,000 grant from the Next Generation Learning Challenges (NGLC) for the 'Open Learning: Bridge to Success' project. The NGLC programme was committed to leveraging learning technologies to improve completion rates at US colleges. This followed previous Hewlett Foundation grants for the OU initiatives OLnet and OpenLearn. The OU was the only recipient of such grants outside the United States. The Vice-Chancellor congratulated all those who had been involved with this successful bid and wished them well with the project.
- 6.2 The Vice-Chancellor then updated the Council on recent developments in the UK's political landscape and the latest news on the funding environment across the four nations of the UK.
- 6.3 During the previous week, the Vice-Chancellor had given oral evidence to the Business Innovation and Skills (BIS) Select Committee Inquiry into the Future of Higher Education (HE). The long session had focussed on widening participation and access and his testimony had highlighted the importance of:
- a) protecting the £372m widening participation funding currently allocated by the Higher Education Funding Council for England (HEFCE). This remained the biggest issue on which the OU was campaigning;
 - b) protecting the £72m part-time allocation, which allowed the OU to ensure that the extra costs of supporting a part time cohort, between 14 – 45%, was protected ; and
 - c) clarity around the transitional arrangements for part-time students. The University had received further guidance from BIS during the previous week, but HEFCE had still not provided any clarity about how part-time students would be funded on a transitional basis. It was another illustration of how part-time provision continued to be an afterthought, so the University could not let up in raising this issue.
- 6.4 Visitors to Walton Hall over the next few months would include Martin Donnelly, BIS Permanent Secretary; Andrew Mitchell, International Development Secretary; and David Sweeney, Director of Research at HEFCE. All those who spent time at the University went away with a more profound understanding of the OU.
- 6.5 At the Council Residential Weekend in September 2010, the Council had spent some considerable time discussing the rise of private providers. In April 2011, David Willetts had written to Universities UK (UUK) providing details of the student support package in England for 2012/13 for new and continuing students, including those at private providers. Students at private providers would be entitled to borrow up to £6,000 to cover their tuition

costs. They would also be entitled to maintenance support on the same basis as other 2012/13 students. The HE White Paper would consult on further liberalisation of the sector. In response, UUK had highlighted the need for a level playing field in terms of quality assurance and regulation of private providers, and the risk of private providers cherry-picking lucrative courses. With so many Higher Education Institutions (HEIs) declaring that they would charge £8500-£9000, the Government was looking for ways in which lower cost provision could be made available.

- 6.6 On 27 April 2011, the Business Secretary, Vince Cable, had given evidence to the BIS Select Committee on the Government's Strategy for Growth. During the session, Mr Cable had said that the HE White Paper was at an "advanced stage" and "very close to publication", but he would not give a specific date or month for its publication. He had gone on to say that he was continuing to "work towards an early delivery".
- 6.7 On the same day, there had been an Opposition Debate in the House of Commons on HE policy. The Universities Minister, David Willetts, had emphasised the Government's commitment to ensuring that it was easier for universities to move away from detailed quotas and restrictions to a more flexible system. The Minister for Further Education, John Hayes, had re-iterated the Government's commitment to widening participation, arguing that the reforms to part-time would help further this.
- 6.8 Referring to the elections that had taken place on 5 May 2011, the Vice-Chancellor observed that the Scottish Nationalist Party (SNP) would form Scotland's first ever majority government. The Party had won 69 seats in the 129-seat parliament, taking key seats in Labour heartlands and giving the SNP significant freedom to implement their policy agenda without the need for support from other parties. This would have implications for the way that the parliament worked and the way that bodies such as Universities Scotland sought to influence it.
- 6.9 In April 2011, Scottish Government officials had convened a constructive meeting with key stakeholders to discuss some of the issues raised in The OU in Scotland's response to the Green Paper, with the intention of putting forward proposals on part-time study for the incoming government. Although the SNP, the Scottish Liberal Democrats and the Scottish Labour Party had ruled out the introduction of tuition fees for full-time students or a graduate contribution, there had been much debate in the run up to the elections about how the gap between English and Scottish higher education institutions would be funded in reality. The SNP had also stated that it would look at the issue of governance within HEIs if it returned to Government.
- 6.10 In the Welsh General Election, Labour had fallen one short of an outright majority, winning 30 seats, half of those in the National Assembly. Coalition negotiations might develop over the following week; alternatively Labour might decide to govern alone.
- 6.11 All four main parties in Wales had made commitments on part-time HE in the run up to the elections, and the Education Minister had stressed the party's "continued commitment" to part-time and that it was "at the heart" of the HE strategy. Despite making the election a referendum on the UK government, Labour had acknowledged policy and delivery weaknesses in areas, including education (especially schools), over the past 12 years. It was anticipated that action in these areas, which included HE governance and the future of the Higher Education Funding Council for Wales (HEFCW), would be accelerated, whatever the shape of the government. However, the financial climate remained tight, and Labour (with or without a partner in government) would almost certainly have to make cuts in public expenditure. A particular test for Labour's approach to public investment would be its proposed fee system for full-time students in higher education. Many informed

commentators believed this to be unaffordable. The cost of the proposed system also meant that there would be less public funding available for part-time students in HE.

- 6.12 Elections to the Northern Ireland Assembly, the Northern Ireland Local Government Councils and the Alternative Vote Referendum had also taken place on 5 May 2011. The Northern Ireland Assembly had 108 members elected to 18 six-member constituencies. The results had seen good returns for the Democratic Unionist Party, Sinn Fein and the Alliance at the expense of the Ulster Unionist Party and the Social Democratic and Labour Party.
- 6.13 With regard to higher education tuition fees there was consensus among all Northern Irish parties that current levels should remain untouched or in some cases reduced.
- 6.14 The University now had to work hard to cover all the differences and variations within the four nations and, in some cases, to engage with completely new stakeholders who did not have the understanding of the OU that was required if the University was to have any impact.
- 6.15 In his previous report, the Vice-Chancellor had listed the three work streams around which the University was rallying in order to navigate its way through the pending changes in higher education funding from 2012 onwards:
- a) UK market strategy
 - b) Cost reduction and efficiency
 - c) New income streams

The work streams were progressing well and an update was provided to the Council in paper C/2011/2/02.

- 6.16 The Strategic Planning and Resources Committee (SPRC) had already had two in-depth consultation sessions regarding the work with Monitor on the UK Market Strategy. Between this meeting of the Council and the next, the work would be completed and presented to an extended meeting of SPRC for interrogation. A voluntary workshop would then be scheduled for members of the Council to enable them to better understand the evidence collected by Monitor. Those members who were unable to attend the workshop would be offered one-to-one sessions. At its meeting in July 2011, the Council would have to agree a range of fees, rather than specific levels by module or by programme. The meeting would also include a discussion on where the OU should focus its future efforts in order to maximise its success in attracting students within the new HE environment. The Council Residential Weekend in September 2011 would be structured around the use of this work to inform a major revision of OU Futures. The latest date at which the OU could announce its revised fees to prospective and continuing students would be January 2012, in order to ensure that those students had sufficient time to analyse the new landscape and make their decisions accordingly.
- 6.17 Much of the work during the remainder of 2011 would focus on the English market. There would be a very different time scale for the other nations, once the policy implications of the recent elections became apparent.
- 6.18 A student member requested that students were informed as soon as possible that they would not have to pay the new fees immediately, but that there would be some transitional arrangements. The Vice-Chancellor introduced Lucian Hudson, the new Director of Communications, who was observing the Council meeting as part of his induction programme. One of Mr Hudson's first activities, working with OUSA, would be a

communications plan. Even though the details were as yet not fully defined, an indication that some transitional arrangements would be put in place would be a good first step.

- 6.19 With reference to the fact that this work was principally focussing on England, a member observed that *OU Futures Scotland* was included in paper C/2011/2/09. It would be difficult to ensure that *OU Futures*, as agreed in the timescale laid out by the Vice-Chancellor, did not unduly constrain the difficult decisions that may have to be made within the different timescale agreed for Scotland. The SNP now had a substantial majority and a five-year term in which to work. Their manifesto stated that the SNP would plug any funding gap and that there would not be a student fee. There were a number of very difficult issues to be addressed. For example, if English students were to be charged £9000 to attend a Scottish university, would the money just go to the universities that admitted them, primarily Edinburgh and St Andrews? The government would also be looking for creative ways to cut costs. For example, it would want to see a greater proportion of students achieving direct entry to the second year at university. There might be an opportunity for the OU to provide a top-up experience, similar to that of the 'Open Learning: Bridge to Success' project previously mentioned by the Vice-Chancellor, which would allow students coming through school to get into the second year more easily. Universities might not be keen to lose first year students, but the government would prefer to see a shorter dwell time in HE. This might lead to a reduction in the size of the University sector and student numbers over the next five years. An HE bill was due in Scotland, but the timeframe was as yet unknown and would not match with that in England. Another member said that in the short term, the SNP was likely to carry out a considerable amount of consultation, before introducing cuts in 2012/13, rather than 2011/12. It was therefore unlikely that anything would become clear in Scotland until later next year.
- 6.20 The Chair commented that the implications for the OU with regard to Scotland were more than financial. The OU had been built up as a centralised institution over the past 40 years and there would be many questions about how the University dealt with the outcome in Scotland. This would in turn impact the way in which the OU dealt with any other country in the world. In response to a question from the Chair, the University Secretary, Mr Fraser Woodburn, clarified that the fees for 2011/12 were already set and that the fees for 2012/13 for all four nations had to be agreed by January 2012. Consequently, market research had to be conducted during the early summer. Differential fees for the four nations would be introduced, and the fees in Scotland were likely to be similar to the fees for the current year. In the short term, the only likely gain for the University in Scotland would be a better fee support system for Scottish students. A member said that the Scottish government had been impressed with the University's credit system, which would allow students to go direct to year two, and with the way in which it could work with FE colleges.
- 6.21 The Chair said that it would be helpful for the Council to be aware of the ten big issues for Scotland, and an idea of their timing, scale and financial implications, to inform the decisions about fees. The Vice-Chancellor reassured the Council that fundamental changes had been made to two of the core management groups to enable them to be more reflective and more nimble in these matters. The External Relations Strategy Group, which now convened monthly, deliberately structured its agenda by nation and was able to generate the major issues and the projected timelines for each separate nation. The Nations Group, which met quarterly and included the National Directors, the Vice-Chancellor, the University Secretary, the Director, Students and other invitees, now spent the majority of its time on the major issues that needed to be managed in order to be successful across the four nations. However, approximate timelines and details to inform decision making would be reported to the Council.

Action: FW

- 6.22 A member said that there would be a governance review of universities in Scotland. The OU was in a very different position to any other university in Scotland in terms of its governance and would have to ensure that the government took proper account of this. It might mean that the OU would have to look at how it handled itself in different circumstances in terms of its governance. The Chair commented that there was considerable residual goodwill towards the OU in Scotland.
- 6.23 A member observed that it would be necessary for the OU to be agile for some time and that it might be necessary to have a subcommittee of the Council that dealt with the issues concerning the four nations. The Chair concurred and noted that there was currently no representation from Northern Ireland on the Council.
- 6.24 The Chair enquired about the timetable for marketing in England. Mr Woodburn said that the University needed to understand what it was going to market, which was why it was necessary to make some decisions in July 2011. Although it would be unable to be clear on its precise fees, the University would be able to conduct some high level marketing, if it had a clear idea of its focus, offering and the type of student it wanted to attract. The marketing pitch would be different in the four nations, as it was currently. The Chair observed that the message put out to the four audiences was one that the University would have to live with for a number of years, so it was important to get it right.

7 UPDATE ON STRATEGIC RESPONSE WORK

C/2011/2/02

- 7.1 The Director of Strategy, Mr Guy Mallison, presented the paper, which updated the Council on the progress with the three work streams that were helping the University to work through its response to the emerging changes in the HE environment specifically in England, but also its differing responses to the situation in the other nations. The paper was primarily a process update, explaining the current status of the respective work streams and how they were being taken forward.
- 7.2 The focus of the presentation was on the UK Market Strategy. At its last meeting, the Council had been introduced to the consultants, Monitor, and to the approach being taken. This presentation aimed to give an idea of the mechanisms underneath the approach, the type of data being produced and how this data was being used; with some insight into the findings and the direction in which they were taking the University. SPRC had spent more time looking at some specific data, which had often prompted more questions than it provided answers.
- 7.3 The process being used was helping the University to understand where it should play in terms of parts of the market and particular student groups, and how it might win within those areas by clarifying what those groups were looking for. This would enable the University to construct an offer with features of an educational experience that were most relevant to those particular student groups. The process then worked through the implementation and transition for an existing student base. The University was trying to calculate where it had most chance of success, where it could uniquely make a difference, what was necessary for the University to be successful, whether it was economically viable and whether it would make sense in terms of the portfolio. Monitor's role was to help the University build the evidence base and to support the decision making process, but it was the responsibility of the Council to make the decisions about where the OU should focus.
- 7.4 Much of the evidence being gathered was about students: who they were, what they were looking for and how they made decisions. Key activities had included a competitor analysis and market research. There had been three different field research exercises, each of which had a slightly different objective, and in total almost 5000 current and prospective

students had been surveyed. A financial model had also been produced in order to understand the economic impact. Most of results of the research had been analysed, although a critical piece about pricing and value had yet to be incorporated. The construction of possible business lines had begun, but there was still a considerable amount of work to do before the Council meeting in July 2011.

- 7.5 A slide on the segmentation framework provided an insight into how the University was looking at the HE market in the new world in England, and how it might apply in the other nations. Monitor had presented an illustrative version of the framework at the last meeting of the Council, but the actual map of the market was based on the outputs of an analysis of the research that had now been undertaken. The frame of the segmentation identified key variables: on one axis were typical socio-demographic variables, whilst on the other were those related to the current or prospective student's educational experience to date. These variables had been identified by looking at how well they described four key things: the students' willingness to pay for education, their motivation for study, the likelihood of them considering alternative modes of education such as part-time and distance learning, and their willingness to consider the OU. These were the best variables that could be identified that explained a combination of these four factors, which were particularly relevant when considering where the OU had most to offer and where it could be most successful.
- 7.6 The research had confirmed that age made a difference to how people thought about education and where they might choose to study, and that employment particularly in the over 25 age group was also a significant factor. The nations dimension was not represented because, at this level, people who fitted into the various groups considered education in the same way regardless of their location. Once the context of the different nations was overlaid, particularly with regard to pricing, differences in behaviour would start to become apparent. Within this frame, groups of people had been identified who acted in a broadly similar way within the segment, but in a distinct way to those in other groups. This presented a way of understanding the market.
- 7.7 The left hand axis divided people into those considering HE and those who were existing students. A key dimension of the latter group was those currently studying at the OU (segments L and M). One of the major pieces of research had been to investigate the OU's current students in more depth than had been illustrated in this overall market map. This data was subject to a separate research exercise.
- 7.8 Illustrating an example of the profiling being undertaken, data on Segment E was presented. This group consisted of employed people, who did not currently have an undergraduate degree, who were looking for a qualification that was less than an undergraduate degree and who were prepared to pay for their studies. This work had also provided a preliminary insight into the group's likely response to changes in funding; the pricing work would provide more granularity and confidence in this view.
- 7.9 Centres of gravity were being identified on which the University would focus further analysis and research, and begin to build its business lines. The concept of the centres of gravity implied that other segments might still be attracted into whatever business lines might be constructed. The selection criteria for the centres of gravity included the segment's size, 'fit' with the OU, inclination to part-time study, reaction to the outcomes of the Browne report and price sensitivity, as well as a qualitative analysis of the competition. Heat maps illustrated the centres of gravity as each segment was mapped against the selection criteria. As a result of this work, seven centres of gravity or areas of focus had been identified.
- 7.10 The University had to consider to what extent it would lose some of these groups as prices increased, particularly older students, and to what extent they might be replaced by other

groups, such as younger students. The preliminary research had demonstrated that it would be difficult to attract the younger market, as they were seeking a fundamentally different experience from their higher education, but further work was necessary.

- 7.11 Having identified the potential areas of focus, the University had to construct offers or business lines that would appeal to these groups in terms of curriculum, content and service features. The importance of different aspects of the educational experience, such as assessment, flexibility, materials and payment methods, were illustrated with reference to Segment E.
- 7.12 In summary, the process was trying to understand the market and where the OU would naturally play; what the University should offer in that market, the costs of doing so and whether it was economically viable; and how the OU could best fulfil its mission in this environment. The market research work was going well, with the consultants and the internal team working closely together in order to ensure ownership of the outputs. By basing the approach on real data and an understanding of the student, the work was proving extremely valuable.
- 7.13 Some members asked for further information about the size of the samples. Mr Mallison said that 1800 students had been surveyed in total. The University Secretary, Mr Fraser Woodburn, said that the samples had, on the whole, been statistically significant and where this had not been the case, then the researchers had gone back into the field to collect more data. The Vice-Chancellor suggested that anyone requiring reassurance regarding the methodology and reliability of the research should contact Mr Mallison before the meeting of the Council in July 2011. It was important that members were confident about the data, in order that the discussion at the meeting could focus on the decisions that had to be made.
- 7.14 A student member said that the outcomes illustrated in the slides felt right based on what OUSA knew about student profiles.
- 7.15 In response to a question from the Chair, Mr Mallison said that the survey had tested awareness of the funding changes and respondents had been asked how they thought these changes would apply to them. This awareness had varied by group, according to its level of sophistication, and it would be necessary to track how their understanding changed over time. As the map was of the UK market as a whole, it provided the basis for understanding how the funding changes would impact the different segments across the four nations. This would mean that the University did not have to start from scratch when it arrived at a differentiated UK market. Mr Woodburn, added that the further research on value and pricing referred to earlier would only take place in England, because it was possible to explain what the fees and funding regime would be, whereas the situation was as yet unknown in other parts of the UK. Responding to a further query, Mr Mallison said that it would be important to understand the price point at which views might change and students sought alternative provision or decided against higher education. The University would also track how students preferred to fund their education and look at offering alternative methods of payment.
- 7.16 A member asked whether there were any groups that had been expected to come out of the survey as prospective targets, but which had not done so. The Vice-Chancellor said that the University might have expected to be more attractive to younger people, but the majority of younger students were strongly attracted to a campus based experience.
- 7.17 Mr Mallison said that the research had identified the postgraduate group as an obvious target for the University and an area where the OU could make gains. A member observed that this research would complement the work on the Postgraduate Strategy being led by

the Pro-Vice-Chancellor (Curriculum and Qualifications), Professor Alan Tait. The Vice-Chancellor commented that the Extended Leadership Team (ELT) had discussed the Postgraduate Strategy at its meeting the previous day. The Dean of the Faculty of Education and Language Studies (FELS), Dr Sharon Ding, was leading the activity. A workshop would be organised as soon as possible that would take forward the information already surfaced through the research and feed it into the postgraduate work.

- 7.18 In response to a question from the Chair, Mr Mallison said that the biggest segment was those not considering higher education at all. However, the University would focus first on the more accessible groups, as it would be harder to convert those who were not interested at present. If the work currently underway did not provide a large enough target for the OU to be successful, then the University might seek to attract other groups. The Chair observed that part of the OU's purpose was to excite and encourage aspiration. The Vice-Chancellor commented that there was a difference between the marketing of HE in the US and in the UK. The former tried to trigger an interest in higher education, whilst the latter was aimed at attracting interested students to a particular institution. However, there was more that could be done in order to activate aspiration. From a Widening Participation perspective, this would be included in the work being led by the Director, Students, Mr Will Swann. The new world, with the introduction of more private providers, was likely to trigger much more aspirational marketing, such as that delivered by organisations like Kaplan. It was important, however, to avoid making false promises. The University would look to trigger other populations and growth after its initial work.
- 7.19 The Council **noted**:
- a) updates on each work stream
 - b) a summary of next steps in the strategic response development process

8 FORECAST OUTTURN

C/2011/2/03

- 8.1 The Finance Director, Mr Miles Hedges, said that the surplus forecast for the current financial year was £41.6 million, based on the actual income and expenditure results for the second quarter. This was despite a reduction in income from budget of £3.6 million, which was mostly attributable to in-year reduction in HEFCE funding. It was helpful that this had been balanced by a further reduction in forecast expenditure as Heads of Unit continued to manage their costs in a downward direction. This was a great result and helped to position the University advantageously at the start of a period of great turbulence. This amount of cash could buy time for the University, or could be spent on activity to support the University and its students. The net change in the forecast surplus since the first quarter had been only £0.2 million.
- 8.2 The Treasurer, Mr Michael Steen, commented that the results continued to reflect a financial performance that was a credit to all concerned. It would be easy to become complacent, but the future remained uncertain. Nevertheless, the University's efforts to identify and implement savings would allow it to approach that future with some confidence and all concerned should be congratulated.
- 8.3 A member asked whether the impact of cost reduction measures such as early retirement and delayed recruitment on the delivery of courses to students were being monitored. Mr Hedges replied that all such measures were screened before implementation to ensure that any negative impact on the student experience was minimised. The Pro-Vice-Chancellor (Curriculum and Qualifications), Professor Alan Tait, added that the faculties had been very mindful of this issue. The breadth of the curriculum had been protected, although there had

been efficiencies with regard to its size and shape. The Director, Students, Mr Will Swann, said that all of the savings made in Student Services had taken protection of the student experience as the first principle. Front line staff, associate lecturers and the student interface had been protected, but management costs had been reduced. The impact was being monitored in the usual ways, from the time it took to pick up an incoming call to the results of more qualitative data.

- 8.4 The Chair asked whether most of the savings were coming from the faculties, since it appeared that approximately 2% came from the University support services, whereas almost 6% came from the faculties. The Vice-Chancellor replied that this was not the case over the whole four years of the cost reduction programme and it demonstrated the danger of presenting a snapshot of the situation at any given time. Some areas were moving faster than others in terms of implementing cost reductions and the University was not salami-slicing. The Chair commented that it was a difficult and sensitive situation to manage and congratulated all those involved.
- 8.5 The Council **noted** the 2010/11 forecast consolidated outturn of £41.6 million surplus.

9 FINANCE COMMITTEE

C/2011/2/04

- 9.1 The Treasurer, Mr Michael Steen, commented that the minutes should be self-explanatory, but that there were two key issues of which the Council should be aware. The first was that, following agreement by the Finance Committee, the loan facility of £60 million had been drawn down at the end of April 2011. The money had been invested in money market funds provided by the two fund managers approved by the Finance Committee, Blackrock and Insight, to supplement the significant holdings in UK gilts. This would ensure that the University had the maximum financial flexibility as it went into a period of considerable market turbulence.
- 9.2 The second item of note was that, following the resolution of the Council at its last meeting, the Finance Committee had approved the University's five-year financial forecasts and related commentary for submission to HEFCE by 15 April 2011. Some changes had been incorporated, as indicated in F/11/2/M minute 6.7, and a copy of the final submission had been sent to Council members under separate cover.
- 9.3 The Council **noted** the minutes of the Finance Committee meeting held on 29 March 2011.

10 AUDIT COMMITTEE

C/2011/2/05

- 10.1 A member of the Committee commented that the Audit Committee would welcome some movement with regard to the policy on travel expenses. It had not been implemented because of the current negotiations with the unions and it might be helpful if the Council was to lend its weight to the debate. The University Secretary, Mr Fraser Woodburn, said that the policy required union agreement, which had now been reached informally. The union was prepared to contribute to a joint statement, but this had yet to be ratified by the union executive. The Treasurer, Mr Michael Steen, said that the Finance Committee also had an interest in this area, but appreciated that implementation was difficult whilst negotiations were at a delicate stage.

10.2 The Council **noted**:

- a) the unconfirmed minutes of the Audit Committee held on 15 March 2011;
- b) the unconfirmed confidential and restricted minutes from the meeting.

11 STAFF STRATEGY COMMITTEE

C/2011/2/06

- 11.1 With reference to the importance of protecting front line staff and preserving the student experience raised by the Director, Students, Mr Will Swann (minute 8.3), an associate lecturer member asked whether the implementation of the outcomes of the Student Services Operating Model review were having an impact on staff morale. Mr Swann replied that there were three areas of the review that had affected staff in regional and national centres. The first, which was the major change to the management arrangements in Student Services, was now complete. As from 1 August 2011, there would no longer be any Regional Directors, but two new appointments would oversee the regions. Assistant Directors had been appointed for each region and these appointments had been widely welcomed. The realism of staff in all locations in recognising the University's position in the new HE landscape had been impressive, as had their wish to be a part of the solution. This had been a major and difficult transition, but one that had been implemented successfully. Work on the other two areas, which included the way that the University provided advice and guidance to students and the way that it supported associate lecturers (ALs), was currently in progress. In both cases, the University was working closely with the staff involved to ensure a sense of ownership for the changes, as well as a realisation that cost savings were necessary. There had been considerable effort to communicate how this might be done in a way that would protect and enhance the student experience. There was no evidence of a dip in morale as a result of those changes.
- 11.2 The associate lecturer member thought that there should be some communication regarding the ongoing delays in negotiations regarding the AL contracts. The University Secretary, Mr Fraser Woodburn, acknowledged that it had been difficult to bring the negotiations to a successful conclusion. There were three main elements to the negotiations:
- a) the revised pay scales, which had now been agreed;
 - b) the drivers for AL pay and how they were organised. These were complicated arrangements, but there had been much progress and the parties were close to a final agreement;
 - c) the terms and conditions, where there were still some areas of disagreement.
- 11.3 The University had agreed with the union that all announcements would be joint ones. Consequently, no statement had been made, as neither party thought that it would be helpful to do so at this delicate point in negotiations. The discussions were now focussing on the areas of disagreement.
- 11.4 In response to a question from the associate lecturer member, Mr Woodburn said that the outcome would go a long way towards addressing the concerns highlighted by the AL survey. With reference to minute 7.2 of the report, another AL member said that the dissatisfaction expressed by associate lecturers was not just about pay, but also about conditions of service that would allow ALs to give better support to students. Responding to a question from the Chair, Mr Swann said that the University was not currently facing any major challenges with regard to the recruitment of ALs and was satisfied with the quality of

these staff. The University was currently going through the early stages of introducing a formal appraisal process for ALs, which would be in place for all 7000 associate lecturers within 18 months.

- 11.5 A member of the Staff Strategy Committee said that one of the issues moving forward would be the University's management and leadership capability. The staff survey had highlighted the need to create a strategic framework for developing management and leadership in the OU. The Chartered Institute of Management (CIM) was looking at how it might support the Human Resources team by mapping competencies against the national occupational standards and building some qualifications for managers and leaders within the organisation.
- 11.6 The Council **noted** the unconfirmed minutes of the Staff Strategy Committee held on 1 March 2011.

12 ESTATES COMMITTEE

C/2011/2/07

The Council **noted**:

- a) the unconfirmed minutes of the Estates Committee held on 11 March 2011;
- b) the unconfirmed confidential and restricted minutes of the meeting.

13 THE SENATE

C/2011/2/08

The Council **noted** the report on the items discussed at the meeting of the Senate held on 6 April 2011.

14 STRATEGIC PLANNING AND RESOURCES COMMITTEE

C/2011/2/09

- 14.1 Referring to minute 5.14 of the paper, the Chair of the Development Committee, Mr Anthony Freeling, suggested that the Council should discuss a waiver and bursary policy. HEFCE had previously offered a matched funding scheme, which was due to run out at the end of July 2011, and the Development Committee was considering ways of raising a fund for bursaries post-July. Council members were invited to make a donation to the fund; with permission, a more formal communication would be circulated at a later date.
- 14.2 A staff member was concerned at the centralisation of IT desktop support, as local support had proved extremely valuable. The University Secretary, Mr Fraser Woodburn, observed that this decision had been made with the agreement of the deans. The aim was to provide effective support with a service level agreement. The support might not be at the same level, but it was believed to be satisfactory and it would be more cost effective.
- 14.3 The Council:
- a) **noted**:
 - i. the unconfirmed minutes of the SPRC held on 13 April 2011;
 - ii. the unconfirmed confidential and restricted minutes from the meeting;
 - iii. the paper presented to SPRC on the UK Political Landscape and Funding Environment (updated to reflect recent developments);

b) **approved:**

- i. *OU Futures Scotland 2011*, as recommended by SPRC (updated to reflect comments made at SPRC);
- ii. the recommendation from SPRC for the organisational changes contained in SPRC/11/2/Confidential Minute 6);
- iii. the recommendation from SPRC for the organisational changes contained in SPRC/11/2/Confidential Minute 7).

15 OUSA ANNUAL REPORT**C/2011/2/10**

- 15.1 The President of the OU Students Association (OUSA), Mrs Marianne Cantieri, observed that she would be the last President to present a paper that had been written by her predecessor. OUSA had just held its conference and had a new team of officers, whose terms of office would in future be in line with the University's academic year. At the end of the conference the current officers would continue for a few months, during which time there would be a handover period and new officers would have the opportunity to attend an executive committee meeting and have face-to-face inductions. The first officer team meeting had been held during the previous weekend. The team was very enthusiastic and keen to organise and implement the new OUSA with its regional and national assemblies, groups and executive working with a board of trustees. The next conference would be in 2012, and thereafter would be biennial, and would be virtual as well as face-to-face. OUSA would have new style elections for the regions and nations. Any student would have a vote, but they would have to have registered on the electoral roll prior to voting. The office process was being reviewed with help from the consultants Ikon to ensure that OUSA could adapt to the new process and to make any necessary adjustments. OUSA was currently in the process of appointing central representatives, including those on programme committees which had been approved by the Senate at its last meeting.
- 15.2 Looking outside the OU, the new President said that she would follow in the footsteps of her two predecessors in maintaining and developing the links that they had made with higher education and government bodies to develop the public image of OUSA. OU students were obviously extremely concerned at the government's decision to remove massive amounts of funding from HE, because OUSA considered education to be an investment rather than a cost. It would continue to lobby and campaign to this end. It would defend the open ethos of the OU, life-long learning and widening participation and try to reverse the removal of the equivalent and lower qualification (ELQ). It would do whatever it could to support the University in keeping fees at an affordable level.
- 15.3 As Vice-President, Education, Mrs Cantieri had been actively involved in the Student Support Review for the last four years and was keen to attend the Senate meeting for the presentation of the final recommendations in June 2011. She knew little about the constitution and financial matters as yet, but promised to learn and would try to answer any questions.
- 15.4 The Director, Students, Mr Will Swann, observed that the adoption of a new constitution for OUSA was more than simply a technical change. It had two significant impacts: the first was that it would enable OUSA to turn its attention and its resources much more to the outside world and its relationship with the University and the wider environment as much less resource would be required to manage its internal affairs. Secondly, it would bring OUSA into the online world in a profound way and would enable it to build on the way it

already used online forums as part of its formal business. It had been a long and demanding process, and had taken two Presidents – Lisa Carson and Roz Evans – to get there, but it was a major achievement and he congratulated everyone involved.

15.5 The Council:

- a) **noted** the OUSA President's report.
- b) **approved** the new OUSA constitution, attached as the Appendix to these minutes.

16 MEMBERSHIP COMMITTEE C/2011/2/11

The Council **noted** the unconfirmed minutes of the Membership Committee held on 1 March 2011.

17 CHAIR'S ACTION C/2011/2/12

The Council **noted** the action taken by the Chair in respect of membership of the Joint Negotiating Committee of the OU and the OU University and College Union (UCU).

18 DECLASSIFICATION OF COUNCIL PAPERS

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

- C/2011/2/01 Matters Arising
- C/2011/2/02 Update on Strategic Response Work
- C/2011/2/04 Finance Committee(Appendix 2)
- C/2011/2/05 Audit Committee (Appendix 2)
- C/2011/2/07 Estates Committee (Appendix 2)
- C/2011/2/09 Strategic Planning and Resources Committee (Appendix 2)

19 NEXT MEETING

The next meeting of the Council will be held on Tuesday 19 July 2011 at the Walton Hall campus, Milton Keynes.

Several members said that they were keen to be involved in further discussion about the strategy and asked for further information about the likely date of the workshop on UK Market Strategy. The Vice-Chancellor replied that it would take place between the SPRC meeting on 29 June and the next Council meeting on 19 July.

20 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 after the meeting.

Julie Tayler
Assistant Secretary
Central Secretariat
May 2011

Attachment:

Appendix: OUSA Constitution

Constitution

of

Open University Students Association

(An Unincorporated Association)

Date approved by the OUSA Conference
Date approved by the Open University Council
Date Published on OUSA Web Site

April 2011
May 2011
April 2011

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This section describes the organisation, its purpose, the activities it can engage in and the boundaries of its work. It describes what happens if the organisation was to be dissolved and how the constitution can be amended.	
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This section describes who the members of the students' union are	
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This section describes how general meetings are called and what business will take place within them.	
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This section describes who the trustees are, how they are appointed, how they can be removed and their powers.	
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This section lays out how trustee meetings will be called and run and how trustees can make decisions.	
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This section deals with miscellaneous questions and a table of definitions and interpretations.	

Constitution
of
The Open University Students Association

BACKGROUND

- A. The Open University Students Association (the “Association”) is a students’ union within the meaning of the Education Act 1994. The Association is devoted to the educational interests and welfare of its Members.
- B. The Association will seek at all times to:
- (i) ensure that the diversity of its membership is recognised and that equal access is available to all Members of whatever origin or orientation;
 - (ii) pursue its aims and objectives independent of any political party or religious group; and
 - (iii) pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.
- C. This Constitution has been structured to give the Board of Trustees reasonable authority to manage the affairs of the Association in a professional manner. The Members enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees. The Board of Trustees will give the utmost consideration to the views of Members.
- D. Under the Education Act 1994, The Open University has a statutory duty to ensure that the Association operates in a fair and democratic manner and is held to proper account for its finances. The Association therefore works alongside the Open University in ensuring that the affairs of the Association are properly conducted and that the educational and welfare needs of the Association’s Members are met.

Definitions and Interpretation

1. The meanings of any defined terms used in this Constitution are set out in Clause 86. If any dispute arises in relation to the interpretation of this Constitution or any of the Bye-Laws, it shall be resolved by the Board of Trustees.

Name

2. There shall be a students’ association in the name of The Open University Students Association (and in this Constitution it is called “the Association”).

Objects

3. The Association's objects are the advancement of education of Students at The Open University for the public benefit by:
 - 3.1 defending the principles of equal opportunity and of open access to the University regardless of academic qualifications or financial circumstances;
 - 3.2 promoting the interests and welfare of Students at The Open University during their period of study and representing and supporting Students;
 - 3.3 being the recognised representative channel between Students and The Open University and any other external bodies;
 - 3.4 asserting that all students studying with The Open University have the right to have their views heard and acknowledged by the University; and
 - 3.5 providing social, cultural, and recreational activities and forums for discussions and debate for the personal development of its Students.

Powers

4. To further its objects, but not to further any other purpose, the Association may:
 - 4.1 provide services and facilities for Members;
 - 4.2 establish, support, promote and operate a network of student activities for Members;
 - 4.3 support fundraising activities carried out by its Members for Open University Student Educational Trust (Ouset), including the provision of administrative support, banking facilities and acting as a holding trustee of any funds raised;
 - 4.4 alone or with other organisations:
 - 4.4.1 carry out campaigning activities;
 - 4.4.2 seek to influence public opinion; and
 - 4.4.3 make representations to and seek to influence governmental and other bodies and institutionsregarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to the activities which an English and Welsh and Scottish charity may properly undertake and provided that the Association complies with the Education Act and any guidance published by the Charity Commission and OSCR;
 - 4.5 write, make, commission, print, publish or distribute materials or information or assist in these activities;
 - 4.6 promote, initiate, develop or carry out education and training and arrange, provide or assist with exhibitions, lectures, meetings, seminars, displays or classes;

- 4.7 promote, encourage, carry out or commission research, surveys, studies or other work and publish the useful results;
- 4.8 provide or appoint others to provide advice, guidance and representation;
- 4.9 co-operate with other charities and bodies and exchange information and advice with them;
- 4.10 become a member, affiliate or associate of other charities and bodies;
- 4.11 support, set up or amalgamate with other charities with objects identical or similar to the Association's objects, and act as or appoint trustees, agents, nominees or delegates to control and manage such charities;
- 4.12 purchase or acquire all or any of the property, assets, liabilities and engagements of any charity with objects similar to the Association's objects;
- 4.13 raise funds and invite and receive contributions from any person provided that the Association shall not carry out any taxable trading activities in raising funds;
- 4.14 borrow and raise money on such terms and security as the Association may think suitable (but only in accordance with the restrictions imposed by the Charities Act 1993);
- 4.15 purchase, lease, hire or receive property of any kind including land, buildings and equipment and maintain and equip it for use;
- 4.16 sell, manage, lease, mortgage, exchange, dispose of or deal with all or any of its property (but only in accordance with the restrictions imposed by the Charities Act 1993);
- 4.17 make grants or loans of money and give guarantees;
- 4.18 set aside funds for special purposes or as reserves against future expenditure;
- 4.19 invest and deal with the Association's money not immediately required for its objects in or upon any investments, securities, or property;
- 4.20 delegate the management of investments to an appropriately experienced and qualified financial expert provided that:
 - 4.20.1 the investment policy is set down in writing for the financial expert by the Trustees;
 - 4.20.2 every transaction is reported promptly to the Trustees;
 - 4.20.3 the performance of the investment is reviewed regularly by the Trustees;
 - 4.20.4 the Trustees are entitled to cancel the delegation at any time;
 - 4.20.5 the investment policy and the delegation arrangements are reviewed at least once a year;
 - 4.20.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and

- 4.20.7 the financial expert may not do anything outside the powers of the Trustees;
- 4.21 arrange for investments or other property of the Association to be held in the name of a nominee (being a company or a limited liability partnership registered or having an established place of business in England and Wales) under the control of the Trustees or a financial expert acting under their instructions and to pay any reasonable fee required;
- 4.22 lend money and give credit to, take security for such loans or credit and guarantee or give security for the performance of contracts by any person or company;
- 4.23 open and operate banking accounts and other facilities for banking and draw, accept, endorse, negotiate, discount, issue or execute negotiable instruments such as promissory notes or bills of exchange;
- 4.24 trade in the course of carrying out any of its objects;
- 4.25 establish or acquire subsidiary companies to carry on any taxable trade;
- 4.26 subject to Clause 5 (Limitation on private benefits), employ and pay employees and professionals or other advisors;
- 4.27 grant pensions and retirement benefits to employees of the Association and to their dependants and subscribe to funds or schemes for providing pensions and retirement benefits for employees of the Association and their dependants;
- 4.28 pay out of the funds of the Association the cost of any premium in respect of any indemnity insurance to cover the liability of the Trustees (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Association provided that no such insurance shall extend to:
- 4.28.1 any claim arising from any liability incurred by the Trustees to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising);
- 4.28.2 any liability incurred by the Trustees in defending any criminal proceedings in which the Trustees are convicted of an offence arising out of any fraud or dishonesty, or wilful or reckless misconduct; or
- 4.28.3 any liability incurred by the Trustees to the Association that arises out of any conduct which the Trustees knew (or must reasonably be assumed to have known) was not in the interests of the Association or in the case of which they did not care whether it was in the best interests of the Association or not; and
- 4.29 do all such other lawful things as shall further the Association's objects.

5. Limitation on private benefits

- 5.1 The income and property of the Association shall be applied solely towards the promotion of its objects.

- 5.2 Except as provided below no part of the income and property of the Association may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any Member of the Association. This shall not prevent any payment in good faith by the Association of:
- 5.2.1 any payments made to any Member in their capacity as a beneficiary of the Association;
 - 5.2.2 reasonable and proper remuneration to any Member for any goods or services supplied to the Association provided that if such Member is a Trustee Clause 5.3 shall apply;
 - 5.2.3 interest on money lent by any Member to the Association at a reasonable and proper rate; and
 - 5.2.4 any reasonable and proper rent for premises let by any Member to the Association.
- 5.3 Except as provided below no Trustee may sell goods, services or any interest in land to the Association; be employed by, or receive any remuneration from, the Association; or receive any other financial benefit from the Association. This shall not prevent any payment in good faith by the Association of:
- 5.3.1 any payments made to any Trustee or Connected Person in their capacity as a beneficiary of the Association;
 - 5.3.2 reasonable and proper out of pocket expenses of the Trustees;
 - 5.3.3 reasonable and proper remuneration to any Officer Trustee or Connected Person for any goods or services supplied to the Association on the instructions of the Trustees provided that:
 - (a) for the avoidance of doubt, the authorisation under this provision shall extend to the remuneration of Officer Trustees and Connected Persons under contracts of employment with the Association;
 - (b) subject to Clause 5.3.3(a), the authorisation under this provision shall not extend to the service of acting as Trustee;
 - (c) if the person being remunerated is a Trustee the procedure described in Clause 67 (Conflicts of Interest) must be followed in considering the appointment of the Trustee and in relation to any other decisions regarding the remuneration authorised by this provision;
 - (d) if the person being remunerated is a Connected Person the procedure described in Clause 67 (Conflicts of Interest) must be followed by the relevant Trustee in relation to any decisions regarding such Connected Person;
 - (e) this provision may not apply to more than half of the Trustees in any financial year (and for these purposes such provision shall be treated as applying to a Trustee if it applies to a person who is a Connected Person in relation to that Trustee); and
 - (f) at all times the provisions of the Education Act are complied with;

- 5.3.4 interest on money lent by any Trustee or Connected Person to the Association at a reasonable and proper rate;
 - 5.3.5 any reasonable and proper rent for premises let by any Trustee or Connected Person to the Association;
 - 5.3.6 reasonable and proper premiums in respect of indemnity insurance effected in accordance with Clause 4.28;
 - 5.3.7 any payments made to any Trustee or officer under the indemnity provisions set out at Clause 84; and
 - 5.3.8 any payments authorised in writing by the Charity Commission.
- 5.4 In Clauses 5.2 and 5.3, references to the Association shall be read as references to the Association and/or any Subsidiary Company.
- 5.5 For any transaction authorised by Clause 5.2 or Clause 5.3, the Trustee's duty (arising under the Companies Act 2006) to avoid a conflict of interest with the Association shall be disapplied provided the relevant provisions of Clause 5.2 or Clause 5.3 have been complied with.

Incorporation

6. OUSA Conference may authorise the Trustees to transfer the assets and liabilities of the Association to a limited liability entity established for exclusively charitable purposes with the same or similar objects, and to dissolve the Association at any time following the transfer if it is considered appropriate to do so.

Dissolution

7. If any property remains after the Association has been wound up or dissolved and all debts and liabilities have been satisfied, it shall not be paid to or distributed among the trustees of the Association. It shall instead be given or transferred to some other charitable institution or institutions having similar objects to those of the Association and which prohibits the distribution of its or their income and property among its or their members to an extent at least as great as this Constitution imposes upon the Association. The institution or institutions which are to benefit shall be chosen by the Trustees of the Association at or before the time of winding up or dissolution.

Amendments to the Constitution

8. The Trustees and the Open University shall review this Constitution after 2 years from the date it comes into effect and every four years thereafter.
9. No amendment of this Constitution shall be made which would have the effect of the Association ceasing to be a charity.
10. Clause 3 (Objects) and Clause 5 (Limitation on private benefits) may not be amended without the prior written consent of the Charity Commission.
11. Save where the amendment to the Constitution is a consequential amendment due to a change in the Bye-Laws (for example, the number or heading names of Clauses), the Constitution may be amended by a

resolution of OUSA Conference passed and supported by at least 75% of those present and voting provided the Open University Council approves the amendments (as required for the purposes of compliance with Section 22 of the Education Act).

Membership

Members

12. The Members of the Association shall be as follows:
 - 12.1 each and every registered student, aged 18 or over, who has not opted out by notifying the General Manager of his or her wish not to be a Member of the Association;
 - 12.2 any student holding an elected or appointed position specified in this constitution who was a registered student at the time of such election or appointment;
 - 12.3 any student who applies for and is granted extended membership to cover a gap in registered student status not exceeding twelve months;
 - 12.4 any student under the age of 18, who shall have associate membership, the rights and privileges of which shall be determined from time to time by the Board of Trustees;
 - 12.5 those granted various types of honorary membership which shall not confer any rights under this constitution;
 - 12.6 the Immediate Past President who shall not have any specific rights under this constitution by virtue of holding that title.
 - 12.7 Only those students covered by clauses 12.1 to 12.3 above shall be eligible to hold any elected position within the Association.
13. Membership shall not be transferable and shall cease on death. A Member shall automatically cease to be a Member of the Association if:
 - 13.1 he or she ceases to be in compliance with Section 12;
 - 13.2 in the case of Members other than the Officer Trustees, a resolution is passed at a meeting of the Trustees at which at least half of the Trustees are present resolving that the Member be expelled on the ground that his or her continued membership is harmful to or is likely to become harmful to the interests of the Association. Such a resolution shall not be passed unless the Member has been given at least 14 clear days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify expulsion, and has been afforded a reasonable opportunity of being heard by or of making written representations to the Trustees.
14. Members' details shall be as held on the University database of registered students in the case of categories 12.1 and 12.4 and as held on the Association's database in the case of categories 12.2, 12.3, 12.5 and 12.6.

15. Members of the Association shall be entitled to the benefits set out in the Code of Practice.

Conferences

Conference

16. The Association shall hold a biennial Conference which shall be the Association's General Meeting. Not more than 30 months shall pass between the date of one Conference and the next. The Conference shall be held at such time and place as the Trustees shall think suitable. The Conference shall elect the Officer and Student Trustees, and Conference shall have the power to refer back any decision made by the Board of Trustees and Central Executive Committee subject to clauses 39 to 42.

Extraordinary Conference

17. The Trustees may call an extraordinary Conference at any time. The Trustees shall call such a meeting on receiving a requisition to that effect, signed by at least 5 Members of Assembly Executives, each from a different National or Regional Assembly, with the authority of their Assemblies.

Arrangements of Conferences

18. Biennial and Extraordinary meetings of Conference will be carried out by a combination of face to face and online components.

Length of Notice

19. Biennial Conference shall be called by at least ten weeks written notice and an extraordinary meeting by at least six weeks written notice.

Contents of Notice

20. Every notice calling a meeting of Conference shall specify the place, dates and time of the meeting. If the meeting is an extraordinary meeting of Conference the agenda must say so, the only item on the agenda shall be the motion from the Trustees or National or Regional Assemblies requesting the meeting. If the meeting is a Biennial Conference, the notice must say so and the business to be transacted shall include:
 - 20.1 ratification of minutes of previous Biennial Conference ;
 - 20.2 receiving the report of the Trustees and the Central Executive Committee on the Association's activities since the previous Biennial Conference;
 - 20.3 election of Association Officers and Board of Trustee Members;
 - 20.4 receiving a report on policy statements for ratification;
 - 20.5 receiving the accounts of the Association for the completed financial years since the previous Biennial Conference;
 - 20.6 appointment or reappointment of the auditors;

- 20.7 approving the list of affiliations of The Association; and
- 20.8 open questions to the Trustees and Central Executive Committee by the Members.

Service of Notice

21. Notice of Conferences shall be given to every active member and shall be openly published and advertised across the University community.

Quorum

22. No business shall be transacted at any Conference unless a quorum is present. No decision of Conference shall be valid if the number of delegates participating in that decision is less than 40% of registered delegates, the count of delegates will be aggregated across face to face and virtual components.

Chair

23. The President shall preside as chair of Conference or shall appoint a chair from amongst Association Officers or Immediate Past President.

Attendance

24. Trustees and Central Executive Committee Members are expected to attend and participate in all the component parts of Conferences but shall only be entitled to be registered to exercise voting rights at one component of each Conference.
25. Each registered delegate shall have one vote on all matters determined by Conference.

Votes of Members at Conference

26. Every Member has the right to register an interest to attend Conference and, where successfully appointed as a delegate member, have the right to vote. A resolution put to the vote of a Conference shall be decided by every delegate member having a single vote.
27. Every resolution put to the vote of Conference shall be decided by a simple majority of the votes cast, aggregated across component parts, unless this Constitution provides otherwise.

Appointment of Trustees

28. The Trustees shall be made up of the following persons:
 - 28.1 not more than 4 Officer Trustees, elected in accordance with Clause 29;
 - 28.2 not more than 4 Student Trustees elected in accordance with clause 31; and
 - 28.3 not more than 2 External Trustees, appointed in accordance with Clause 33.

Officer Trustees

29. Up to 4 Officer Trustees shall be elected by secret ballot by the Delegate Members at Conference at an election to be held in accordance with the Bye-Laws. The

Officer Trustees shall be elected to posts set out in the Bye-Laws. The Officer Trustees shall remain in office for a term of two years commencing in accordance with the Bye-Laws. Each Officer Trustee must be a member as defined by clause 12.1 or 12.3 at the time of his or her election.

30. An Officer Trustee may be re-elected for a maximum further term of two years by the Delegate Members at Conference at an election to be held in accordance with the Bye-Laws. For the avoidance of doubt, an Officer Trustee's terms of office may be either consecutive or non-consecutive.

Student Trustees

31. Up to 2 Student Trustees, being members of the Central Executive Committee who are not Officer Trustees, shall be elected by secret ballot of the Delegate Members of Conference at an election to be held in accordance with the Bye-Laws. Up to 2 Student Trustees, not being members of the Central Executive Committee, shall be elected by secret ballot of the Delegate Members of Conference at an election to be held in accordance with the Bye-Laws. The Student Trustees shall remain in office for a term of two years commencing in accordance with the Bye-Laws. Each Student Trustee must be a member as defined by clause 12.1 or 12.3 at the time of his or her election.
32. A Student Trustee may be re-elected for a maximum further term of two years at an election to be held in accordance with the Bye-Laws. For the avoidance of doubt, a Student Trustee's terms of office may be either consecutive or non-consecutive.

External Trustees

33. Up to 2 External Trustees may be appointed by a 75% majority vote of the Central Executive Committee. Unless their appointment is terminated in accordance with Clauses 35 to 37, External Trustees shall remain in office for a term of up to two years commencing in accordance with the Bye-Laws.
34. External Trustees may serve a maximum of four terms which may either be consecutive or non-consecutive.

Disqualification, Resignation and Removal of Trustees

35. The office of a Trustee shall be vacated if:
 - 35.1 he or she becomes prohibited by law from being a charity trustee;
 - 35.2 he or she resigns by notice to the Association (but only if at least four Trustees will remain in office when the notice of resignation is to take effect);
 - 35.3 the Trustees reasonably believe he or she is suffering from mental or physical disorder and is incapable of acting as a trustee and they resolve that he or she be removed from office;
 - 35.4 he or she fails to attend two consecutive meetings of the Trustees and in the opinion of the Trustees there are no mitigating circumstances for that failure and the Trustees therefore resolve that he or she be removed for this reason; or

35.5 he or she is removed from office under Clause 36 or Clause 37.

Removal of Trustees by the Central Executive Committee

36. The office of a Trustee shall be vacated if:

- 36.1 a motion of no confidence in the Trustee is passed by a simple majority of the Central Executive Committee provided that at least two-thirds cast a vote. Such a motion shall only be triggered by a Secure Petition of no confidence signed by at least 100 Members; or
- 36.2 a motion of no confidence in the Trustee is passed by a 66% majority in a vote of the Central Executive Committee.

Removal of Trustees by the Board & Rights of Removed Trustee

37. The office of External Trustee shall be vacated if a majority resolution of no confidence is passed by the Trustees. For the avoidance of doubt:

- 37.1 the Trustee concerned and any Trustee who has a conflict of interest in relation to the matter shall not vote on this resolution and quorum shall be adjusted accordingly in accordance with clause 59;
- 37.2 a resolution to remove a Trustee in accordance with this Clause shall not be passed unless the Trustee concerned has been given at least 14 clear days' notice in writing that the resolution is to be proposed, specifying the circumstances alleged to justify removal from office, and has been afforded a reasonable opportunity of being heard by or making written representations to the Trustees; and
- 37.3 a Trustee removed from office in accordance with this Clause shall be entitled to appeal the decision to remove him or her to an Appeals Panel within 14 days of the resolution. The Appeals Panel shall be made up of a nominee of The Open University, one independent person and a chief executive/general manager and officer of another students' union. The independent person shall be a Member who is not a Trustee or a member of a Central or Assembly Executive. The selection of the members of the Appeals Panel and its procedures shall be set out in the Bye-Laws.

Replacement of Trustees

38. If an Officer Trustee resigns, is disqualified or removed from office at any time prior to the commencement of their term of office, the vacancy that results on the Board of Trustees shall be filled in accordance with the Bye-Laws.

If an Officer Trustee resigns, is disqualified or removed from office after the commencement of their term of office the vacancy shall be filled in accordance with the Bye-Laws. Any person elected under this Clause may be required to assume the responsibilities of the Officer Trustee.

If a Student Trustee resigns, is disqualified or removed from office at any time the vacancy that results on the Board of Trustees shall be filled in accordance with the Bye-Laws.

Powers of the Trustees

39. The Board of Trustees shall be responsible for the management and administration of the Association and (subject to the Education Act, this Constitution and the Bye-Laws) may exercise all the powers of the Association. A meeting of the Trustees at which a quorum is present may exercise all powers exercisable by the Trustees.
40. No alteration of this Constitution or the Bye-Laws shall invalidate any prior act of the Trustees which would have been valid if that alteration had not been made.
41. The Board's powers under Clause 39 shall include but not be limited to responsibility for:
 - 41.1 the governance of the Association;
 - 41.2 the budget of the Association; and
 - 41.3 the strategy of the Association.
42. The Board of Trustees may override any decision and Policy made by Conference or by the Central Executive Committee which the Trustees consider (in their absolute discretion):
 - 42.1 has or may have financial implications for the Association;
 - 42.2 is or may be in breach of, contrary to or otherwise inconsistent with charity or education law or any other legal requirements (including ultra vires);
 - 42.3 is not or may not be in the best interests of the Association or all or any of its charitable objects; or
 - 42.4 will or may otherwise affect the discharge of any or all of the responsibilities referred to in Clause 41.
43. The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number. However, if and so long as the number of Trustees is less than the number fixed as the quorum in Clause 59, the Trustees may only act to increase the number of Trustees (including by arranging an election) so that there is a quorum.
44. All acts done by a meeting of Trustees, or of a committee of the Trustees, shall be valid, even if it is later discovered that any Trustee who participated in the vote:
 - 44.1 was not properly appointed;
 - 44.2 was disqualified from holding office;
 - 44.3 had vacated office; or
 - 44.4 was not entitled to vote.

Delegation of Trustees' powers

45. The Trustees may, by power of attorney or otherwise, appoint any person to be the agent of the Association for such purposes and on such conditions as they determine.

46. The Trustees may delegate any of their powers or functions to any committee or the implementation of any of their resolutions and day-to-day management of the affairs of the Association to any person or committee in accordance with the conditions set out in this Constitution.

Delegation to committees

47. In the case of delegation to committees:
- 47.1 the resolution making that delegation shall specify those who shall serve or be asked to serve on such committee (though the resolution may allow the committee to make co-options up to a specified number);
 - 47.2 subject to Clause 50, the composition of any such committee shall be entirely in the discretion of the Trustees and may comprise such of their number (if any) as the resolution may specify;
 - 47.3 the deliberations of any such committee shall be reported regularly to the Trustees and any resolution passed or decision taken by any such committee shall be reported forthwith to the Trustees and for that purpose every committee shall appoint a secretary;
 - 47.4 all delegations under this Clause shall be revocable at any time; and
 - 47.5 the Trustees may make such regulations and impose such terms and conditions and give such mandates to any such committee or committees as they may from time to time think fit.
48. The Trustees shall establish the following committees (which is a non-exhaustive list) in accordance with their powers under Clauses 46 and 47:
- 48.1 Appointments Committee;
 - 48.2 Finance Committee; and
 - 48.3 Remuneration and HR Committee.

Delegation of day-to-day management powers to General Manager

49. In the case of delegation of the day-to-day management of the Association to the General Manager:
- 49.1 the delegated power shall be to manage the Association by implementing the policy and strategy adopted by and within a budget approved by the Trustees and if applicable to advise the Trustees in relation to such policy, strategy and budget;
 - 49.2 the Trustees shall provide the General Manager with a description of his or her role and the extent of his or her authority;
 - 49.3 the General Manager shall report regularly to the Trustees on the activities undertaken in managing the Association and provide them regularly with management accounts sufficient to explain the financial position of the Association; and

- 49.4 the Trustees shall provide the General Manager with a performance management structure to aid his or her work plan and development.

Bank Account

50. For the avoidance of doubt, the Trustees may (in accordance with Clauses 46 and 47) delegate all financial matters to any committee provided that such committee shall include at least one Trustee. The Trustees may empower such committee to resolve upon the operation of any bank account according to such mandate as it shall think fit provided that the signature of at least one Trustee shall be required for cheques above a certain amount as set out in the Bye-Laws and provided always that no committee shall incur expenditure on behalf of the Association except in accordance with a budget which has been approved by the Trustees.

Proceedings of Committees

51. The meetings and proceedings of any committee shall be governed by the provisions of this Constitution regulating the meetings and proceedings of the Trustees so far as the same are applicable and are not superseded by any Bye-Laws made by the Trustees and the Central Executive Committee.

Proceedings of Trustees

52. Subject to the provisions of this Constitution and the Bye-Laws, the Trustees may regulate their proceedings as they think fit.

Trustees' meetings

53. The Trustees shall hold a minimum of four meetings in any twelve month period.
54. Three Trustees may call a meeting of the Trustees.
55. Guests or observers can attend meetings of the Trustees at the discretion of the Chair.

Length of notice

56. A Trustees' meeting shall be called by at least fourteen clear days' notice unless either:
- 56.1 all the Trustees agree to shorter notice; or
- 56.2 urgent circumstances require shorter notice.

Contents of notice

57. Every notice calling a Trustees' meeting shall specify the place, date and time of the meeting and the general particulars of all business to be considered at such meeting.

Service of notice

58. Notice of Trustees' meetings shall be sent to each Trustee by post or by electronic communication.

Quorum

59. The quorum for Trustees' meetings shall be four and such quorum must include at least two Officer Trustees. Where the resolution or issue under discussion concerns a matter in respect of which some or all of the Trustees have a conflict of interest, the quorum shall be four.

Chair and Deputy Chair

60. The President shall be the Chair of the Trustees.
61. The Trustees shall appoint a Trustee to be Deputy Chair of the Trustees and may at any time remove him or her from office. The role of the Deputy Chair will be to support the Chair.
62. In the absence of the Chair and the Deputy Chair, another Trustee appointed by the Trustees present shall preside as chair of the meeting.

Decision making by Trustees at meetings

63. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall be entitled to a casting vote in addition to any other vote he or she may have.

Virtual meetings

64. A Trustees' meeting may be held by electronic means within an agreed timeframe provided that all Trustees have access to full participation in the meeting.

Trustee decisions without a meeting

65. The Trustees may take a unanimous decision without a Trustees' meeting by indicating to each other by any means, including without limitation by electronic communication, that they share a common view on a matter. Such a decision may, but need not, take the form of a resolution in writing, copies of which have been signed by each Trustee or to which each Trustee has otherwise indicated agreement in writing.
66. A Trustees' resolution which is made in accordance with Clause 65 shall be as valid and effectual as if it had been passed at a meeting of the Trustees duly convened and held, provided the following conditions are complied with:
 - 66.1 approval from each Trustee must be received by one person being either such person as all the Trustees shall have nominated in advance for that purpose or such other person as volunteers if necessary ("the Recipient"), which person may for the avoidance of doubt, be one of the Trustees;
 - 66.2 following receipt of response from all of the Trustees, the Recipient shall communicate to all of the Trustees by any means whether the resolution has been formally approved by the Trustees in accordance with this Clause;
 - 66.3 the date of the decision shall be the date of the communication from the Recipient confirming formal approval; and
 - 66.4 the Recipient prepares a minute of the decision in accordance with Clause 76.

Conflicts of Interest

67. Whenever a matter is to be discussed at a meeting or decided in accordance with Clause 65 and a Trustee has a Personal Interest in respect of that matter then he or she must:
 - 67.1 declare his or her interest to the Trustees;
 - 67.2 remain only for such part of the meeting as in the view of the other Trustees is necessary to inform the debate;
 - 67.3 not be counted in the quorum for that part of the meeting (or decision-making process); and
 - 67.4 withdraw during the vote and have no vote on the matter.
68. If any question arises as to whether a Trustee has a Personal Interest, the question shall be decided by a majority decision of the other Trustees.

The Central Executive Committee

69. The Central Executive Committee shall include:
 - 69.1 all Association Officers;
 - 69.2 Central Executive Committee members for Nations and Regions; and
 - 69.3 the second student member of the Open University Council.
70. The Central Executive Committee shall meet in accordance with the Bye-Laws. The Central Executive Committee's responsibility shall not include the duties of the Trustees as set out in Clause 39 but shall include representation and campaigning work and the implementation of Policy save in so far as these responsibilities have not been delegated to another committee.
71. The General Manager and the Association's senior management team may attend meetings of the Central Executive Committee at the request of the Central Executive Committee.

Powers of the Central Executive Committee

72. The Central Executive Committee shall have the authority to:
 - 72.1 represent the voice of the Students;
 - 72.2 subject to Clause 42, set the Policy of the Association ;
 - 72.3 make, repeal and amend the Bye-Laws jointly with the Trustees in accordance with Clause 74;
 - 72.4 receive a quarterly report from the Trustees; and
 - 72.5 appoint honorary members in accordance with Clause 12.5 and the Bye-Laws.

73. The composition and proceedings of the Central Executive Committee shall be set out in the Bye-Laws. No Member may hold more than one seat on the Central Executive Committee at any one time.

Bye-Laws

74. The Trustees and the Central Executive Committee shall have the power from time to time to jointly make, repeal or amend Bye-Laws as to the management of the Association and its working practices provided that such Bye-Laws shall not be inconsistent with this Constitution.

General

Irregularities

75. The proceedings at any meeting or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or by reason of any business being considered which is not specified in the notice.

Minutes

76. The Trustees shall keep minutes of:
- 76.1 all proceedings at general meetings of the Association and of meetings of the Trustees, and of committees of Trustees, including the names of the Trustees present at each such meeting; and
 - 76.2 all resolutions of the Members and of the Trustees and any such minute, if purported to be signed by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as against any Member or Trustee of the Association, be sufficient evidence of the proceedings or the resolution.
77. The minutes of the meetings referred to in Clause 76 above shall normally be considered open and shall be available to the Members on the Association's website, except where those minutes relate to any reserved or confidential matters, including without limitation staff-related or disciplinary matters. Copies of the minutes shall also be kept in the Association's offices.

Accounts and Reports

78. The Trustees shall comply with the requirements of the Education Act and the Charities Act 1993 as to keeping financial records, the audit or examinations of accounts.
79. The Members of the Association have the right to ask the Trustees questions in writing about the content of any documents referred to in Clause 78.

Notices

80. Subject to Clause 81, any notice to be given to or by any person pursuant to this Constitution shall be in writing.

81. The Association may give any notice to a Member either:
- 81.1 personally;
 - 81.2 by sending it by post in a prepaid envelope addressed to the Member at his or her address;
 - 81.3 by leaving it at the address of the Member;
 - 81.4 by electronic communication to the Member's address; or
 - 81.5 by posting it on the Association's website.
82. A Member present at any meeting of the Association shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.
83. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent or in the case of a notice posted on the Association's website at the expiration of 48 hours after it was posted.

Indemnity

84. Without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee shall and every other officer or auditor of the Association may be indemnified out of the assets of the Association against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Association, and against all costs, charges, losses, expenses or liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto.

Trustees' Indemnity Insurance

85. The Trustees shall have power to resolve pursuant to Clause 4.28 to effect trustees' indemnity insurance, despite their interest in such policy.

Definitions and Interpretations

86. In this Constitution, the following terms shall have the following meanings:

	Term	Meaning
86.1	"Association"	<i>The Open University Students Association;</i>
86.2	"Association Officers"	the President, Deputy President and Vice Presidents, including those who are Officer Trustees

86.3	“Board of Trustees” or “Board”	the board of Trustees of the Association;
86.4	“Bye-Laws”	the bye-laws setting out the working practices of the Association made from time to time in accordance with Clause 74;
86.5	“the Central Executive Committee”	the Officer Trustees, other elected Association Officers, Student Member of the University Council, Central Executive Committee Members for Nations and Regions
86.6	“Chair”	the chair of the Board of Trustees, who shall be the President of the Association in accordance with Clause 60;
86.7	“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
86.8	“Code of Practice”	the Code of Practice relating to the Open University’s obligations under Section 22 of the Education Act;
86.9	“Connected Person”	any person falling within one of the following categories and where payment to that person might result in the relevant Trustee obtaining benefit: (a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of a Trustee; or (b) the spouse or civil partner of any person in (a); or (c) any other person in a relationship with a Trustee which may reasonably be regarded as equivalent to such a relationship; or (d) any company or LLP or firm of which a Trustee is a paid director, member, partner or employee, or shareholder holding more than 1% of the capital;
86.10	“Constitution”	this constitution of the Association;
86.11	“Deputy Chair”	the deputy chair of the Board of Trustees, who shall be appointed in accordance with Clause 61;
86.12	“Education Act”	the Education Act 1994;
86.13	“External Trustee”	a Trustee appointed in accordance with Clause 33 who for the avoidance of doubt shall not be deemed to be either a major union office holder or a sabbatical union

		office holder for the purposes of Section 22 of the Education Act;
86.14	“Full Term”	A full term is defined as having completed fifteen months out of a twenty four month term;
86.15	“General Manager”	the General Manager of The Association who is appointed by the Board of Trustees;
86.16	“in writing”	means written, printed or transmitted writing including by electronic communication;
86.17	“Members”	members of the Association being Students at the Open University (as further defined in Clause 12.1) and the Officer Trustees;
86.18	“Office”	the head office of the Association;
86.19	“O S C R”	Office of the Scottish Charity Regulator;
86.20	“Officer Trustee”	an Association Officer elected in accordance with Clause 29 and therefore being a Trustee;
86.21	“The Open University”	The Open University, incorporated by Royal Charter (RC 000391), an exempt charity in England & Wales and a charity registered in Scotland (SC 038302).
86.22	“Open University Students Educational Trust”	Open University Student Educational Trust is a Charity operated by the Association and is registered with the Charity Commission with Registration Number 285189 and SCO 38300
86.23	“Personal Interest”	a financial interest or an interest that does not arise in the ordinary course of being a Member or a Trustee (for example, being a member of a club or society);
86.24	“Policy”	representative and campaigning policy set by Conference or the Central Executive Committee in accordance with Clauses 16 to 17 and Clause 72.2 respectively;
86.25	“President”	the president of the Association, as elected by the Members in accordance with the Bye-Laws;
86.26	“Regions and Nations”	the OUSA Regions and Nations as defined in the Bye-Laws;

- 86.27 “Secure Petition” a written request to the Association which shall be fixed in a pre-arranged place or places or held securely on-line;
- 86.28 “Student” any individual who is formally registered for an approved programme of study provided by the Open University. For the avoidance of doubt, the Open University shall determine whether or not an individual has student status;
- 86.29 “Student Trustee” a Trustee elected in accordance with Clause 31;
- 86.30 “Subsidiary Company” any company in which the Association holds more than 50% of the shares, controls more than 50% of the voting rights attached to the shares or has the right to appoint a majority of the board of the company;
- 86.31 “Trustee” and “Trustees” the Officer Trustees, the Student Trustees, and the External Trustees;
87. Words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine and vice versa.
88. Any reference to a statute, statutory provision or subordinate legislation (“legislation”) shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which (either with or without modification) re-enacts, consolidates or enacts in rewritten form any such legislation.

Annexe to the Constitution:

1. This Annexe shall exist until OUSA Conference 2012
2. Those members elected to serve on the Executive Committee for the period until the Association’s Conference in June 2012 shall be deemed collectively to comprise the Central Executive Committee (C E C) with authority to carry out all the duties ascribed to the C E C under the Constitution.
3. Those members elected to the following positions at Conference 2011:
 - President
 - Deputy President
 - Vice President Finance
 - Vice President Constitutions
 - Student Trustees (x 4)

shall be deemed to be Trustees and will form the Board of Trustees with authority to carry out all the duties ascribed to the Board of Trustees under the Constitution.

4. Until Bye-Laws are created governing the conduct of elections to casual vacancies for any of the above positions, such elections shall be conducted in accordance with the rules existing under OUSA's previous Constitution.
5. The C E C (as defined in paragraph 2 above) are charged with the responsibility of implementing the new Constitution as expeditiously as possible and in accordance with the following principles;
 - a. Bye-Laws and other organisational arrangements should embody the policies on Futures agreed by the Association's Conference
 - b. National and Regional Assemblies already in existence will be recognised under the new Constitution and will not be required to undergo further annual elections until the Bye Laws prescribe a common, annual election process. However, they will be able to request inclusion in the schedule of elections referred to at c.
 - c. Forums operating under the old Constitution will continue to be recognised until the C E C has agreed with them a schedule of elections to create their Assemblies; such elections will have been completed by the end of 2011
 - d. There will be a properly specified procedure for winding up branches and forums.