

Kent Union

Remuneration Policy for Senior Executives

Introduction

Kent Union aspires to be an outstanding students' union, a world-class not-for-profit organisation and a world-beating employer. In order to achieve these aspirations, Kent Union must attract, retain and maintain the motivation of high quality staff, managers and leaders. Remuneration (i.e. salary, pension, holiday entitlement and the wider package of benefits that employees receive) has a major part to play in this regard, particularly in attracting high quality people to work for Kent Union in the first place. The Union offers all career staff a generous package of holiday entitlement (up to 42 days per annum); maternity, paternity, adoption and grand-parent leave (significantly above statutory entitlements); sick pay (up to 6 months' full-pay and 6 months' half-pay); access to a CARE (career average related earnings) pension scheme into which Kent Union contributes 16% salary; and flexible working arrangements.

In terms of salary, the Union has its own pay-scale consisting of 19 pay grades, each with 4 incremental points; this pay-scale was adopted in August 2015. Staff move up one incremental point each year, subject to satisfactory performance, until they reach the top of their Grade. The grade for a job is determined through job evaluation, using the Union's Job Evaluation scheme, which was updated in 2015 and utilises an objective set of criteria (e.g. financial responsibility, level of knowledge and skill, responsibility for supervising people, etc.) to rank the job against others in the organisation.

Throughout this Policy, we use the term 'Senior Executives'; by this we mean anyone on the Union's most senior management team. This is currently referred to as 'Director Group' and consists of the Chief Executive, Deputy Chief Executive and four Directors (of Membership Services, People, Operations and Marketing).

Determining senior executive pay

The pay of Senior Executives is set via the process outlined in the Introduction above; i.e. senior executives are included on the Union's pay-scale, just as with other career staff, and their grade is determined through job evaluation. However, just as senior management has the ability to 'flex' this process, by moving jobs up or down by one grade, the Board of Trustees has the ability to increase or decrease the pay grade of senior executives in order to attract, retain and/or motivate the best people. The Board recognises its responsibilities to protect the reputation of Kent Union, to reflect the values and ethos of Kent Union as a students' union and a Registered Charity and therefore to ensure that the pay of its senior executives is fair, is not excessive and is defensible to the membership and the Union's wider stakeholders. The Board is also adopting the principles of openness and transparency around senior executive pay, as recommended by the NCVO Inquiry into Charity Senior Executive Pay.

The Board of Trustees therefore determines to use the following mechanisms to help meet these objectives and support it in determining the pay of senior executives:

1. The Board has established a Remuneration Committee (Terms of Reference included at Appendix 1), chaired by an external member and reporting into the Board of Trustees, which includes the University's Director of HR (therefore providing a link with the Union's main funder).
2. Remuneration Committee will review the annual Survey of Charity Chief Executives' Remuneration, conducted by the Association of Chief Executives of Voluntary Organisations (ACEVO), and benchmark the remuneration package of Kent Union's senior executives against it.
3. Remuneration Committee will on a periodic basis (and at least every three years) benchmark the pay of its senior executives against a cross section of other comparable UK students' unions (for example, comparable annual turnover and number of employees; comparable scope of activity; and achievement of comparable quality measures such as NSS Q23 result, achievement of NUS Quality Students' Union Very Good or Outstanding and/or Investor in People Silver or Gold status).
4. On an annual basis, Remuneration Committee will review relevant internal HR data for senior executives, such as staff turnover, staff satisfaction, feedback from appraisals and performance metrics.

Transparency and openness

In order to ensure openness and transparency around the pay of senior executive pay, Kent Union will adopt three specific measures:

1. Representatives from the Union's two most important external stakeholders (its members and the University of Kent) will be involved in determining, reviewing and monitoring the pay of its senior executives; this will be achieved through student representation and University members sitting on the relevant Board Committees.
2. The Union will publish a summary of this Remuneration Policy in its annual financial statements and the full Remuneration Policy on its main website (in an easily accessible location).
3. The Union will publish the names, job titles and gross salary bands (in £10K bands) of all staff whose gross salary is above £50K (currently the Chief Executive, Deputy Chief Executive, Director of Operations and Director of Marketing) in its annual financial statements and on its main website (in an easily accessible location) - Appendix 2

Approved by the Board of Trustees
31 July 2015

Appendix 1 - Remuneration Committee, Terms of Reference November 2016

Purpose

The Remuneration Committee has delegated responsibility, on behalf of the Board of Trustees, for overseeing and determining the remuneration package for the Chief Executive and Deputy Chief Executive, Directors and Officer Trustees. In such regard, the Committee must pay due regard to relevant legislation and regulation, best practice guidance on senior executive pay in charities and to the views of the Union's beneficiaries and other stakeholders. The Committee is also responsible for ensuring that the Union's reward package is effective at attracting and retaining talented staff, whilst paying due regard to utilising the Union's limited resources as effectively as possible.

Remit

1. To approve and monitor a remuneration policy detailing the Union's approach to determining the reward package for the Chief Executive and Deputy Chief Executive, Directors and Officer Trustees. The objective of such policy being to attract, retain and motivate senior leaders of the quality required to run the Union successfully without paying more than necessary.
2. Such remuneration policy should have regard to the risk appetite of the Union and alignment to its strategic goals, as well as regard to the pay and employment conditions across the Union.
3. To review the on-going appropriateness and relevance of the remuneration policy, especially in light of changes in regulation and/or best practice on senior executive pay in charities.
4. To receive and review a recommendation from management regarding the annual cost-of-living award for career and student staff pay and subsequently to make a recommendation on such award to the Board of Trustees.
5. To receive benchmarking reports on the Union's staff reward package as necessary and at least every 3 years to commission a benchmarking report on the reward package for staff, including pay, pension, annual leave and all other elements of the reward package.
6. To receive and review an annual report from management about staff reward, including the cost to the Union, relevant results from the staff satisfaction survey and changes in reward.
7. To maintain a watching brief over the Union's pension provision, ensuring compliance with legislation and best practice.
8. To review on a periodic basis, the remuneration package for the Officer Trustees, paying regard to benchmarking reports against other students' unions, and to make recommendations to the Board of Trustees as to any necessary changes to such package.
9. To review on a periodic basis, the remuneration package for the Chief Executive, Deputy Chief Executive and Directors, paying regard to benchmarking reports against other students' unions, charities and public sector organisations, and to make recommendations to the Board of Trustees as to any necessary changes to such package.

Responsibility and Authority

- The Committee shall work closely with, and pay due regard to the deliberations of, the Human Resources Committee; the Committee shall normally meet immediately before or after a meeting of Human Resources Committee and the members of the Committee shall be largely drawn from Human Resources Committee.

- The Committee shall endeavour to promote a culture of openness and transparency in all of its dealings, as much as this is possible and practicable in dealings with remuneration.
- The Committee shall scrutinise and review the areas of work within its remit and make final recommendations to the Board as necessary.
- The Committee shall ensure that its deliberations and decisions are in line with the overall Kent Union People Strategy.
- The Board shall appoint an appropriately qualified, independent and external person to serve as Chair of the Remuneration Committee.
- The quorum shall be at least 3 trustees, as well as the Chair of Remuneration Committee or an external trustee member of the Committee.
- The Committee has the right to ask some or all of those 'in attendance' to leave for specific sections of meetings, as well as the right to ask Officer Trustee members to leave during discussions regarding their remuneration package.

Membership

- Chair of the Board (ex-officio)
- At least four other trustees (appointed by the Board of Trustees), including at least one Officer trustee, one student trustee and one external trustee
- The Chair of the Committee, who shall be an appropriately qualified, independent and external person, appointed by the Board

In attendance

- Up to three student members, the number of whom and appointment method for which, shall be confirmed by the Board
- Up to three external members, appointed via an external recruitment and selection process, the number of whom shall be confirmed by the Board
- Chief Executive
- Head of HR
- Head of Governance and Leadership Support

Resources

- Any financial resources necessary to achieve the Committee's objective.
- Any management resources necessary to achieve the Committee's objective.
- The Head of HR to ensure the drafting of papers for the Committee and develop the agenda for Committee meetings in conjunction with the Head of Governance and Leadership Support and the Chair.
- Head of Governance and Leadership Support to take minutes and collate papers for Committee meetings.

Regularity of Meetings

At least two meetings per annum

Appendix 2

Disclosure under Kent Union Remuneration Policy:-

The following staff had a gross salary above £50,000 in the year, in the bands as indicated below:-
Jim Gardner, Chief Executive; Peter Cole, Deputy Chief Executive; Tony Logan, Director of Operations and Medway, Hannah Wallington, Director of Marketing, Melanie Sharman, Director of Membership Services

2015/2016

	Number
In the band £80,000 - £89,999	1
In the band £60,000 - £69,999	1
In the band £50,000 - £59,999	2.7 full time equivalent