

REMUNERATION POLICY FOR CEO & SABBATICAL OFFICERS

1. EXECUTIVE SUMMARY

- The pay of CEOs in students' unions is often contentious and has been covered and critiqued in student media in Cambridge in the past. Determining the pay for sabbatical officers is similarly contentious, but also more challenging, given the unique and distinctive nature of the roles, and the lack of comparable benchmarks external to the student movement.
- A new Remuneration Policy covering the Chief Executive Officer and Sabbatical Officers has been developed. The Policy aims to provide a clear and transparent approach to determining the pay and wider package of benefits (i.e., the remuneration) for these positions. Transparency and utilising appropriate external benchmarks are integral elements of the Policy. The Policy also clarifies the respective roles of Remuneration and HR Committee and the full Board of Trustees in determining remuneration.

2. INTRODUCTION

2.1 - AUTHOR AND AUDIENCE

- This paper and appended Remuneration Policy has been written by the Interim Chief Executive for the March meeting of the Board of Trustees.

2.2 - PURPOSE

- The paper seeks final approval from the Board of Trustees for a new Remuneration Policy covering the CEO and the Sabbatical Officers.

2.3 - BACKGROUND

- The draft Remuneration Policy was circulated to SMT and the Board Chair for consultation, prior to consideration by R&HR Committee at its meeting in early March. Following review by and feedback from R&HR Committee, several amendments were made to the Policy. R&HR Committee recommend this final version of the Policy to the Board.

3. PROPOSED REMUNERATION POLICY

3.1 - RATIONALE

- Whilst the Board has recently reviewed the salary for the CEO, as part of confirming the recruitment process and reviewing the role profile, etc., CEO pay in students' unions is often contentious. Similarly, CEO pay in the wider Charity Sector has been

contentious and, in 2014, led to the establishment of a national inquiry into Charity Senior Executive pay, run by NCVO. The NCVO Inquiry made several recommendations, including embedding transparency in the approach to determining CEO pay.

- Determining the pay of sabbatical officers is similarly contentious, but also more difficult, given the unique nature of the role and the lack of external benchmarks. Sabbatical Officer pay varies significantly across the country, with some outliers, particularly in London SUs, who pay much higher than the average (Imperial Officers receive £37K).
- Past decisions at Cambridge SU regarding Officer pay have not always been made in a robust manner. A policy framework is therefore proposed to help mitigate risk and ensure a robust and transparent approach is taken to future decision-making.

3.2 - DETERMINING THE REMUNERATION OF THE CEO

- The appended Policy outlines 4 key elements to determining the remuneration of the CEO:
 1. Remuneration & HR Committee will oversee and scrutinise the performance and remuneration of the Chief Executive, on behalf of the Board.
 2. Remuneration & HR Committee will review the annual ACEVO 'Pay and Equalities Survey' of charity senior executives' remuneration and benchmark the remuneration package of the SU's CEO against it.
 3. Remuneration & HR Committee will, at least every 3 years, benchmark the pay of its senior executives against a cross section of comparable UK students' unions.
 4. On an annual basis, Remuneration & HR Committee will review relevant internal HR data for senior executives (e.g., staff turnover, staff satisfaction, feedback from appraisals and performance metrics).

3.3 - DETERMINING THE REMUNERATION OF THE SABBATICAL OFFICERS

- The appended Policy outlines 3 key elements to determining the remuneration of the Sabbatical Officers:
 1. Remuneration & HR Committee will oversee and scrutinise the remuneration of officers, on behalf of the Board.
 2. Remuneration & HR Committee will, at least every 3 years, conduct a comprehensive benchmarking exercise of the pay of its officers against a cross section of other comparable UK students' unions. Regard will be taken of Russell Group Students' Unions in this regard.
 3. Remuneration & HR Committee will consider the pay of comparable graduate roles (such as SLO's and/or Admissions Assistants), and the cost of living in Cambridge, as secondary factors in decision making about Officer pay.

4. RECOMMENDATIONS & NEXT STEPS

1. The Board is invited to approve the Remuneration Policy for the CEO and Sabbatical Officers.
2. R&HR Committee will work with the Director of Enterprise and Services to implement the operational elements of the Policy, and to confirm a timeframe for

Jim Gardner

Interim Chief Executive Officer

March 2025

REMUNERATION POLICY FOR THE CEO AND STUDENT OFFICERS

INTRODUCTION

Cambridge SU aspires to be an outstanding students' union and a good employer. To achieve these aspirations, the SU must attract, retain and maintain the motivation of high-quality 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 the SU in the first place.

The Board of Trustees has adopted the principles of openness and transparency around senior executive pay, as recommended by the [NCVO Inquiry into Charity Senior Executive Pay 2014](#). The NCVO Inquiry recommends that: "As good practice, charities with an income of more than £500,000, and with independently audited accounts, should adopt a formal remuneration policy." The Board has therefore adopted this Remuneration Policy, which covers the chief executive and student officers.

CONTEXT

The SU offers all permanent staff a generous package of holiday entitlement (normally 42 days per annum, rising to 47 days after 8 years' service); maternity, paternity, adoption and dependents' leave (above statutory entitlement); generous sick pay; and access to a pension scheme into which the Union contributes at least the statutory minimum; and flexible working arrangements, with the majority of staff able to regularly work from home.

In terms of salary, the SU has its own pay-scale for permanent staff, consisting of 6 pay bands (A-E and Y), each band with a varying number of incremental, or 'progression' points. Staff normally move up one incremental point each year, subject to satisfactory performance, until they reach the top of their band. The band for a job is determined by where the role sits within the organisational hierarchy (for example, all 'co-ordinators' are on the co-ordinator pay band; all 'managers' are on the manager pay band, etc.).

Throughout this Policy, we refer to 'Officers', by which we mean the Union's 'Sabbatical Officers', currently consisting of the two Presidents and three Vice-Presidents.

DETERMINING THE CHIEF EXECUTIVE'S PAY

The pay of the Chief Executives is set via the process outlined in the Introduction above, i.e., the Chief Executive is included on the Union's pay-scale, just as with other permanent staff, and their grade is determined by where the role sits within the organisational hierarchy. However, the Board of Trustees can determine where on a particular pay band (i.e., on which spine point) the Chief Executive is appointed, to help attract the most talented people. Progression through a pay band is linked to performance and subject to annual appraisal. In normal circumstances, the Board delegates this authority to HR and Remuneration Committee.

The Board recognises its responsibilities to protect the reputation of the Union, to reflect the values and ethos of Cambridge SU as a students' union and a Registered Charity and therefore to ensure that the pay of its senior executives is fair, not excessive and defensible to the membership and the SU's wider stakeholders. The Board has adopted the principles of openness and transparency around senior executive pay, as recommended by the [NCVO Inquiry into Charity Senior Executive Pay 2014](#).

The Board of Trustees has therefore determined to use the following mechanisms to help meet these objectives and support it in determining the pay of the Chief Executive:

1. The Board has an HR and Remuneration Committee (Terms of Reference included at Appendix 1) with a remit to oversee and scrutinise the performance and remuneration of the Chief Executive, on behalf of the Board.
2. Remuneration Committee will review the annual 'Pay and Equalities Survey' conducted by the Association of Chief Executives of Voluntary Organisations (ACEVO), of charity senior executives' remuneration, and informally benchmark the remuneration package of the SU's Chief Executive 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 and scale of activity; and achievement of comparable quality measures and indicators, such as applicable NSS results, comparable KPI's, achievement of Investor in People status and other quality standards).
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.

DETERMINING OFFICER PAY

The pay of Officers is set by the Board of Trustees and, as with senior executives, the Board normally delegates this authority to Remuneration & HR Committee. Unlike that of the Union's senior executives and core staff, the Officers' pay is not determined via job evaluation and the Officers do not receive annual increments. Rather, Remuneration Committee considers the level of pay for Officers separately and in line with the principles outlined below. The Board recognises its responsibilities to protect the reputation of the Union, to reflect the values and ethos of Cambridge SU as a students' union and a Registered Charity and therefore to ensure that the pay of its officers is fair, not excessive and defensible to the membership and SU's wider stakeholders.

The Board of Trustees has determined to use the following mechanisms to help meet these objectives and support it in determining the pay of officers:

1. The Board has an HR and Remuneration Committee (Terms of Reference included at Appendix 1) with a remit to oversee and scrutinise the remuneration of officers, on behalf of the Board.
2. HR and Remuneration Committee will, on a periodic basis (and at least every three years), conduct a comprehensive benchmarking exercise of the pay of its officers

against a cross section of other comparable UK students' unions. Particular regard will be taken of Russell Group Students' Unions in this regard.

3. HR and Remuneration Committee will also consider the pay of comparable graduate roles across the University (such as School Liaison Officers and/or Admissions Assistants), and the cost of living in Cambridge, as secondary factors in their decision making about Officer pay.

TRANSPARENCY AND OPENNESS

In order to ensure openness and transparency around the pay of senior executives and officers, the SU will adopt four specific measures:

1. Representatives from the SU's most important stakeholder (its members) will be involved in determining, reviewing and monitoring the pay of its senior executives and officers. This will be achieved through student membership on the Board of Trustees and on HR and Remuneration Committee.
2. The SU 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. Under the [Charities SORP](#) (FRS 102), larger charities are required to list the number of employees who earn salaries greater than £60,000 per year, in bands of £10,000, in their annual accounts. As a larger charity, Cambridge SU must comply with this accounting regulation.
4. Although not required to do so, the SU will publish its Gender Pay Gap on an annual basis. The SU will refer to this in its annual financial statements and publish it in full on its main website (in an easily accessible location).

Approved by Remuneration & HR Committee
March 2025

Appendix 1 - Remuneration and HR Committee, Terms of Reference

Purpose

The Remuneration and HR Committee has delegated responsibility, on behalf of the Board of Trustees, for overseeing the remuneration and performance of the Chief Executive, and determining the remuneration of the sabbatical officers. In such regard, the Committee must pay regard to regulation, guidance on charity executive pay, and the SU's stakeholders. The Committee is also responsible for ensuring the SU's reward package is effective at attracting and retaining talented staff, whilst paying regard to utilising resources effectively. The Committee has responsibility for recommending and overseeing implementation of the SU's People Plan and ensuring the SU is a good employer, and has a motivated and engaged workforce.

Remit

1. To approve and oversee implementation of a People Plan, and receive an annual progress report on implementation of the People Plan.
2. To oversee, and approve amendments to (in line with the Scheme of Delegation), the Union's employee policies and procedures.
3. To oversee compliance with current employment legislation, as well as best practice guidance on employment.
4. To receive the results of the annual staff satisfaction survey, and agree any subsequent action to be taken, and receive other HR engagement reports covering, amongst other things, employment demographics, staff turnover statistics and other employment KPI's.
5. To approve and monitor a remuneration policy detailing the SU's approach to remunerating the Chief Executive Officer and Sabbatical Officers.
6. 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.
7. To receive a recommendation from management regarding the annual cost-of-living award for staff and make a recommendation on such award to the Board of Trustees.
8. To receive benchmarking reports on the Union's staff reward package and at least every 5 years to commission a benchmarking report on the total reward package for staff.
9. To maintain a watching brief over the Union's pension provision, ensuring compliance with legislation and best practice.
10. To review the reports from the bi-annual appraisals of the Chief Executive.
11. To review on a periodic basis the remuneration packages for the Chief Executive and Sabbatical Officers, paying regard to relevant benchmarking reports, and make recommendations to the Board of Trustees as to any necessary changes to such packages.

Responsibility and Authority

- The Committee shall work closely with, and pay due regard to the deliberations of, the Governance and Compliance Committee, which has overall responsibility for ensuring the SU complies with legislation and regulation.
- The Committee shall endeavour to promote a culture of accountability and transparency throughout the SU's operations and among its staff and officers.
- The Committee shall scrutinise and review the areas of work within its remit and make final recommendations to the Board, as necessary.
- The Board shall confirm one of the Committee's full members as the Chair of the Remuneration and HR Committee.
- The quorum shall be at least 3 trustees, one of whom must be the Chair of the Board or the Chair of the Remuneration and HR Committee.
- Members of the Committee have the right to ask some or all of those 'in attendance' to leave for specific sections of meetings.

Membership

- Chair of the Board (ex-officio)
- At least three other trustees (appointed by the Board of Trustees)
- Up to two external members (i.e., not Trustees of Cambridge SU), appointed via a recruitment and selection process, the number of whom shall be confirmed by the Committee

In attendance (except for closed business)

- Director of Enterprise and Services
- Chief Executive

Resources

- Any financial resources necessary to achieve the Committee's objective.
- Any management resources necessary to achieve the Committee's objective.
- Director of Enterprise and Services to ensure the drafting of papers and reports for the Committee as well as developing the agenda for Committee meetings in conjunction with the Chair.
- Director of Enterprise and Services to take minutes and collate papers for Committee meetings.

Regularity of Meetings

At least two meetings per annum