

HUU Limited Board Meeting Minutes

Thursday 18th October 2018 held at Student Central

Present: Stuart Ferguson (Trustee, Chair, SF); Alan Bolchover (Trustee, AB); Osaro Otobo (President, PRES); Isobel Hall (President of Education, PE); Thomas McNamara (President of Activities, PA); Nicholas Wright (President of Sport, PS); Madeline Holden (Student Trustee, MH); Connor Massey (Student Trustee, CM)

Attending: Andy King, Commercial Services Director (CSD); Liz Pearce, Membership Services Director (MSD); Kevin Pearson, Finance & Resource Manager (FRM); Kate Jude, HR Manager (HRM); Stephen Willis (University Chief Finance Officer, UCFO); Alexandra Tute, Executive Support Co-ordinator (Minutes, ESC)

Apologies: Received from Gaius Powell (Trustee, GP); Kathryn Sharman (Student Trustee, KS); Rebekah Greaves (Student Trustee, RG); Jane Stafford (Chief Executive, CEO); Andrew Costigan (President of Welfare & Community, PWC); Rachel Kirby, Marketing & Communications Manager (MCM).

SF welcomed the committee and introduced Gerry Morrison from Rollits.

Conflicts of interests raised by FRM as SMT are members of the USS Pension Scheme.

1 Minutes of last meeting

Approved as a correct record.

2 Matters arising

MSD had a query for an NSS score for Huddersfield, they had 64% compared to our 57% for an academic interest question. Huddersfield have paid student reps for every school and an active rep system.


FRM noted the financial forecast item regarding the work force and services HUU provide, this topic is to be discussed at Finance Audit and Risk in November and at the next Trustee Board meeting in December.

Items for Decision

3 Governance Review

SF explained the reasoning for CEO undergoing a governance review of HUU. CEO asked Gerry Morrison from Rollits to attend the board meeting to summarise the governance review and the reasoning behind it. GM introduced herself and that she worked in the area of charity law and governance. GM had analysed a number of the union articles to ensure that the organisation is up to date and explained the importance of reviewing the governing documents on a periodic basis.

In the union's articles, there are references to out of date charity law. CEO and FRM met with GM to discuss a number of key points. GM highlighted some examples of where changes were required. The procedures for the appointment of the chair and how long the chair holds office needed to be brought in to line with what happens in practice. At the moment, under the articles, the chair holds office for one year only, GM believes this either doesn't happen or there is a desire to change the length of time. A motion will need to take place to rectify this.



There are certain provisions in the articles that are dictated by the Education Act in terms of how the union officers are appointed and a maximum of 2 years in office. Apart from this, the articles are flexible. GM advised the language in the governing document should be clarified, particularly around the appointment of trustees and the different types of trustees. Also, there are some references in the article that are not defined, it states that 10% of FTE members are required to vote in a referendum for it to be quorate, however there is no definition of FTE within the articles.

GM, CEO and FRM in discussion regarding the trading subsidiary of the union and the relationship between the two organisations. Charity law states there has to be no subsidy from the Charity and it has to deal with the trading subsidiary at arm's length. The equipment, building costs, administration, staffing has to be properly proportioned off and costed. In terms of the documentation in place that reflects the relationship between the two organisations, this requires updating and a service level agreement created.

GM reviewed the trading subsidiary articles, which have a number of out of date items, such as having a travel agent service. The subsidiary's articles require updating so that everyone is clear on the purpose, remit and activities that are agreed by the union. GM commented, thought needs to be given regarding the directors, chairs and trustees of the commercial trading. There cannot too much of an overlap between the two boards, there has to be ability for any conflicts that arise to be properly managed. Some trustees of the union can be on the board of the trading company which is useful for reporting and oversight, but there needs to be some independent directors with different skills sets and an understanding of the two organisations.


SF questioned if there are any immediate actions that should be taken; GM stated the provisions for the appointment of the chair and trustee article should be updated to reflect the current process. GM stressed anything that is written in the articles that does not happen now, needs to be altered to reflect the current process. In addition, the article should be amended to reflect up to date charity law. In terms of the subsidiary articles, these need to be updated as a priority and the relationship between the union and the subsidiary to be set out in a document and a review of directors for the trading arm needs to take place.

SF asked if there is any case law around deemed practice of organisations being held to account; GM said unfortunately, when it comes to amending the articles, there is no choice other than following the procedures which states HUU have to hold a referendum

FRM questioned if the formal recognition of the trading subsidiary gift aiding profits to the charity would be in the new service level agreement. GM confirmed that this would be built in to the service level agreement; a deed of covenant will be created which will demonstrate that the subsidiary will bestow its distributable profits upon the union within 9 months of its financial year-end.

SW questioned who agrees the distributable profit; GM said the wording on the deed of covenant is important, this can be phrased so that it is flexible to allow for keeping working capital. GM noted to be clear that there would be corporation tax payable on profits retained by the trading subsidiary.

FRM asked for clarity on the allocation of cost across the organisation, as support services are heavily used by the trading subsidiary. GM said in terms of subsidy, it is subsidy of any non primary purpose activity. However, profit from outside of the union's charitable objectives is complex. GM summarised how organisations work differently but will help HUU with discussions regarding how to review which activities sit within the union and which sit in the subsidiary. If



the letter of the law is not followed in terms of the union relationship with the subsidiary strictly speaking HMRC can challenge and tax penalties can occur.

PRES questioned how often should reviews occur; GM said in the articles it states the University reviews the union governance every 5 years. SW voiced that the union is an independent charity, however, every University has to have a union. SW expressed the financial risk is material now in the sector, the University has to review all costs and governance arrangement of this nature. GM suggested every 5 years is a long period, the union should review the articles every 3 years to coincide with the University.

SF questioned if after the referendum there is a no outcome, what would happen. GM stated that HUU would have to follow the existing articles. It is about managing the process, having a consultation with students, making it clear they have a right to vote, this is simply to reflect what the union are doing now and HUU best governance practice. A drive and engagement prior to the referendum is needed to ensure quoracy. GM asked if we could set quoracy as 10% of members, MSD clarified HUU take it as 10% of full time equivalent students.

AB voiced a belief that gaining that number of votes on this issue is unfeasible. GM explained if this process is unsuccessful, HUU could go to the charity commission to exercise their powers to make the change after the union has gone through the process in accordance with the articles. This should be seen as a last resort.

FRM questioned if HUU could change the 10%. MSD cautioned that students could take this as their opinion not being as valid by not needing as many votes. PE asked how HUU define 10% FTE, could 10% be how many students interact with the union; GM stated this is a possibility, if the union have an agreement of how this is interpreted in a fair and open way. GM suggested adding this on to the student officer elections. PS responded that this may not be the best way as marketing alongside student campaigns may cause confusion.

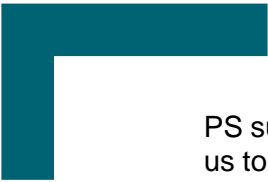
SF thanked GM for their time.

The board agreed to the next steps from the review carried out by Rollits Solicitor Gerry Morrison on the Governing documents including the Memorandum and Articles of Hull University Union Ltd and the Memorandum and Articles of Hull University Union Services Ltd. **ACTION CEO.**

CEO has identified the requirement of two new committees. MH questioned if HUU require two new committees, could there be more remits added to the current committees as there will be a large amount of work to go into this. SF stated that the number of committees meetings for ADGC and FARC would be reduced, however, there would be an increase in overall committee meetings and extra work involved for set up and administration.

PE questioned the need for the people and culture committee; HRM said as a result of CEO joining HUU and research into how other unions work, most organisations have a HR and people culture committee, this is to focus on the HR strategy moving forward. Some of it comes in to retention, pay, scrutiny, HR policies and rewards. There would be more of an approval of legislation changes and policies.

PE asked for clarity on the executive participation committee, MSD explained this membership services group would challenge what HUU is providing for its members. This committee would allow the organisation to broaden out and recruit more external advisors rather than to spread the work out of people we already have.



PS suggested to recruit 5 external trustees and 5 student trustees, this will allow us to broaden the skills set and ensure quoracy. SF noted that we will also need to look at the board for the trading subsidiary, but this is a good suggestion. PRES expressed that there may be a difficulty to recruit more external trustees. HRM agreed there has been a challenge with external trustee recruitment, SMT are keen to have local external trustees, CEO has strong connections, which may encourage more interest.

SF reiterated MH thought of extending the current committees; MSD suggested that this could be possible; however, there may be some overlap or lack of clarity. CEO is keen to have a clear focus of people working on specific topics.

PE suggested adding a student trustee on the executive participation committee, as this may seem a replication of the union executive committee. **ACTION CEO to consider.**

AB noted a concern that the union could get stuck in a process and administration of committees, and support to SMT in their areas could suffer. Waiting for decisions to be made at board meetings; could become unhelpful and produce a lot of work. If an agreement is made to add these committees, can there be clear guidelines attached. SF expressed to take MSD request that these areas are to be covered somewhere and await CEO to decide what action to take. **ACTION CEO to consider.**

CEO had proposed it is best practice to have a treasure role; GP fulfils this role as the chair of FARC. SF noted when there is a professional finance team in the executive, there is less of a need for a finance role of this nature. PRES questioned if GP is the treasurer, would this create a conflict at FARC; FRM said this would not be a conflict and is a normal procedure. PA stated this would be good for future recruitment to have a clear criteria. SF said there should be an approach of how HUU identify different trustees and their key responsibilities and introducing the role descriptions would support this.

The trustees approved the proposed Role Descriptions for Trustees including for the specific roles of Chair, Deputy Chair, and (Treasurer) Finance Trustee. In line with the Charity Governance code section 2.4.4. The development of these role descriptions was agreed at ADGC on 6th September. **ACTION CEO.**

The board noted the development of a Trustee handbook, PRES, MH and PA volunteered to support the review with the CEO during November 2018. **ACTION: CEO, PA, PRES, MH.**

4 Health and Safety Policy

CSD presented the health and safety review. HUU have aligned with the University as they are going through the same process. CSD and CEO have adapted University policies to work for HUU. This document is compliant with HSE and highlights that trustees are liable for the health and safety of the organisation. CSD requires SF, PRES and CEO to sign the document. SF responded it is critical that the document be kept up to date and that procedures were kept under review. The board agreed to the adoption of the health and safety policy.

CEO had requested that health and safety was on all board agendas. This was agreed. **ACTION ESC.**

CSD described 4 RIDDORS to the committee. An incident with a LINKS demonstration, two falls within asylum and a fall off a step in scoop, this is not officially a RIDDOR until the member of staff is off sick for 7 days. Temporary measures are in place on the flooring in Asylum.

SF highlighted SW requirement to leave at 12pm. SW updated the committee on University finances and left the meeting.

5 **Terms of Reference Review**

MSD communicated the annual approval of the terms of reference for the two sub committees. In the FARC terms of reference a change is included to remove SMT as a requirement for quoracy of the committee. The board agreed to this. MSD expressed to repeal standing order 8011 which covers the trustee board. As GM had explained earlier, there are areas in the bi laws and articles that do not match up. The papers suggest to remove the standing order and refer back to the articles in terms of reference. PE questioned what to follow when there are contradictions. MSD voiced to follow the articles. The agreed to repeal standing order 8011.

6 **USS Pension**

FRM asked if the board would like to respond to UUK's employer consultation regarding the USS pension scheme. Page 14 of the UUK paper provides a table which sets out the history. A joint expert panel was created to consider options on how the scheme is valued every 3 years, at the same time, the USS pension trustees have to make sure that they are covering the benefits of the scheme for members. The proposal from USS pension trustees is that from April 2019 to April 2020 there will be a gradual increase for employers to 24.9% from 18%, and employee would increase from 8% to 11.7%, overall 36.6% of salary going into the pension scheme to ensure that pensions can be paid and fulfilled into the future. The joint panel have created a proposal of 29.2%, which means employers would take more of a risk; ultimately, it is UUS pension trustees who will make the decision. Employers are to respond by 31st October. FARC came up with a proposed response which is expressing a concern, of being in the same position in 2020. FRM noted that this is a complex topic; however, it would be good to have a stance as an employer. FRM did not know the University's position on this specific consultation.

PRES would prefer to have something to point towards. FRM noted that this is an employer's response, not a president team response. MH cautioned to be careful with the messaging; there was a lack of clarity during this year's strike actions. MH trusts what FARC have created and feels a lack of understanding to further comment on the matter. FRM noted the union does not have to respond. PE questioned where the response goes; FRM said this goes to University's UK who represent employers; who are gauging employers positions to take to USS Trustees and to the trade unions. PS believes it is good to have a position as an employer. If strikes do happen again, HUU are allowed to have a separate opinion, if the situation arose. The board agreed to the response proposed by FARC.

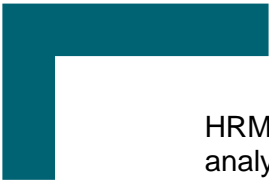
Items for Discussion

7 **CEO and SMT report**

HRM explained the employee engagement group have met for the first time, the group agreed to call them SEEF, supporting employee engagement forum which included 12 members of staff and 6 student staff. This will be a 6 weekly forum. From a recruitment perspective, a replacement ESC has been appointed.

MSD presented the latest thinking on the stage two process of the building development.

MSD noted that the SMT report suggested that the Student Written Submission would be in the papers, PE and PRES have been presenting the report and recommendations at various committees. MSD to circulate outside of the board meeting. **ACTION MSD.**



HRM noted that the SMT away day was used to produce a SWOT and PESTEL analysis to support HUU's future thinking.

PE questioned the hold on recruitment for an external trustee. SF reassured PE that this will take place shortly but just to bide more time. PE questioned whether a review will take place on bi elections and course rep recruitment; MSD noted that the by-election report will go to ADGC. By-election turn out is always much lower than the main elections, however, this year could be lower than in the past due to problems with the data extract.

PE questioned HullSTARS being behind budget. MSD said their windows of subscriptions are small; these are being extended by a week. There is some savings as there are not as many student staff required. FRM noted that the market is going to be increasingly challenging. MSD stated this is an area to keep under review. MH questioned what relationship HUU have with Kexgill, MSD said it was a good relationship but HUU cannot have a biased view. PS noted a concern that the housing areas are labelled as courts, which can be linked with the University. MSD commented that there is help at the advice centre for any issues that may arise for students who live in any property.

8 President highlights

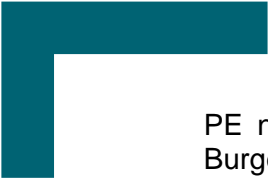
PRES has been working on student representation on University committees, it is important that the student voice is heard at the highest level. PRES now sits on the remuneration committee, also the appointments panel for the Pro Vice Chancellor Education and International. Focus in recent weeks has been around Black History Month, a BAME officer has now been elected. PRES summarised a number of activities that have taken place in support of BHM and the events to come including wear red to work day.

PRES involved on the demographic governance review with CEO and President team. Last year, only 30% of students felt like they can influence the decisions that are made at HUU, this needs to be resolved. PRES to consult with students on how they would like to make decisions at HUU. MH queried what the plan would be going forward regarding the student voice on committees, PRES responded there is a willingness to have students as partners at different levels in the University. Moving forward, students as partners with the University should become a norm.

PA has reviewed the society executive committee which now has 8 members. The main society issues are regarding spaces and facilities, moving forward, PA would like sports and societies to be asked when they require space. This will act as a timetabling plan at the start of the year to alleviate societies room booking frustrations. PA is now sitting in on commercial team meetings.

PS and PRES updated on PWC behalf; the council agreed to improve the lighting on salmon grove. PWC is working with wellbeing, sports and societies on welfare issues. On world mental health day, 1200 A – Z wellbeing booklets were handed out to students on wellbeing services. PWC proud that Mesmac are now located on the ground floor meaning more students are being tested for sexual health issues.

PS noted AU exec recruitment was a success, there are now 5 members, PS thanked MSD for the assistance in recruitment. There are 13 clubs that are not engaged with our process, these teams have been notified. PS is committed to review the cost of sports with a complete restructuring of how this is done and making it fairer for students. The hardest part will be to understand what monies are going into the club as some of in the income is in cash, which is difficult to track.



PE noted their printing objective is moving forward, collaborating with Glen Burgess to enable students to receive £20 a year on printing. TED talks are to take place at Hull University. PE is the TEF rep for the University which will be exciting work with students and partners. Post Graduate Forum was successful, PE created a report which the VC and other departments received asking for a working group with different members of staff and students. This group has been accepted, PE is to co-chair. PE noted nursing students are looking to campaign due to increasing financial and course struggles. PE and PS held a number of mature student events, this has led to a student in post as a mature officer and a mature student society created.

PE disappointed in poor recruitment of academic reps. The University are moving away from using reps, this indicates a lack of belief in the rep system. This year, only 213 reps were recruited which is half of last year. A conversation is to be had with the University, GB and PE to review code of practice to ensure information is fed through to staff.

Items to Note

9 WelcomeFest Slides

MSD presented the welcomfest slides, with some key facts and figures to the board.

10 Code of Governance and Relationship document reviews

MSD this has been received previously through ADGC and the board, every year the organisation have a code of practice in our relationship agreement with the University which are updated annually. These two documents have been brought to the board for reference. The University have been reporting on our RAG monies raised in their annual report, CEO had clarified with the University that this is a HUU activity so this has now been removed. The board agreed that the code of practice and relationship agreement could be updated on the website.

11 Sub-committee Membership 2018/19

The board approved the membership for the Board and Sub-Committees in 2018/19.

12 Financial Performance update

FRM presented the draft position for the year end to 31st July 2018. The audit had gone well and there are no changes to the figures present at this stage. The results is an 81k deficit overall which was better than expected. FRM discussed margins, this is showing that margin expectations need to be lowered for this year. FRM said that 80k has been put aside regarding the VAT fundraising decision in case HMRC contact HUU. If HMRC do not get in touch, this money can be released each year as they can go back for 4 years.

HUU are coming in around budget in period 2. On a commercial note, margins are to be lowered, staff costs are being managed well and promotions are required to drive up business in Scoop. CSD clarified activities and promotions are planned to take place to address this.


13 Minutes from ADGC held on 6th September 2018

Noted.

Minutes from FARC held on 8th October 2018

Noted.

14 Women in Business Annual Lunch



CEO is hosting a table at the Women in Business Annual Lunch, there are 9 places available. To attend this event please email ESC to reserve a place.

Any Other Business

PS queried a temporary member of staff departure. HRM answered PS query.

14 3 big things

The committee agreed that the three big things from the meeting were:

1. The board agreed with the next steps of the governance review to be undertaken by Rollits Solicitor Gerry Morrison.
2. The board highlighted the updated relationship document between the Union and the University.
3. The WelcomeFest slides were presented to the board, which highlighted some positive impact of the two-week programme.

Next meeting: Thursday 13th December 2018, 10:30am