



## BOARD OF TRUSTEES

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Date: 15<sup>th</sup> October 2014

Time: 16.30pm

Venue: MR4/5

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### **Circulation:**

Cat Turhan, Maahwish Mirza, Andrew Thompson, Rob Ankcorn, Bebe Husakova, Ruby Compton – Davies, Isaac Leigh, Harrison Gould, Toby Leek, Rachel Strudwick, Judy Ryder, James Hunt, Emma Cox, Nathaniel Shiers, Nyasha Pitt, Graham Parker, Jacqui Clements, Tracey Grant, David Dedman

**Meeting Quorum: 9**

# MINUTES

### **APOLOGIES FOR ABSENCE**

Judy Ryder, Rob Ankcorn

### **DECLARATION OF CONFLICT OF INTEREST**

None declared.

### **1.1. O MINUTES OF THE PREVIOUS MEETING – OPEN**

**Resolved:** That the open minutes of the meeting 23<sup>rd</sup> July 2014 were approved as a true and accurate record of that meeting.

### **1.2. O MATTERS ARISING**

**7.5.O Accountability Motion Consultation**

Reported: (By: JC)

RA has communicated decision to proposers, to note proposers no longer students at the University. CT in process of writing statement on behalf of the Board of Trustees.

**1.3. O**

**CHAIRS BUSINESS**

**Reported: (By: CT)**

**National Student Survey** – Warwick SU up 3% to 79% in overall student satisfaction, University up 2%.

**The Times** - Warwick University named University of the Year.

**Injunction** – University successfully acquired injunction against a group of individuals with extreme views videoing on campus and causing distress to a number of students, group now banned from campus.

**Taxi Campaign** – over 500 students have responded to the survey, meetings taken place with local MP's, motion in process of going through Parliament.

**PG Welcome week** – good support went well, PG Space now open - The Graduate.

**Freshers Fortnight** – really successful Freshers fortnight, good engagement and attendance by students.

**Black History Month** – range of events taking place, all welcome to attend, any questions speak to MM. Excellent event thank you to MM.

**1.4. O**

**END OF YEAR MANAGEMENT ACCOUNTS**

Paper noted.

**Reported: (By: TG)**

To note pension provision payment made in October.

To note continued growth in the area of activity within clubs and societies.

Clubs & societies income £1.8m up from £1.7m last year, currently holding £446K on account for clubs and societies.

**Resolved:** Year to date figures for the end of July 2014 subject to audit, noted.

**Matters for decision/discussion**

**1.5.O**

**MONASH PRESENTATION**

Power point presentation given by JC and CT which was followed by a discussion with regards to Warwick SU's strategy in terms of future engagement with them.

## Monash Visit

August 2014



**Resolved:** Actions noted. Paper for Alliance Steering to be circulated to the Board of Trustees upon completion.

### 1.6.O

#### **WARWICK SU KPI'S**

Paper noted.

**EC**

With regards to the increase in Advice Centre enquiries is that a trend across other Unions?

**Reported: (By: JC)**

We do not know, we have identified that a lot of analysis required with regards to the types/areas of enquiries we are receiving.

**Reported: (By: DD)**

Advice Centres are using different ways to code enquiries, not necessarily comparable, however most Russell Group Advice Centres are experiencing the same trend.

**Reported: (By: CT)**

We have increased advertising in this area.

**Reported: (By: DD)**

We have conducted a hugely successful marketing campaign. Nearly 50% of enquiries are housing related, some of the analysis we have conducted indicates a big % are not really Advice Centre enquiries, related to Estate Agent type sourcing accommodation, the issue is not being addressed elsewhere at the University. Accommodation service good but does not have enough accommodation resulting in enquiries directed to the Advice Centre. Average of 1200 enquiries not Advice Centre related, related to sourcing accommodation.

**JC**

Requirement to discuss approach going forward.

**EC**

This is a lot of information to report to the Board. As the Strategy Working Group looks ahead could they consider how we prioritise and report to the Board.

**Reported: (By: JC)**

**1.10 - % of PG Students** - to be finalised in terms of how we measure awareness.

**2.6 – Medical School Satisfaction** – number who responded to ‘Help Us Help You’ from which measure derived is too small from statistical point of view, if going to measure this requirement to conduct differently.

**Headline Key Performance Indicators – Impact.** NSS Survey only measures satisfaction for UG final years, previously used ‘Help us Help You’ measure, happy to put that back in if the Board feels the time has come to stop focusing on the NSS, as an organisation do not necessarily focus just on the NSS Survey, but it is a visible measure for staff.

**JH**

The NSS has a high profile.

**NSh**

If we took the ‘Help Us Help You’ survey the more we are able to penetrate the hard to reach groups the lower the score may become, NSS has amazing response rate that we may not get with anything else, however it is on the subset.

**JC**

This is about the headline KPI’s, we have got student satisfaction in the main KPI’s for PG students Medical School, we have to find another way of measuring that as we have such low response rates.

**JH**

We could almost have both.

**JC**

We could take another one out, membership participation and put in PG satisfaction with the SU which is what we take from the Help Us Help You Survey specifically for that subsection.

**EC**

I understand why staff would want to see that, but what measure would the Board like to see.

**Reported: (By: JC)**

Until Question 23 was incorporated into the NSS we always used our version of the ‘Help us Help You’ version of the figure.

We could look at prioritising what the Board would like reported back to it.

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**Resolved:**

- Progress against target noted.
- KPI’s for 2014-2015 **approved**, unanimously.
- Headline KPI’s for 2014 – 2015 **approved**, unanimously.
- JC to determine priority measures for the Board of Trustees (5/6 from each strategic aim)

**1.7.O STRATEGIC OBJECTIVES**

Paper noted.

**Resolved:** Strategic Plan 2014 - 2015 **approved**, unanimously.

**1.8.O STUDENT TRUSTEE RECRUITMENT**

**Reported: (By: JC)**

Currently two student trustee vacancies, advertised in August, shortlisted at the beginning of last week, twenty one applications received. Ten candidates selected for interview, panel comprised of IL, CT, and NSh. Previous process panel recommended candidates for appointment to Search & Nominations Committee recommendation then made to the Board of Trustees and Student Council. Concerns raised previously with Student Council aspect that there should be an election as opposed to just ratifying the recommendation from the Search & Nominations Committee.

**Reported: (By: CT)**

Four candidates successful at interview stage, recommendations approved by the Search & Nominations Committee. Vote to take place at Student Council on Monday to determine the two successful candidates.

**Reported: (By: JC)**

Next stage to receive Board of Trustees approval, further communication will be forth coming on how this is approached given that the next Board of Trustees meeting is not scheduled to take place until 3<sup>rd</sup> December 2014.

**Matters for information****1.9.O BUDGET**

Papers noted.

**Resolved:** Budget for 2014 – 2015 **approved**, unanimously, current plan for 2015 -2016, **approved** unanimously.

**1.10.O STRATEGIC REVIEW TIMELINE**

Papers noted.

**Resolved:**

- Strategic Review Roadmap **approved**, unanimously.
- Steering Group Composition **approved**, unanimously.

**1.11.O MINUTES – OPEN**

Noted.

**1.12.O****ANY OTHER BUSINESS – OPEN****1.12.O.1 CONSIDERATIONS FOR POTENTIAL CHANGES TO TAX REGIME FOR GIFT AID****Reported: (By: TG)**

At present the Institute of Chartered Accountants for England and Wales (ICAEW) are reviewing their technical guidance for subsidiary companies who wish to make deed of covenant payments when they have negative reserves. They may be publishing a technical note and guidance before the end of October 2014.

Currently Gift Aid payments made by subsidiaries of charitable bodies are usually treated as “expenses” for accounting and legal purposes. The subsidiaries need to make the payments at least within nine months of year end (before year end for MSL) in order to receive the corporation tax benefit. This follows the Charities Commission guidance.

It is possible that the latest line in thinking is to change the treatment for these Gift Aid payments. Instead of considering Gift Aid payments to be an expense they could potentially be viewed as “distributing profits”. This gives them a different legal meaning which is more closely aligned to company law and treatment is much more restrictive. Organisations are not able to “distribute” profits that they don’t have – to do so could be constituted as illegal. In essence a subsidiary will only be able to make a Gift Aid payment to its parent organisation up to the level it has of “distributable reserves” available at the time of payment.

This affects MSL. MSL has two types of profit:

- 1) operating profit. The surplus after all expenditure has been taken into account.
- 2) taxable profit. Some expenditure has to be adjusted out since these costs are not allowed to be deducted for tax purposes. This is higher and is the amount that is transferred under Gift Aid.

MSL has some modest disallowable expenses for client entertaining. In essence the taxable profit for MSL is larger than the operating profit for the year and it is this larger profit which is currently transferred under Gift Aid to the Union.

The longer term impact of transferring this higher amount is to increase the negative reserves held on the balance sheet. In order to maintain the overall position of the balance sheet, periodically MSL has issued share capital to ensure that the net balance sheet position remains positive. To date MSL has negative reserves of £2k which are offset by called-up share capital of £10k.

The charitable sector and accounting community are looking at what they could potentially do in order to minimise any risks associated with changes in treatment. This affects the University too and they are looking to recapitalise their trading subsidiaries by reducing the share capital in their subsidiaries and converting this into reserves. Should MSL and Warwick SU decide to enact this solution there are several steps to undertake:

- 1) agree to authorise a new type of “B” share with no voting, ownership or profit share rights;
- 2) allot these shares to Warwick SU;
- 3) Warwick SU Board of Trustees agrees to buy these shares;
- 4) Both MSL and Warwick SU BoT agree to a share reduction;
- 5) the B shares are converted into reserves; and
- 6) each of the MSL Board members signs a declaration about the solvency of MSL.

There will be some debate and there may also be some guidance from HMRC since this may have corporation tax implications. The Finance Manger will monitor the situation and liaise with the Unions tax advisors. MSL has already paid over the Gift Aid for the 2013-14 financial year to the Union and there may not be an immediate need to enact a solution. If there is a need, the Finance Manager will prepare the papers, minutes and special resolutions.

The Warwick SU Board are invited to agree in principle this potential solution should it prove to be the best way forward.

**Resolved:** Approved in principle potential solution if proved to be the best way forward.

**Time and Date of Next Meeting:** Noted.