

REMUNERATION POLICY

1. INTRODUCTION:

- 1.1 As a *democratic membership organisation* driven by our responsibilities to our members, our staff, our partners and our funders, we recognise the importance of being *transparent and accountable* in all aspects of our work. Indeed we *have student led policy* that reinforces this principle.
- 1.2 In line with recommendations from the 2014 National Council for Voluntary Organisations' inquiry into executive pay and the guidance produced for Trustees on setting remuneration and with the requirements of Charity accounting standards (SORP 2015), this policy sets out Warwick Students' Union's approach to pay
- 1.3 The Students' Union is a Charitable Company that employs over 400 staff in various roles covering the complex and varied activities of the charity. The staff structure provides *opportunities for our members to be employed* in part time roles that fit around their studies and for *staff who have made a career choice* to work in this Students' Union.
- 1.4 **The charity's mission is to positively impact students' lives at Warwick University and beyond.** This means that we are committed to maximising our impact for our circa 24,000 members as a result of activities, opportunities, representation and support.
- 1.5 To do this means balancing two different needs: the need to *ensure value for money* in everything we do, including how we pay our staff and the need to *attract and retain people* with the right leadership, knowledge and skills required to deliver our aspirational strategic plan for the benefit of our members.
- 1.6 Underpinning these needs are our organisation's values: we are student-focused, democratic, welcoming, enriching and independent. We are also strongly grounded in *principles of social justice and ethical behaviour*. Such principles are the foundation for our Reward Guiding Principles

2. REWARD PRINCIPLES

2.1 The following sets out WSU's reward principles:

- Warwick SU **empowers staff** to participate in cross-functional activities and to take a **team-focused** approach to work.
- The **working environment** will allow employees to feel comfortable and supported and the atmosphere is **friendly, inclusive and enjoyable**.
- We strive to be a **learning organisation** where staff are supported to develop skills and learn from both positive and challenging experiences.
- We **encourage innovation** and sharing of ideas.
- Warwick SU provides **long term benefits and job security** to staff through pensions, retirement options and death in service benefits for staff and their families.

- Staff **well-being** is vitally important and initiatives will be put in place to support the health and well-being of staff.
- Warwick SU employs and promotes the **best people** based on their **competence** to perform the job, productively.
- We have a firm but **fair approach to managing poor performance** where it occurs based on support in the first instance.
- Warwick SU will provide flexibility in its hours of work, be **respectful of work-life balance** and personal life pressures and will be understanding of the fact that each employee's circumstances, pressures and priorities are different.
- We will **invest in rewards and recognition** methods that are meaningful to our staff.
- We aspire to be **competitive in our sector and local market** in terms of pay. This means that we aim to be pay salaries no less than the mid quartile for the relevant industry sector but we will not compete on pay.
- Warwick SU will provide opportunities, development and recognition to staff across the organisation. We focus on **managing talent**, and will aim to prepare staff for the next step, yet won't expect any employee to do anything that they have not been equipped to do.
- Warwick SU **recognises excellent performance**, as well as the **long term contribution** of staff.
- We encourage people to **praise and thank their colleagues** for a job well done
- Our **Staff Consultative Forum** enables us to work in a consultative way and is accessible to all staff.
- We recognise that different departments have **different operational** requirements
- We provide as many **employment opportunities for our members** as we are able and see this as critical to the delivery of our strategic objectives. Where we employ interns, these are paid roles.

2.2 This policy covers the pay of all directly employed Warwick SU and Students' Union Services Warwick Ltd staff and Sabbatical Officers.

2.3 The Board of the SU's subsidiary company Membership Solutions Limited (MSL) determine the remuneration policy and practices for MSL, although the pay band of the MSL Chief Executive will be disclosed in the Consolidated Annual Accounts of the Charity.

2.4 In delivering the above reward principles the SU has specific and separate policies relating to:

- performance management and objective setting of its Chief Executive
- setting of pay and benefits for its Chief Executive
- benchmarking of pay and job evaluation
- performance management of all staff
- discretionary pay
- accelerated progression on pay scales
- withholding increments if performance is unsatisfactory
- benefits provision including pensions, holiday provision, flexible working

3. HOW PAY IS GOVERNED:

- 3.1 The HR Director manages, implements and monitors rewards and benefits.
- 3.2 The Finance and HR Sub Committee of the Trustees is responsible for defining pay policy and making recommendations to the Board of Trustees in relation to pay, benefits and other related employment policies.
- 3.3 The Committee also monitors staff engagement and Trade Union consultation with pay policies. The HR Director, Finance Director and Chief Executive attend this Committee in an advisory capacity (non-voting).
- 3.4 This Committee approves any annual cost of living rise (which can be zero) that falls within the budget approved by the Board in its 5 year planning. Any increase proposed which is above this, is referred to the Board for approval.
- 3.5 All decisions relating to pay and benefits are based on balancing the charity's ability to pay in the context of its charitable objectives and its values. This Committee also receives information on staff turnover in order to review its ability to recruit and retain quality skilled staff in all areas of its work.

4. CHIEF EXECUTIVES'S PAY:

- 4.1 The Board of Trustees specifically considers and agrees any matters relating to the Chief Executive's pay and benefits. The Chief Executive is not present for these discussions and they are presented by the panel (the Chair of the Board, the Democracy and Development Officer and an independent reviewer) who conduct the Chief Executive's annual performance review.
- 4.2 The Chief Executive does not receive any form of bonus or performance related enhancements to pay and their pay and benefits are proportionately the same as other staff. WSU feels that the role requires someone who is committed to the values of the organisation and should not require additional incentives to perform well.
- 4.3 When setting Chief Executive's pay, the principles above are applied in the same way as for other staff; however, this role is benchmarked against charity sector rather than public or private sector similar roles and thus a "charity discount" applies.

5. SABBATICAL OFFICER PAY:

- 5.1 The Memorandum and Articles of Association of Warwick Students' Union permits the remuneration of Sabbatical Officer Trustees for their role as employed student representatives. Sabbatical Officer Trustees are not remunerated in respect of their Trustee role.
- 5.2 Sabbatical Officers' pay is considered outside of the procedures for job evaluation given the inherent political and therefore fluctuating nature of the role.
- 5.3 The appropriate salary point for Sabbatical Officers is reviewed every 3 years by a sub-committee of the Board of Trustees.
- 5.4 The sub-committee consists of:
 - A Student Trustee who is not a Sabbatical Officer or Sabbatical Officer elect
 - A Lay Trustee

- The Sabbatical Officer with responsibility for finance as long as that officer will not be an officer in the year from which the salary will take effect
- A chair is appointed by the committee. The Chair cannot be an existing Sabbatical Officer.

5.5 The sub-committee is advised by the HR Director and the Finance Director.

5.6 The sub-committee reports to the Board with its recommendations having taken due regard of benchmarked salaries (sourced from the annual NUS Survey), WSU's salary scale, the affordability of salaries as well as the purpose and nature of any Sabbatical Officer role.

5.7 The annual cost of living rise (which can be zero) applies to all points on the WSU salary scale and thus is applied in the same way to Sabbatical Officers. This is considered separately from the above mentioned three year review.

6. OUR APPROACH TO PAY:

6.1 Our principles are to pay our staff a fair and responsible salary.

6.2 Each role's salary is determined by a fair evaluation process (**job evaluation**) based on 10 factors relevant to our mission, our values and our charitable objectives. The complexity of roles, knowledge and skills required as well as levels of responsibility are considered.

6.3 The evaluation process determines a salary band and the salary for these bands are **benchmarked** in the middle quartile for the sector.

6.4 In accordance with Students' Union policy and our desire to be a good employer, we are working towards being a Living Wage employer. The Board of Trustees evaluates progress in this respect each year during its 5 year budget planning process, balancing this aim with delivery of its charitable objectives and its financial position.

6.5 Annual pay review is determined each year through an evaluation of sector benchmarks and takes as its starting point the pay negotiations in Higher Education.

7. PAY PRACTICES

7.1 Warwick Students' Union adopts a number of practices through which this policy is implemented:

- Periodically conducting salary benchmarking (at least every 5 years, more frequently when required)
- Reporting the spread of pay in the organisation as a ratio of pay dispersion. The ratios considered will be highest paid to median pay and lowest paid to median pay. The ratio will be between 3 and 3.5 to 1 and no more than 4 to 1.
- Reporting the salary of the Chief Executive of the charity
- Publishing the prevailing Remuneration Policy on the website