

Remuneration Policy

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Spurgeons is committed to a Remuneration policy which offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and deliver services in line with the charity's vision and mission, consistent with Spurgeons' statement of faith.

In determining pay for all staff, Spurgeons will fully implement the recommendations and principles of NCVO guidance and adhere to the five principles of ACEVO guidance on good pay:-

- Transparency – being open about how pay is set
- Proportionality – being fair and consistent
- Performance – ensuring pay works both for the organisation and those for whom we provide services
- Recruitment and Retention – to attract and retain talented and committed staff
- Process – ensuring a clear process underpinned by appropriate policies and procedures

Staff below Director grades are paid in line with NJC pay structures and pay awards to these staff are guided by the NJC advice with proposals for cost of living increases being brought to the Board following discussion and recommendations from the Finance Committee.

Spurgeons aspires to be a Living Wage Employer.

Remuneration for Director Grades – which currently includes the CEO, members of the SLT (Directors) – will be determined by the Trustees who form the Remuneration Committee.

The composition and timing of the meetings is set out in the Terms of Reference but it is expected the Remuneration Committee will meet a minimum of twice a year. The first meeting will be held after the mid-year appraisals (around November) when the mid-year organisational figures are available to allow some initial conversation and discussion to determine the information required for the second meeting.

The second meeting will take place in February to determine an award that will be implemented (if such an award is proposed) on 1st. April. This will enable any award to be built into the Budgets that are submitted to the Board for approval in March.

Remuneration Committee

The main responsibilities of the Committee are to:-

- Determine the remuneration package of the Chief Executive, SLT members (Directors)
- Approve any consolidated pay award increases outside of the Annual Review process as recommended from time to time by the Chief Executive to cover exceptional circumstances
- Determine pension arrangements for senior staff
- Ensure that terms agreed on termination are fair to the individual and Spurgeons.

In setting the pay and awards for senior executive staff, the Remuneration Committee will ensure informed judgments as well as adherence to Spurgeon's governance and constitutional arrangements.

In deciding these levels of pay, the Remuneration Committee will therefore consider:-

- The purpose, aims and values of Spurgeons and its beneficiary needs
- How this impacts on overall pay policy for all employees, and for the senior executive staff in particular, including whether a "discount" or indeed "enhancement" is appropriate, in order to attract people into a sector where the total package may not be as attractive as local government posts or other similar sectors
- The types of skills, experiences and competencies that Spurgeons needs from its senior executive staff, the specific scope of these roles and the link to pay
- Spurgeon's current business plan and how the implementation of this plan may affect the number of senior executive staff it needs to employ or recruit and the nature of these roles
- Spurgeons' ability to pay – this includes the cost of raising pay, whether it is sustainable, and how appropriate the level of pay and any pay increase is in the context of Spurgeons, as measured against the needs of our charitable purposes and beneficiaries
- An assessment of Spurgeons' performance and the senior executive staff' performance against expectations, in both the short and long term
- Appropriate available information on pay policies and practices in other organisations that can help make the decisions on whether a level of pay is fair and reasonable

- The nature of the wider “employment offer” that can be made to potential employees, where pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered
- Spurgeons’ track record in attracting and retaining committed and motivated employees
- The likely impact on and views of beneficiaries, donors, funders, volunteers and potential volunteers, and
- The relationship between the policy and practice for the pay of senior executive staff and that of the whole workforce.

Pay ratio

The ratio between median FTE pay and the highest pay should not exceed 5:1. This is an aspiration and how close we get to achieving that ratio will be reviewed on an annual basis.

Performance Related Pay (PRP) / Bonuses

Spurgeons does not operate a bonus or PRP system. We believe that performance is not primarily determined by pay and that this can be divisive. This is not to say that outstanding performance should not be celebrated but that PRP and bonuses should not be an expected part of remuneration.

Differentials

Although Directors can expect to be on comparable pay levels to one another, this will be balanced by a regular review by the Remuneration Committee based on benchmarking, performance, ability to pay and the other principles set out above in determining senior pay.

Chief Executive Pay: the Remuneration Committee will consider the gap between directors and CEO pay. The Committee will consider how the CEO position is viewed internally and externally as part of the consideration of the CEO award.

Benchmarking

The Remuneration Committee will consider the question of benchmarking as part of the discussions in the November meeting. In particular, who do we compare

ourselves to? The Committee may decide to look at larger children's charities but with an awareness that they have greater ability to pay larger salaries, or smaller children's charities with an awareness that we are more complex. Christian charities, Sector averages or Local Government averages may also be considered.

Determining performance

Both the report produced by the relevant line manager (Chair for the CEO) providing an overview of each individual's performance, and a separate assessment of the organisational performance (it is considered that SLT shares responsibility for organisational performance) will be considered in determining an individual's pay award.

Annual Statement of Accounts/ Annual Report

The Remuneration Committee will approve the statement in the Annual Report that sets out how the senior salary is set and determined, on behalf of the finance committee. The statement will be compliant with SORP 2013 and the NCVO Executive Pay Review 2014 and will publish the name, position and salary band of those in senior leadership positions in receipt of more than £60,000 and above (in bands of 10k). This statement can be agreed by e-mail and does not require a face to face meeting.

Review of Policy

The appropriateness and relevance of the Remuneration Policy will be reviewed annually.