

Remuneration Policy

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1. Principles that Guide Spurgeons Remuneration Policy

- 1.1 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

- 1.2 Spurgeons believes these principles are consistent with our Christian ethos, and biblical principles of:

- **Justice**, that mandates that workers should be paid enough to keep them from destitution, which involves both fair amounts (*distributive justice*) and fair timing (*procedural justice*).
- **Dignity** because the Bible speaks to the treatment of people in all areas of work. No matter if someone finds themselves in the position of master, servant or independent labourer, the Bible protects their agency to fulfil their role with honour and to ensure the agency of the other parties involved.
- **Reward**, which cultivates a sense of purpose within workers by charting a long-term trajectory (*eternally directed*) and also strengthens relationships by encouraging behaviour that benefits the entire group (*corporately directed*)¹

- 1.3 The remuneration of the Chief Executive Officer (CEO), Deputy Chief Executive (DCE) and Chief Operating Officer (COO) is determined by the Board of Trustees based on the advice and recommendation of the Appointment and Remuneration Committee.

- 1.4 All other staff 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.

- 1.5 Spurgeons aspires to be a Living Wage Employer and act upon the lessons and advice derived from our annual gender pay gap report.

- 1.6 The composition and timing of the meetings is set out in the Terms of Reference of the Appointment and Remuneration Committee, but it is expected that the Committee meet at least twice a year. Where possible the timing will allow for decision to be reflected in

¹ These principles are set out more fully in the Jubilee Centre's Report Just Pay: a biblical perspective on the ethics of remuneration. <http://www.jubilee-centre.org/just-pay/> (Accessed on 9/7/19)

Spurgeons budget setting process and for any proposed change in pay to take effect from 1st April.

2. Remuneration Committee

2.1 The main responsibilities of the Committee are to:-

- Determine the remuneration package of the Chief Executive, Deputy Chief Executive and the Chief Operating Officer (known collectively as the Senior Executive Group).
- Approve any consolidated pay award increases for members of the Senior Executive Group outside of the Annual Review process as recommended from time to time by the Chief Executive to cover exceptional circumstances.
- Determine pension arrangements for members of the Senior Executive Group.
- Ensure that terms agreed on termination of a member of the Senior Executive Group are fair to the individual and Spurgeons.

2.2 In setting the pay and awards for the Senior Executive Group, the Remuneration Committee will ensure informed judgments as well as adherence to Spurgeon's governance and constitutional arrangements.

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

- i. The purpose, aims and values of Spurgeons and its beneficiary needs.
- ii. How any award to the Senior Executive Group impacts on overall pay policy for all employees, and whether it 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, enhancements to standard pay grades need to be offered.
- iii. 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
- iv. 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.
- v. 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.
- vi. An assessment of Spurgeons' Senior Executive Group performance against expectations, in both the short and long term.
- vii. 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.
- viii. Spurgeons' track record in attracting and retaining committed and motivated employees.
- ix. The likely impact on and views of beneficiaries, donors, funders, volunteers and potential volunteers.

- x. The relationship between the policy and practice for the pay of senior executive staff and that of the whole workforce.

3. Performance Related Pay (PRP) / Bonuses

- 3.1 Spurgeons does not operate a bonus or PRP system. This is not to say pay increases should not reflect performance but that PRP and bonuses should not be an expected part of remuneration.

4. Differentials and Pay Ratios

- 4.1 Senior executive staff should expect to be paid at a level commensurate to their level of responsibility and seniority. This will be reviewed regularly by the Remuneration Committee based on benchmarking, performance, ability to pay and the other principles set out above in determining senior pay.
- 4.2 Chief Executive Pay: the Remuneration Committee will consider the gap between CEO pay and that of other members of the Senior Executive Group as well as the rest of the staff team. The Committee will consider how the CEO position is viewed internally and externally as part of the consideration of the CEO award.
- 4.3 To this end it is Spurgeons believes that the ratio between median Full Time Equivalent (FTE) pay and the highest pay should not exceed 5:1. This is an aspiration and how close we get to realising that ratio will be reviewed on an annual basis.

5. Benchmarking

- 5.1 The Remuneration Committee will consider the question of benchmarking as part of the discussions in the meeting that determines the Senior Executive Group's pay. 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.

6. Determining performance

- 6.1 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 all members of the Senior Executive Group share responsibility for organisational performance) will be considered in determining an individual's pay award.

7. Annual Statement of Accounts/ Annual Report

- 7.1 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 current SORP guidance and the NCVO's latest advice on Executive Pay. We 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.

8. Review of Policy

- 8.1 The appropriateness and relevance of the Remuneration Policy will be reviewed at intervals no greater than every two years.