OPEN UNIVERSITY STUDENTS ASSOCIATION

Central Executive Committee (CEC)
18 – 20 March 2016

PAYMENT FOR OFFICERS

The C E C is asked to:-

i) note the update

ii) comment on the considerations outlined

iii) make a recommendation to the Board of Trustees

1. Background

1.1 CEC members will recall that a confidential discussion paper on this topic (CEC 7/15/21) was debated at the July 2015 meeting.

1.2 It was felt that the current situation of a fully voluntary Officer team was simply not viable in the future due to the increased demands placed upon the Officers, not least by improved engagement with the University.

1.3 However, the principle of moving to paying Officers was a significant shift for the Association and one that needed to be thoroughly discussed and explored.

1.4 The paper set out the following six potential models for comment:

A. A comparatively smaller full-time Officer team, paid accordingly and based out of the Milton Keynes office

B. A part-time Officer team (potentially smaller), paid accordingly and operating at distance

C. A mixed Officer team, with a small number of paid part-time roles and the rest as volunteers with lesser portfolios, operating at distance

D. A paid President, with a volunteer Officer team in support, operating at distance
E. A fully voluntary Officer team, paid expenses and some form of stipend or other one-off small payment, operating at distance

F. A fully voluntary Officer team, paid expenses only, operating at distance (the status quo)

1.5 Two options were ruled out following thorough consideration of their benefits and disadvantages. Our geographic spread across the 4 UK nations, Ireland and continental Europe and the nature of our student demographics, with 75% of active students in employment, renders the implementation of Model A, a full-time sabbatical Officer team, an unrealistic option. This would reduce the number of viable candidates for our elected positions by asking students to move their place of residence to Milton Keynes for the duration of their elected term. Model F maintains the status quo and without significant changes elsewhere to reduce the burden on the Officer team, this was not deemed to be an acceptable proposition to continue with.

1.8 Therefore, CEC members recommended exploration of a model which would see the President and Deputy President receiving payment for their Officer duties, an amended version of Model D. In addition, there was interest in Model E if the practical legal and financial implications could be resolved.

1.9 The discussion paper also set out a number of considerations that would need to be explored further and resolved with appropriate external professional advice. Stipends as referred to under Model E had tax and legal implications and any move towards payment required the preparation of appropriate contracts and consideration of both the proportion of duties that should receive payment and the level of payment that was appropriate.

1.10 Under the requirements of Section 22 (Student Unions) of the Education Act 1994, paid elected Officers are only able to serve a maximum of two years in total. As CEC members will be aware, the Association has previously benefited from the current structure of an all-voluntary Officer team whereby elected Officers have often performed another role at Officer level before standing for President. This has sometimes also been true of the Deputy President role. It has also been true of Deputy President candidates standing for election as President. A move towards paying all Officer posts would mean a completely new Officer team every two years and would prevent the possibility of candidates for President or Deputy President picking up experience in another Officer capacity before taking on either of the most senior roles.

1.11 It was agreed that the shift in the student demographic may gradually degrade this possibility anyway. However in the short term the CEC were content that keeping the 7 Vice President roles as voluntary would allow a potential President or Deputy President candidate to gain experience in another Officer role before standing for either of these senior posts. It was also agreed that the different nature of these two roles and the expectations placed upon them provided the justification for this approach.

1.12 The CEC provided a steer based on the issues presented in the paper that there was general agreement to the principle of paying officers and agreed to recommend to the Board of Trustees that a deeper exploration of the potential
to implement payment for our future elected President and Deputy President roles should proceed. It was also agreed that this work would need to inform and be informed by the ongoing review of elected remits.

1.13 Subsequently, the Board of Trustees considered the feedback from the CEC and agreed to support further exploration of the key issues using external advice where necessary. It was felt appropriate that a part-time, 0.5FTE approach may allow the best flexibility to manage expectations that may be placed on the President and Deputy President if they were made full-time roles. This would also ensure that potential candidates with existing employment or other commitments may still be able to take on the roles.

2. **Findings**

2.1 Advice has been sought from our external consultants. Our retained Human Resources consultants, Right Hand HR, were asked to undertake a detailed analysis of the issues presented in the discussion paper and to present a recommendation for our consideration. Our retained legal advisors, Stone King LLP, were asked to comment on the recommendation and provide confirmation that paying our President and Deputy President roles to any degree would be allowed under our own Constitution and in compliance with the legal framework in which we operate.

2.2 Right Hand HR were provided with copies of the role descriptions for the whole Central Executive Committee, our discussion paper (CEC 7/15/21) and the content of the discussions that had taken place at both the CEC meeting and Board of Trustees. They undertook an external analysis of data from other student unions, reviewed research on the principle of paying student officers, explored the employment law considerations and reviewed the six potential models to arrive at a recommendation for the Board of Trustees to consider.

2.3 Data from other student unions shows that the majority pay their President and Deputy-level positions (where such a post exists). The vast majority of student unions operate the sabbatical officer model with elected terms of one year. The average size of Officer teams is 6-8 roles with a further team of part-time or volunteer elected students in support. Salaries ranged from around £14k per annum to £26.5k with the higher payers being London-based unions. The national average in Right Hand’s sample was £18.5k per annum using the last available dataset (March 2015).

2.4 Their consideration of the limitation set by Section 22 of the Education Act 1994 (as detailed above in para 1.10) was that this is unavoidable. However, their review of how other student unions operate their elected officer terms showed unsurprisingly that in most cases the President had been elected straight into this capacity without having any prior officer-level expertise.

2.5 Right Hand HR also referenced a student survey carried out by The Telegraph in February 2015 which found that 40% of student respondents felt that student officers should only earn the National Living Wage whilst 35% felt that student officers should earn in the region of £20-25k per annum. The number of votes for salaries above this was very small. A number of interesting comments were made in the survey responses, including “money isn’t the main motivator”, “student officers should earn below the average graduate starting salary” and
“the majority of student officers are doing it to help students rather than for money, experience or networking opportunities. These roles are very political and require a sense of dedication to the mission of student unions which is about improving student lives”.

2.6 Right Hand HR make a recommendation that the Association should consider very carefully the relative level of payment we wish to apply to the President and Deputy President roles, in the light of the above comments. In addition, we should note examples where advertising of student officer roles has made the salary a large focus and attracted negative media attention on the student union which carries reputational damage. There is a balance to be struck between rewarding the role-holders for the significant workload and contribution they make whilst not making the roles attractive only for the financial benefit.

2.7 The Trustees will need to consider these issues carefully and it would be very useful to hear CEC members’ opinions on the relative level of payment and on what work we could or should take as an Association to seek input from our members on this issue, for example a survey or consultation.

2.8 There are a number of employment law considerations for the Trustees to consider in greater depth including whether a paid President or Deputy President would be regarded as both office holders and employees and not merely office holders which has implications for staff policies, benefits and statutory rights. We have asked the employment law team at Stone King LLP to advise on this and make recommendations for the Trustees to consider. We will also be asking them to review any future draft employment contracts that Right Hand HR may prepare.

2.9 Right Hand HR have also explored the possibility of a stipend-type payment in line with Model E above and their suggestion from looking at case studies is that where such payments are regular, the recipient should be entitled to an employment contract with the payments made through proper payroll arrangements. Casual payments and one-off stipends should only be made where the work is irregular. This all but rules out Model E as a viable prospect.

2.10 Stone King LLP have advised that the Association should adopt the practice of other student unions in asking paid officers to complete their Trustee duties separately on a voluntary basis above and beyond their paid duties. It should therefore be clear in any employment contract that what is being paid for is the Officer duties and not Trustee duties. This would remove the need to ask the Charity Commission for approval.

2.11 Right Hand HR’s overall recommendation was that Model D, with a part-time paid President and Deputy President, paid for officer duties only, would be the best fit.

2.12 It is the intention that any such proposal would be taken to Conference on 17-19 June 2016 for a vote from delegates. Stone King LLP have highlighted that it should be made clear to delegates that in line with the Constitution and charity law the final decision does not rest with Conference, but with the Association’s Board of Trustees, but the matter before them would be about getting feedback from our membership on general support for or against such a proposal in
principle. The Board of Trustees would be required to make the final decision even after the results of such a vote are known and we should make it clear to all delegates that this is the case. This does not preclude any decision on the part of the Board of Trustees to heed feedback and withdraw the proposal after the result is known.

3. **Considerations for comment**

3.1 The Board of Trustees will meet on 24 March 2016 to discuss next steps with this work. Stone King LLP’s advice is that the final decision on whether to implement payment for officers in any manner rests with the Board of Trustees.

3.2 There are several considerations where we would appreciate feedback from CEC members to inform the discussion at the Board of Trustees.

3.3 Does the CEC recommend that the Trustees give due consideration to implementing the recommended Model D, a part-time paid President and Deputy President, paid for officer duties only?

3.4 How should the proposal be presented at Conference? What level of detail is appropriate?

3.5 Should the Association seek to undertake any prior consultation or research on this before Conference? If so, what should be the purpose and in what format should this occur?

3.6 Should the President and Deputy President be paid at the rate of part-time, 0.5 FTE (Full Time Equivalent)? What level of payment is considered appropriate?

3.7 What issues might there be in considering the President and Deputy President to be paid members of staff?

**Rob Avann**  
**General Manager**