

THE ROYAL NAVAL BENEVOLENT TRUST REMUNERATION POLICY

INTRODUCTION

The National Council for Voluntary Organisations (NCVO)¹ 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. This Policy is based upon guidance from NCVO.

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.

PRINCIPLES

Pay Equality

We strive to be an equal opportunity employer. This means our intention is to treat all staff equitably with regards to the terms and conditions of employment offered including pay. The Board will review pay levels from time to time to identify and address any anomaly.

Pay Structure

The **principal** pay structure of the RNBT is based on spot salaries. This means that salaries will be based on rates appropriate for the role and grade at the time of appointment and any reviews/increases will be considered in accordance **with** the procedures within this policy. Any changes to the pay structure will be communicated to all staff through their respective management channels.

Pay Reviews

Pay will be reviewed annually. In deciding on whether to increase pay, we will first of all consider whether we have the funds to do so. Pay increases will be considered in accordance with the pay increase section below.

New Staff

New staff will be offered a salary that takes into account the skills and experience they bring to the role, pay equality and, affordability.

Taking on additional responsibilities

If a member of staff is required to take on substantially more responsibility for a long period of time, we may offer a monthly allowance for the relevant period. Such payments are discretionary and each case and level of payment will be considered upon its merits.

Written terms and conditions

On or before the commencement of employment, all staff will be given a written statement of their individual terms and conditions with regards to salary and arrangements for working hours, deductions, holiday, any overtime payable or time off in lieu. Any changes to these terms and conditions will be notified to the individual in writing.

If you have any queries on your pay level or any pay review, you are asked to raise this with your Line Manager in the first instance.

EMPLOYEES' REMUNERATION

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)². This is used as one of the factors in determining the rate of pay and 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 through a benchmarking process that includes the Croner's Charity Rewards Survey and peer review with similar organisations. RNBT aims to pay at or just above median level of pay for all of its roles.

¹ National Council for Voluntary Organisations - see <https://www.ncvo.org.uk/>

² National Care Forum - see <https://www.nationalcareforum.org.uk/>

RNBT will not differentiate rates of pay based on age and as such we use the National Living Wage level as a benchmark for our lowest rate and aim to be in excess of it.

As the organisation grows and the need for a more robust salary structure becomes a necessity, RNBT will consider moving towards a salary banding structure and communication about how and when will be issued to all staff.

ANNUAL INCREASES IN PAY

The Finance & Risk Committee (FRC) has responsibility for approving any annual inflationary increases to pay. A report is presented to the FRC 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. With the exception of National Minimum Wage levels, annual pay increases are not a statutory right and employees should not expect an increase unless informed of such through official channels.

OTHER FORMS OF REMUNERATION/BENEFITS (TOTAL REWARD PACKAGE)

Levels of pay have to be considered alongside other forms of reward available to employees that forms the total reward package. 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 our total reward package. The FRC will periodically review the employee benefits offering and make recommendations to the Central Committee for changes where appropriate. Any enhancements above statutory entitlements or additional benefits are non-contractual and may be withdrawn/amended upon recommendation from the Central Committee. Full details of the current benefits available to permanent employees is available from HR.

SENIOR LEADERSHIP TEAM REMUNERATION

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 £9 million per year, manages assets worth £45 million and employs over 200 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 Admiral Jellicoe House. In order to maintain its reputation for quality and efficiency, the Trust needs to be well led by the Senior Leadership Team (SLT) (Chief Executive, Director of Finance and Director of Operations - Care) who are able to demonstrate high standards of leadership, operational, clinical, strategic and/or financial skills and experience.

The trustees have concluded that remuneration for the SLT needs additional attention in the light of the significant recent development of the Trust and the reliance placed upon the SLT to continue to deliver exceptional performance. Accordingly, a separate process and procedure will be adopted which reflects the need to incentivise the SLT to achieve challenging annual objectives and to reward success. The SLT remuneration package will be a baseline salary plus benefits, which will be compared with appropriate benchmarks from Croner's Annual Charity Rewards Survey as well as peer comparisons with other charities. Additionally, an element of performance related pay may be awarded. The award of performance related pay will refer to the previous financial year against which targets were set. This award will be undertaken annually by the trustees of the Finance & Risk Committee (FRC). Decisions concerning SLT remuneration are entirely at the discretion of the trustees of the FRC and are not subject to challenge or appeal.

COMPLIANCE

RNBT complies with the Charities Statement of Recommended Practice (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 SORP³ requirement to disclose the aggregate amount of employee pay received by key management.

³ See <https://assets.publishing.service.gov.uk/media/5e6102c286650c513b442f14/charities-sorp-frs102-2019a.pdf> (see 9.26 to 9.30).

A summary of the Remuneration Policy is published in the Annual Report & Accounts.

CONCLUSION

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.