

To: The Management Committee
From: The Director
Subject: Principal Officer's Remuneration Policy - Review

1. Introduction and Purpose

- 1.1 As per the Policy Review Timetable the above Policy is now due for review.
- 1.2 The purpose of this report is to present the proposed revisions to the Policy for Committee's consideration and approval.

2. Principal Officer's Remuneration Policy

- 2.1 When the Policy was last reviewed 3 years ago, I had established that it was based on a model policy produced by EVH. I contacted EVH to check if the model had been updated in the last 3 years and was advised that EVH no longer provided such a model policy. However, they offered to review any proposed changes and provide feedback.
- 2.2 EVH only had a couple of comments to make and advised the additions/changes I was proposing made sense. There are not substantial changes being proposed but due to the subject of the Policy which relates to salary and benefits for me, I thought it was appropriate for Committee to consider and approve the revised Policy. The track change version is attached.
- 2.3 The revisions to the Policy are as follows:

A new Section 2 – Regulatory Standards

The Policy did not previously make reference to Regulatory Requirements. Therefore, I have inserted this section to show the Regulatory Standards that apply to this Policy.

Renumbered Section 6 – Disputes

EVH advised that it is no longer the case that a free senior officer salary assessment service is provided. The wording in paragraph 2 has been updated to reflect the chargeable job evaluation service provided by EVH.

Renumbered and Renamed Section 9 – Equalities and Human Rights

This has been updated to reflect our corporate statement on Equalities and Human Rights. Committee will have to decide which from the 2 options shown, should be the final paragraph which relates to equality impact

However, I would propose that it should be the second option as the Policy applies equally to all groups. The wording is:

As this policy applies equally to all groups, Rosehill (with committee approval) made the decision not to carry-out an Equality Impact Assessment on this policy.

3. Risk

- 3.1 When considering the matter of salary and benefits for the senior officer post, we have identified the main risks under the following risk categories and the measures we have taken to mitigate the risks.

Risk Category	Mitigating Measure
<p>Governance:</p> <ul style="list-style-type: none">• Inappropriate discussions held between Committee and the Senior Officer about pay and benefit related matters;• Inappropriate influence or interference by the Senior Officer;• Inappropriate pay increases, benefits being awarded to Senior Officer;• Conflict/tensions between Committee and Senior Officer	<p>Having a policy in place to govern the arrangements for pay and benefit related matters for the Senior Officer;</p> <p>EVH Terms and Conditions;</p> <p>Job evaluations/pay reviews carried out by EVH.</p>
<p>Financial:</p> <ul style="list-style-type: none">• Disproportionate pay increases, benefits being awarded to the senior officer	<p>Job evaluations/pay reviews carried out by EVH.</p>

4. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Review of Principal Officer's Remuneration Policy	7) Achieve the highest standards in all that we do 6) Use resources efficiently and effectively

5. Application of our Core Values

Area	Related Core Value(s)
Review of Principal Officer's Remuneration Policy	Accountable and Compliant; Efficient and Responsible; Excellent and Committed

6. Compliance and Assurance

- 6.1 Having a Policy in place to govern the remuneration of the Senior Officer contributes to good governance. This approach means we are compliant with regulatory requirements as follows:

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	<p>Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.</p> <p>Guidance – 3.6 - The governing body ensures that employee salaries, benefits and its 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 is necessary for this purpose.</p> <p>Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p>

	<p>Guidance 4.1 - The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p> <p>Standard 5 - The RSL conducts its affairs with honesty and integrity.</p> <p>Standard 5.5 - The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.</p>
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6.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> Report for 25/09/24 meeting and Policy 	<ul style="list-style-type: none"> Regulatory Standard 3 – Guidance 3.6 Regulatory Standard 4 – Guidance 4.1 Regulatory Standard 5 – Guidance 5.5

6.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

7. Summary and Decision Required

7.1 The Principal Officer's Remuneration Policy is due for review. It was based on an EVH model policy when it was last reviewed 3 years ago. However, EVH has since discontinued the model policy but offered to review any proposed changes.

- 7.2 The proposed changes are covered in Section 2.
- 7.3 Risk has been considered in Section 3.
- 7.4 Section 4 shows how having a Principal Officer Remuneration Policy and reviewing it, links to the delivery of our strategic objectives.
- 7.5 Section 5 shows how having a Principal Officer Remuneration Policy and reviewing it, links to the application of our Core Values.
- 7.6 Section 6 sets out how we comply with Regulatory requirements.
- 7.7 Committee is asked to consider this report and the attached revised Policy (track changes) and decide the following:
 - To approve the revised Policy;
 - What wording should be included in Section 9 relating to the carrying out of equality impact assessments



Policy on Principal Officer Remuneration

Reviewed: ~~Aug 2024~~ Sep 2024
Next Review: ~~2024~~ Sep 2027

1. AIMS

This policy confirms Rosehill's approach to the remuneration of its principal officer. The aims of this policy are to:

- ensure that the remuneration package remains sufficient to attract and retain a suitably capable person, without being seen as excessive
- set out the system by which this is achieved
- identify the method through which any disputes on principal officer remuneration are to be channelled
- Comply with Regulatory Standards

2. REGULATORY STANDARDS

2.1 This policy complies with the following Regulatory Standards:

Standard 3

The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

Guidance – 3.6

The governing body ensures that employee salaries, benefits and its 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 is necessary for this purpose.

Standard 4

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Guidance – 4.1

The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.

Standard 5

The RSL conducts its affairs with honesty and integrity.

Guidance – 5.5

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

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23. COLLECTIVE BARGAINING FRAMEWORK

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Rosehill is a FULL member of EVH – Supporting Social Employers (EVH), this being an Employers' Association under the terms of the Trade Union and Labour Relations (Consolidated) Act 1992, and properly registered with the Certification Officer in this regard.

EVH also operates a fully constituted collective bargaining agreement in conjunction with UNITE the union. This is open to all member employers and around 100 social housing based employers (including Rosehill) participate in this arrangement. The EVH/UNITE system provides a jointly agreed common set of salaries, along with a minimum set of Conditions of Service, for all staff employed within EVH FULL member organisations (often known more simply as FULL members).

The following fixed value monetary benefits are fully prescribed by the EVH arrangements:

- Salaries
- Subsistence rates
- Essential Car User Allowance
- Mileage rates
- Distant Islands Allowance
- First Aid Allowance
- Retiral/Long Service Awards
- Occasional overtime payments

In addition there is the set of minimum Conditions of Service covering the typical spread of provisions covering working hours, holidays and such like. Some of these will have variable monetary values and others will simply offer entitlement to processes such as disciplinary and grievance procedures. Aspects within the Conditions of Service will also link to a wide range of supporting external documents governing a raft of employment matters such as e-mail/internet use; health & safety; staff code of conduct; and many more besides.

The EVH requirement of FULL members is that they adopt, in full, the centrally negotiated arrangements and apply all (non salary) terms and conditions proportionately to all employees regardless of seniority or grade.

EVH salaries are regarded as sector standard within the Scottish social housing movement. It is commonly the case that the principal officer salary on offer within FULL members is below 3.0 when compared to that paid to the typical employee (a very low metric). This is a long-standing and deliberate principle within the arrangements aimed at ensuring a strong sense of all round fairness. FULL members are also “Scottish Living Wage” employers – again a strong indication of reasonableness in relation to the pay differentials that will exist.

The following benefits are matters which sit outwith the scope of the EVH centrally agreed arrangements:

- Pensions
- Expenses (other than listed above)
- Car provision (other than listed above)
- Local enhancements to minimum set of Conditions of Service
- PRP/Bonus (though it is known that EVH is fundamentally opposed to this type of payment)
- Regular overtime/long hours gratuity payments
- Private Health Care Plans and derivatives thereof

The above list is not exhaustive.

EVH is available at all times to support us in considering such matters nonetheless and is able to offer a sector wide perspective. Other external [consultants/sources](#) are also available to help, typically our employment Solicitors.

34. APPLYING THESE ARRANGEMENTS WITHIN ROSEHILL

In the first instance all matters concerning principal officer remuneration will be considered by our Staffing and Health and Safety Sub Committee, unless the Management Committee determines otherwise.

As a FULL member of EVH we are entitled to have our views represented via its negotiating forum, either by way of one of our number standing for election to its Joint Negotiating Committee as an employers' representative, and/or by contributing to employer consultations and ballots concerning any changes proposed by the EVH negotiators.

Matters governed by EVH arrangements

The EVH system of Grading Guidelines sets out common pay spines for posts at all levels, with principal officer posts being placed on a three point spinal spread within the relevant pay territory. There are a series of “bars” within the common pay spines for senior staff and these are related to the

number of units (houses) managed. The arrangements also provide flexibility (within limits) to take account of other (non housing) demands within the organisation, and these factors can be added to the raw unit count to help establish a final placing on the pay spine.

Rosehill has placed our principal officer post within suitable territory on the EVH scales following an assessment by EVH itself using the Grading Guidelines.

We will follow all other matters set out within the EVH arrangements in full.

We also accept that the salary metrics apparent within these central arrangements are suitable to us.

Matters not governed by EVH arrangements (e.g. pension, expenses and local enhancements)

All other benefits not set down by EVH will be determined locally bearing in mind the following principles and standards:

- That the principal officer will be treated (relatively) no more favourably than other staff we employ
- Arrangements struck will adhere to our Entitlements, Payments and Benefits Policy.
- The availability of advice, where appropriate, from EVH and/or others qualified to offer it as to the reasonableness and efficacy of any benefits/emoluments that may be proposed
- No such benefits may be introduced/amended without the formal approval of the Management Committee.

45. CONFLICTS OF INTEREST

The Management Committee and Staffing and Health and Safety Sub-committee retains the option of considering all matters concerning terms of conditions of employment for all staff (including the principal officer) in private should it so wish. In particular the principal officer will have no executive role in setting or changing their emoluments and benefits.

56. DISPUTES

In the first instance any disputes over the principal officer remuneration and benefit package will be referred to the Staffing and Health and Safety Sub-committee which can call upon EVH or our employment solicitors for independent advice at any time.

Additionally, we are aware that EVH also offers ~~a free, principal officer salary assessment~~ a chargeable job evaluation service to its members.

Disputes that are not informally resolved may be routed via the agreed Grievance Procedure and ultimately fall to be determined by the independent Joint Negotiating Committee Appeal mechanism, this being the final stage in our internal procedure.

67. EQUALITIES

The framework of arrangements governing principal officer pay and benefits is part of a communal arrangement covering all our employees. This is consistent with our commitment to equalities.

78. DATA PROTECTION

On the 25th May 2018 the legislation governing data protection changed with the introduction of the GDPR. Following the UK's exit from the EU, and the end of the transition period which followed, the GDPR formed part of the retained EU law and became the UK GDPR which together with the Data Protection Act 2018 constitute the UK's data protection legislation.

89. EQUALITY AND ~~DIVERSITY~~ HUMAN RIGHTS

Equalities and Human Rights

Rosehill's Equality and Human Rights policy (January 2024) outlines our commitment to zero tolerance of unfair treatment or discrimination towards any individuals or group of individuals, particularly those belonging to a protected characteristics (as defined by the Equality Act (2010)). This includes ensuring everyone has equal access to information and services, by making copies of all policies available in a variety range of alternative formats (i.e. large print, translated, etc.) in response to reasonable requests.

Rosehill is aware of the potential for policies to inadvertently discriminate against individuals or group of individuals. To help address this we carry out Equality Impact Assessments (EIA) to help identify any part of a policy that may be discriminatory so this can be addressed (please see Section 9 of our Equality and Human Rights policy for more information).

In accordance with our Equality and Human Rights Policy, we have carried out an EIA on this policy which is appended to the end of this policy.

Or

As this policy applies equally to all groups, Rosehill (with committee approval) made the decision not to carry-out an Equality Impact Assessment on this policy.

~~We are committed to ensuring equal opportunities and fair treatment for all people in our work. In implementing this Policy, we will provide a fair and equal service to all people, irrespective of factors such as gender, race, disability age, sexual orientation, language or social origin, or other personal attributes.~~

~~Rosehill is committed to removing any barriers to communication. Therefore if required this Policy can be produced in another format e.g. braille, large print, etc. In addition where English is not the tenant's first language, Rosehill will provide on request written information in the first language.~~

910. RISK MANAGEMENT

In all key areas of our business, we need to consider any risks which may arise. To this end we have in place a robust Risk Management Policy and from this flows our Risk Register. We have identified our material strategic risks which are regularly monitored by our Management Team, ~~and~~ Audit & Risk Sub-Committee and the Management Committee.

To ensure we continue to manage the associated risks we will periodically review this policy to ensure compliance with all legislative and regulatory requirements, ~~and regulatory and best practice guidance~~.

4011. REVIEW

We will review this policy every three years.

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