



GROUP SENIOR OFFICER REMUNERATION POLICY

POLICY IMPLEMENTATION CHECKLIST	
Policy Guardian:	HR Manager
Author:	HR Manager
Version number:	3.0
Approved by Chief Executive on:	
Approved by Caledonia Management Board on:	16 September 2014
Date of Last Review:	18 August 2020
Date Next Review Due:	August 2023
Diversity compliant:	Yes
Equality Impact Assessment required:	No
Data Protection compliant:	Yes
Health & Safety compliant:	N/A
Procedure implemented:	TBC
QL system changes made:	N/A
KPIs / reporting arrangements implemented:	N/A
Training Completed:	N/A
Posted on intranet:	Yes
Posted on website:	Yes
Publicity material issued:	N/A

This document can also be provided in large print, braille, audio or other non-written format, and in a variety of languages.

1 Purpose and scope

- 1.1 This policy sets out the arrangements that will apply in relation to the remuneration of the Caledonia Housing Association Group's ("the Group") senior officers. The policy reflects the specific requirements of the Scottish Housing Regulator's (SHR) Regulatory Standards of Governance and Financial Management published in 2019
- 1.2 The policy applies to the members of Caledonia's Executive Management Team (EMT). This comprises the Chief Executive, Director of Assets, Director of Customer Services, Director of Finance and Governance, Director of People and Director of Strategy and Innovation. The policy also links to separate procedural guidance on the appraisal scheme for the EMT.

2 Regulatory Standards

- 2.1 The SHR's regulatory framework sets out Regulatory Standards of Governance and Financial Management to be achieved by all Registered Social Landlords (RSLs). The Management Board accepts that it is responsible for ensuring that the Association complies with these standards. The three standards of direct relevance to the remuneration arrangements for the EMT are noted below:

Standard 3.6 - The governing body ensures that employee salaries, benefits and pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than necessary for this purpose.

Standard 5.4 - Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure that they do not benefit improperly from their position.

Standard 5.5 - The governing body is responsible for the management, support, remuneration and appraisal of the senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.

3 Policy Aims

- 3.1 The aim of the policy is to ensure that the Group meets all legal and regulatory requirements in relation to the remuneration of the EMT. This will involve complying with all relevant employment related legislation; ensuring remuneration levels are reasonable in relation to market value and performance and are reviewed on a regular basis; and implementing robust arrangements for the management of the remuneration arrangements for the EMT.
- 3.2 In working to achieve these aims the following actions will be carried out:
 - A formal and transparent process will be used to determine the remuneration for the members of the EMT;
 - The Remuneration Committee (made up of representatives from all Group organisations) will be tasked with developing, implementing and reviewing the

remuneration arrangements, with clear reporting lines to Caledonia's Management Board;

- Up to date and relevant comparative salary information will be sourced to inform salary and conditions decisions;
- When making remuneration decisions in relation to the EMT consideration will be given to wider reputational and staff morale matters;
- Individual members of staff will be excluded from any involvement in decisions about their own remuneration package; and
- Consideration will be given to reporting on remuneration arrangements to tenants and others.

4 The Group Remuneration Committee

4.1 The Terms of Reference for the Group Remuneration Committee are set out in the Group Standing Orders. With regard to the EMT, the Remuneration Committee is responsible for considering and recommending to the appropriate governing bodies the remuneration package and terms and conditions for the EMT members; and also to review and recommend to the governing bodies any variations to approved remuneration or terms and conditions.

4.2 In fulfilling these responsibilities the Remuneration Committee, in line with the Terms of Reference, will seek relevant and appropriate information to support its activities and also obtain necessary external independent professional advice as necessary (and in line with budget provision). As part of its considerations the Remuneration Committee will also review relevant information relating to individual posts including job descriptions and contracts of employment; review the ongoing appropriateness and relevance of remuneration related policies; and ensure clear audit trails are in place for decisions taken and recommendations made.

4.3 With regard to managing conflicts of interest, the Remuneration Committee will operate independently from the EMT on issues relating to salaries and benefits for the EMT. This will include not involving the EMT in decisions about their remuneration. This relates to, for example, the provision of information; involvement in discussions; procuring relevant information; or attendance at meetings where remuneration issues are being considered. Caledonia Housing Association's Human Resources Manager will provide general advice and administrative support to the Remuneration Committee where required.

5 Salary Placement and Other Benefits

5.1 Single point pay scales have been implemented by the Association for the Chief Executive and the other members of the EMT. These salaries will be reviewed annually, at or around December of each year, by the Remuneration Committee. The review will take account of cost of living awards, the market value of the EMT posts and the performance of the individual members of the EMT (including their achievement of leadership competencies set by the Management Board). Recommendations made by the Remuneration Committee will be reported for consideration and approval to the Management Board and will be reviewed within the context of the Association's budget setting activities for the next financial year. Any agreed increase will apply from the start of the next financial year.

5.2 The Remuneration Committee will carry out a review of the market value of the EMT posts on an annual basis. This will involve accessing independent specialist advice on the matter. The outcome from the review, including salary proposals, will be reported to the Management Board for consideration and approval.

Other Benefits

5.3 The Group provides a range of other benefits to the wider staff team that are also available to the EMT. The entitlement to and level of these benefits is determined by the relevant policy or contract or Management Board decision in place at that time. The benefits available are:

- Pension and death in service benefit schemes – pension and life assurance arrangements are in place through The Pensions Trust and Aviva (formerly Friends Life). Employee / employer contributions are consistent across the whole staff team and were set following a major review the Association's pensions arrangements in 2014.
- Travel and subsistence allowances – detailed information on these, including the current amounts for each allowance, is provided in the Association's Travel and Subsistence Policy. The policy is applicable to all staff members with the exception of the section relating to the provision of company vehicles that applies only to specific EMT members with a historical contract entitlement to this.
- Health benefit scheme – all staff members have access to an allowance of up to £300 per year to contribute towards the cost of health and wellbeing related activities, equipment or treatments.
- Professional subscriptions – in line with the provisions of the Association's Learning and Development Policy, staff member subscriptions for membership of professional bodies, where relevant to the work of the Association, are paid for by the Association. This benefit is available to all staff members.

6 Appraisal Arrangements

6.1 The Association shall implement an appropriate appraisal system for the Association's Chief Executive and the other members of the EMT that is designed to meet the requirements of the SHR's regulatory standards. The appraisal system will involve regular reviews of the individual performance of each of these officers, the level to which they are achieving the leadership competencies set by the Management Board for the EMT and the extent to which they have achieved business and departmental objectives. The system will also be complemented by regular operational review meetings.

6.2 The Chair of the Association will be responsible for holding the appraisal and operational review meetings with the Chief Executive and for advising the Remuneration Committee on the relevant appraisal review outcomes. The Chief Executive will be responsible for holding the appraisal and operational review meetings with the other members of the EMT and for advising the Remuneration Committee on the relevant appraisal review outcomes.

7 Policy Review

7.1 This policy will be reviewed every three years unless amendment is prompted by a change in legislation; regulatory requirements; monitoring and reporting; or good practice reveals that a change in policy is required sooner.