

Governance review – proposed BAOT Articles 2025

Purpose	APPROVAL
Meeting	BAOT Annual General Meeting
Date of meeting	17 June 2025
For more information, please contact the Chair, care of the Head of Governance & Compliance, at hello@rcot.co.uk .	

Recommendation to BAOT members

The BAOT Council recommends that members **vote to approve the presented resolution:**

The members hereby resolve by way of special resolution that the draft Articles of Association of British Association of Occupational Therapists Limited (“BAOT”) presented to the meeting and also available at www.rcot.co.uk/agm2025 be and are hereby approved and adopted as the Articles of Association of BAOT in substitution for and to the exclusion of all existing Articles of Association of BAOT and for the purpose of current Article 73, this resolution shall extend the office of the Chair elected at this meeting in line with draft Article 78 and any rules adopted under that Article.

Legal/regulatory implications

The proposals to change the Articles are designed to ensure that the constitutions for both organisations are fit-for-purpose and aligned with relevant legislation. A number of updates are proposed to ensure the Articles are compliant with trade union (in respect of BAOT), charity law (in respect of RCOT) and company law.

Strategic alignment,

This aligns with the ‘build up’ theme of our five-year strategy – ensuring that the organisation is fit-for-purpose and that our governance is designed to support the organisation’s sustainable success.

Member / stakeholder implications and considerations

We don’t anticipate any of the proposed changes directly impacting on members, the following paper sets out the indirect benefits of the changes to members. Overwhelmingly, the changes give an improved constitutional framework to ensure we are compliant with company and trade union law.

The main changes and purpose of the new Articles have been shared in a series of articles in *OTnews* and published on our website since the beginning of the year. In the lead up to the AGM we are holding drop-in sessions for members with Council and SLT to discuss the changes and to answer questions.

Executive summary

The governance review is designed to address risks within our governance that might undermine the decision-making of Council or the Board and to create a fit-for-purpose constitution that will enable both organisations to govern effectively for the benefit of members and RCOT's charitable purpose.

Key risks that are being addressed as part of the review include:

- A lack of appropriate separation between the two legal entities (BAOT and RCOT), both in practice and within governing documents, such as the Articles of Association. This was not in line with company or charity law and undermined the ability of Council members/ trustees to meet their legal duties. This has/will be addressed through:
 - o Amending the Articles of Association (partially achieved in 2024, to be completed in 2025)
 - o Renaming the RCOT Council to the RCOT Board of Trustees (completed)
 - o Restructuring Council and Board meetings (completed)
 - o A legal agreement between the two organisations (planned)
 - o A new Scheme of Delegation for both organisations setting out organisational decision-making (planned).
- Unclear parts of the Articles of Association for both organisations or, in some cases, not in line with legislation or best practice.
- A need for a greater range of expertise to support Council and the Board in governing the organisation, which is being addressed through lay trustee roles, roles on the Audit, Investment and Risk Committee and roles on the People and Nominations Committee.
- Inconsistent and short terms of office for Council / Board members and, in particular, the Chair which can lead to a lack of continuity of expertise within the governing body.

This phase of our governance review has involved reviewing the BAOT Articles of Association in detail (as we did for the RCOT Articles last year) and reviewing final points in the RCOT Articles to ensure these align with the proposed changes for the BAOT Articles. We have also reviewed changes for the RCOT Articles that require Charity Commission approval .

This paper presents the full proposed BAOT Articles of Association for approval and outlines in detail any final points that require Council decision/clarification.

1. Progress since the June 2024 Annual General Meeting

We have recruited to and established the new People and Nominations Committee (PNC) which has met twice.

The PNC has advised on the BAOT 2025 election process and roles, the recruitment for lay trustees to the RCOT Board and is providing critical support to the Chair and the RCOT Board about to the recruitment of the new CEO, drawing on the specialist expertise of its independent members. The Committee's terms of reference and the new policy for recruiting to Board and Committee roles is available for members to view here.

It has also started supporting with the 'people' by advising on the colleague pay award for 2025 and work on the organisation's EDB strategy.

The membership of the PNC is:

- Joanna Squire, independent member and Chair
- Odeth Richardson, member

- Jacqueline Gordon, member
- Christine Parkin-Hughes, independent member and Chair.

We have conducted a skills audit of the RCOT Board of Trustees and, with the advice of the People and Nominations Committee, identified priority skill sets to target in recruitment and started developing the recruitment campaign to comply with the newly approved recruitment policy.

We are now in the process of refining the role descriptions for approval of Council.

We have reviewed the BAOT Articles in detail and considered the composition of Council and the role of the Chair.

The final proposed Articles as a result of these conversations are presented in this paper.

2. FOR VOTING: Proposed changes to the BAOT Articles of Association

The full proposed Articles of Association are presented at Annex 1 for members to vote on. The changes within the Articles have been annotated with comments so the rationale for each change is clear. **Members should note that if the vote is in favour of the changes, all comments will be removed from the Articles prior to filing these with Companies House and the Charity Commission.**

If members wish to view a tracked changes version of the Articles they can request them from hello@rcot.co.uk

The table at Appendix A sets out a summary of the key changes, the rationale for the change and the impact on members. Please read a copy of the Articles and/or the table at Appendix A before voting on the resolution put to members.

Members should note in particular that the following provisions have been updated: objects, powers, conflicts of interest and terms of office.

Appendix A: Itemised proposed changes to the BAOT Articles of Association

Article topic	Change and reason	Impact on members
Changes to improve clarity including by simplifying language		
Definitions – clause 1	Addition of new or updated definitions in clause 1 or deletion of definitions in order to improve clarity.	None
Objects – clause 4	<p>Some text previously included within the objects would typically be included within the powers section, so this has been moved to the powers section. Other updates are to simplify language.</p> <p>Key changes are:</p> <ul style="list-style-type: none"> • 4.1 - moving the text on delegating the organisation and transfer of assets etc. to the Royal College or a subsidiary of the Association; see new Article 5.1. This provision is now more concise e.g., suggesting a defined term for ‘Subsidiary’, and generally shortening the clause. • 4.2 - generally simplified the language. • Former clause 4.3, now deleted - the maintenance of registers does not usually form part of an organisation’s objects and so this is deleted. • Former clauses 4.4 and 4.6, now 4.3 - merged these clauses as they generally relate to the advancement of education of educational therapy. The details on how this may be done is included in the powers; see 5.3 to 5.5. • Former clause 4.5. now 4.4 - generally simplified the language. • Former clause 4.7 - moved this to the powers; see clause 5.2. <p>Note the last three objects mirror the proposed objects of the Royal College.</p>	<p>None</p> <p>These changes do not alter our original purpose – they simply ensure these are drafted more clearly and do not confuse ‘objects’ (purpose) with ‘powers’.</p> <p>Powers are what enables the directors of the company to fulfil the organisation’s purpose on behalf of its members.</p>
Various	<p>The following clauses have also been simplified/clarified without changing the effect of the clause:</p> <ul style="list-style-type: none"> • Member subscriptions and ceasing to be a member – clause 12-13 • Calling general meetings – clause 17-20 • Proxy notice – clause 60 • Number of members of Council – clause 76 • Appointment and retirement of Council members – clause 77 • Power to act with a vacancy – clause 82. • Powers of Council / management of the business – clause 86-87 	None

Article topic	Change and reason	Impact on members
	<ul style="list-style-type: none"> Expenses 	
Various	<p>The following clauses are removed:</p> <ul style="list-style-type: none"> Appointment of CEO – unnecessary Reference to company seal – no longer in use Banking arrangements – duplication Delegation power in ‘proceedings’ section – duplication 	None
Liability of members – clause 130	Corrected heading to align with actual clause - previously inaccurate	None
Powers – clause 5	<p>Powers that were originally incorrectly included within the objects section are now found here and repetition has been removed. This section ensures that there is clarity about the powers that the Council, as governing body, has in order to run the organisation effectively on behalf of members.</p> <p>The original Articles contained the catch-all clause “To do all such other things as are incidental or conducive to the attainment of the above objects or any of them”, therefore the changes do not represent a change in scope. The proposed changes include a similar catch all but is more specific about the common powers that might be utilised when undertaking the organisation’s business.</p>	None
CHANGES TO MODERNISE AND IMPROVE GOVERNANCE		
Indemnity insurance in powers – clause 5.23	Future proofed this clause on indemnity insurance by stating that such insurance is permissible to the fullest extent permitted by law.	No direct impact – but ensures the organisation’s assets are protected by insurance to cover costs of liability proceedings.
President, VP and honorary members – clause 16	This provides more flexibility to Council to create honorary roles as needed, instead of being tied to the President and VP model which have been stood down.	No direct impact – but means that Council can create advocacy and figurehead roles for the benefit of the organisation and its members without being tied to a specific model.
Attendance and speaking at General Meetings – various clauses	<ul style="list-style-type: none"> New provisions added to clarify arrangements for hybrid meetings. This ensures our Articles are aligned with the law in relation to use of digital technology to run GMs/AGMs. This section allows Council to make appropriate arrangements for physical attendance and remote attendance at meetings. (Clause 32-34) 	Members can have better clarity on what is required of BAOT when delivering an AGM and a better understanding of their rights when

Article topic	Change and reason	Impact on members
	<ul style="list-style-type: none"> Increased quorum requirement (5 to 40) to ensure better member representation – clause 35 New provisions to bring the Articles up-to-date with regards to delaying or postponing GMs and to ensure the Articles are clear on requirements/process for delaying or postponing – clauses 69-70 	voting or attending. Embedding clearer requirements within the Articles supports delivery of a legally constituted AGM.
Council terms of office – clause 76-82	<p>Various changes to improve continuity of leadership on Council.</p> <ul style="list-style-type: none"> Introduce consistency to the terms of office across roles (currently the Chair, WFOT member and other Council members all have different terms of office). It is also proposed that the terms of office allow Council members to serve two equal terms of three years (currently it is three years plus two years for most Council members). In most circumstances Council members would serve a maximum of six consecutive years (a one year increase on the existing maximum). However in exceptional circumstances, e.g. where there is no successor for a critical role such as the Chair, Council could extend a term of office for 1-2 years up to a maximum of eight years consecutively only if 75% of Council were in favour (this is an increase on the normal 50% majority for Council decisions). There is a specified ‘cooling off’ period after which someone may stand again after serving their maximum term. This is common for Articles to state this. In practice, it is not often used as individuals are unlikely to stand again once they have moved on to other commitments. However it allows for the possibility that an individual may serve on Council early in their career and again later on if the electorate votes in favour of them or a long-standing vacancy to be filled. Anyone standing after a cooling off period would still be subject requirements to be elected by members. 	Being a Council member is a challenging role and steep learning curve. Under the changes members can have confidence that Council members, including the Chair, have a length of service that allows them to develop experience and knowledge within the role over a period of time, and for the organisation to benefit from this experience. However it still ensures Council membership is refreshed at appropriate intervals in compliance with trade union law and good practice.
Remuneration of Council members – clauses 88-92	<p>Previously incorporated under expenses. As a company and not a charity, the provisions on benefits can be quite flexible. The provisions are now aligned with what is allowed under company law and clarifies that members of council can be paid for services provided (e.g. if they were contracted to support a project for the organisation that was within their area of expertise) with the exception of their service as a member of Council (this is the case under the current Articles) and that the Chair can be paid for any services (including those provided as chair, which is a new addition).</p> <p>The Chair role involves a considerable time commitment and this allows the organisation, for e.g., to provide limited backfill subsidy to the Chair’s employer in circumstances where otherwise the employer would be unable to release the Chair for duties. This has been the historic arrangement with previous Chairs.</p>	<p>This reduces a barrier for members wishing to stand for Chair, where the demands of the role might cause problems with their employment and prevent them standing.</p> <p>It also means members are potentially likely to have a more diverse range of candidates to select from when there is a vacancy for the Chair role.</p>

Article topic	Change and reason	Impact on members
Removal of Council member – clause 91.8	<p>This introduces a power for Council members to remove another Council member, for example in rare situations where there is a serious failure of a Council member to fulfil their duties or for example a serious or repeated breach of the Council Code of Conduct.</p> <p>In practice this kind of clause is rarely used except where all other options have failed and it is essential to protect the effective functioning of the governing body. This brings the Articles up-to-date with what is allowed under company law and is a common provision within Company Articles. It allows the governing body to effectively manage significant performance issues amongst itself in a sensitive way taking into consideration matters of privacy which could make a resolution of the members an inappropriate way of handling the issue due to breaching confidentiality.</p> <p>There are clear requirements written into the Articles as to how this process should be managed, including an increased quorum requirement for the Council meeting and a requirement for 75% of voting Council members to vote in favour (increased from the standard majority). Additionally, the Council member must be given notification and afforded a reasonable opportunity of being heard or making written representation. In exercising this power, the Council must have regard to section 64 of the Trade Union Act on a trade union member's right not to be unjustifiably disciplined by the relevant trade union.</p>	Members will know that Council are able to take appropriate steps to manage significant issues amongst the governing body in order to protect the effective governance of the organisation on behalf of members.
Quorum – clause 96	Increasing the quorum requirement at Council meetings to four members or 30% which ever is higher (currently 25%).	No direct impact – but it increases the robustness of Council decision-making.
Power of delegation – clauses 106-110	Strengthened and clarified to reflect good practice and what is allowed under Company Law. This aligns with the powers of delegation introduced to the RCOT Articles in 2024.	No direct impact – but it ensures Council is better able to fulfil their duties on behalf of members.
Council Rules – clauses 123-124	Updated to clarify that Council can make any rules regarding a range of matters. Members retain the right to amend these rules via members' resolution.	None.
Winding up – clauses 135-136	NEW – Provides that assets must be used for a similar cause in the event of winding up. Common to have winding up provision in Articles. A company cannot be wound up without a resolution of the members.	None.
CHANGES MADE FOR COMPLIANCE REASONS		
Appointment of Council members	It is not compliant with Trade Union law to have positions held without election, therefore the provision which allowed temporary co-option to fill vacancies is being removed. Instead the role will have to be held vacant until the next election.	Members can have confidence that BAOT is compliant with Trade Union law on elections.

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when there is vacancy – clause 83		
Conflicts and declaration – clauses 114-121	Overly detailed provisions have been simplified and brought in line with company law.	No direct impact – members can have increased confidence that BAOT is managing conflicts in line with company law.
Notices – clauses 131-132	New provisions to clarify arrangements for providing notices. The organisation is required to comply with these under law and it is common to incorporate this within Articles.	Members will have clarity on what is required of BAOT in order for a notice delivered to them (e.g. for the AGM) to be considered legally compliant.
Indemnity – clause 131	Simpler provision to align with law.	None.