

THE ROYAL NAVAL BENEVOLENT TRUST REMUNERATION POLICY

INTRODUCTION AND BACKGROUND

1. The National Council for Voluntary Organisations (NCVO) recommends that all charities with employed staff should have a remuneration policy. RNBT has always exercised a methodical and transparent approach to setting employees' pay and this policy articulates the process.
2. The objective of these guidelines is to ensure RNBT remunerates staff at levels commensurate with delivering its charitable objectives in a way that is efficient, cost-effective and sustainable.
3. RNBT provides support to around 3,000 beneficiaries a year through welfare grants and provision of care to the elderly. The Trust manages expenditure of around £6 million per year, manages assets worth £45 million and employs over 100 staff. The Trust has a reputation for delivering excellence in grants to individuals and strives to provide similar levels of excellence in elderly residential care at Pembroke House, the John Cornwell VC National Memorial Almshouse and the proposed new Admiral Jellicoe care home. In order to maintain its reputation for quality and efficiency, the Trust needs to be well led by Senior Executives able to demonstrate high standards of leadership, operational, clinical, strategic and/or financial skills and experience.
4. A balance has to be struck between several factors when determining remuneration policy. The esteem and value of working for a charity may attract new recruits at a lower salary than other sectors. However, the inability of charities to offer some of the incentives provided by the corporate sector such as bonus payments and share-based incentives or the pension benefits offered by the public sector may be limiting factors to potential recruitment. There is also a need to consider how increasing pay, particularly at senior levels, would be perceived by employees, donors and beneficiaries.

SENIOR EXECUTIVE REMUNERATION

5. The policy for senior executive pay within RNBT is that remuneration should be at or just above the median level for equivalent sized charities.
6. In determining levels of pay, RNBT references pay data from Croner's annual Charity Rewards survey which has around 300 participating charities taking part. In addition peer comparisons are undertaken with similar sized Service charities. The Finance & Risk Committee will periodically review senior executive remuneration and make recommendations on any increases above the annual inflationary increase to the Central Committee where appropriate.
7. RNBT complies with the SORP requirement to disclose the number of employees paid above £60,000, showing the number of employees within each band of £10,000 over this limit. RNBT also complies with the SORP's requirement to disclose the aggregate amount of employee pay received by key management. A summary of the Remuneration Policy is published in the Annual Report & Accounts.

OTHER EMPLOYEES' REMUNERATION

8. RNBT participates in the annual Agenda Consulting survey which compares care sector pay rates and other employee benefits with around 80 organisations, including many who are also members of the National Care Forum (NCF). This is used as one of the factors in determining the inflationary pay increase for RNBT's care home job roles. Head Office rates of pay are compared

(where a comparison exists) to the equivalent job role within the Croner's Charity Rewards survey and peer review with similar organisations. RNBT aims to pay at or just above median level of pay.

9. RNBT will comply with Minimum Wage / National Living Wage legislation. The lowest rates of pay are in excess of National Living Wage levels. RNBT will not differentiate rates of pay based on age.

ANNUAL INCREASES IN PAY

10. The Finance & Risk Committee has responsibility for approving any annual inflationary increases to pay. A report is presented to the F&R Committee each year with a recommendation based on a number of factors including inflation rates, actual and forecast pay settlements across the different employment sectors, affordability and any recruitment and retention issues.

OTHER FORMS OF REMUNERATION

11. Levels of pay have to be considered alongside other forms of reward available to employees. This includes the Trust's pension scheme (which offers a 7% employer contribution) and other employee benefits which include a health cash plan, death in service benefit and permanent health insurance. It is the Trust's intention to offer a competitive range of employee benefits as part of a total reward package. The Finance & Risk Committee will periodically review the employee benefits offering and make recommendations to the Central Committee for changes where appropriate.

CONCLUSION

12. RNBT will continue to ensure an effective governance process exists for its remuneration policy and that pay levels and pay increases are evidence-based to ensure a high quality of employees are recruited and retained.