

# Pay and Remuneration Policy

## Document Control

Item	Detail
Policy Title	Pay and Remuneration Policy
Document Reference	ORG/HR/013
Version	1.0
Effective Date	
Next Review Date	

## 1.0 Purpose and Legal Basis

For the charity, this includes the prudent stewardship of its £5 million in assets, protecting charitable funds from risk, mitigating legal and reputational threats, and maintaining the trust of beneficiaries and regulators. This Pay and Remuneration Policy provides the formal framework to ensure all decisions regarding staff pay are made fairly, consistently, and in the best interests of the charity.

**1.1 Purpose** The core objectives of this policy are:

- To establish a clear and transparent framework for setting and managing all employee pay, benefits, and pension contributions.
- To ensure the charity can attract, retain, and motivate the skilled staff necessary to fulfil its charitable objects.
- To mitigate legal, reputational, and regulatory risks associated with staff remuneration.

**1.2 Legal and Regulatory Basis** This policy is enacted under the authority of, and in compliance with, the following legal and constitutional framework, which establishes the Board's duty to manage remuneration responsibly:

- **The Charity Constitution:** Clause 4(4) of the Constitution grants the Board of Trustees the specific power to "employ and remunerate such staff as are necessary for carrying out the work of the CIO." This power is exercised in line with the Board's overarching duty under Clause 9 to manage the CIO's affairs and act in its best interests.
- **The Charities Act 2011:** The general duties of trustees under this Act require them to act in the charity's best interests, which includes the prudent and defensible management of charitable funds for purposes such as staff remuneration.
- **Pay-Related Legislation:** The charity is committed to full compliance with all relevant UK employment law, specifically the National Minimum Wage regulations and the Equality Act 2010, with particular emphasis on its provisions for equal pay for work of equal value.
- **Charity Commission Guidance:** This policy is informed by best practice guidance from the Charity Commission for England and Wales, which expects trustee boards to demonstrate that any remuneration paid is reasonable and not "excessive."

## 2.0 Scope

This policy's provisions apply to and exclude the following individuals:

- **Applicability:** This policy applies to all future individuals employed by the charity under a contract of employment.
- **Exclusions:** This policy does not apply to Trustees, volunteers, or self-employed contractors. Clause 6 of the charity's Constitution sets out strict rules governing any payments to trustees and explicitly prohibits their employment by the charity.

## 3.0 Policy Statement

The Board of Trustees of the charity is committed to implementing a pay and remuneration system that is fair, transparent, and legally compliant. All decisions on pay will be made in the best interests of the charity, ensuring the responsible use of charitable funds to attract and retain the staff needed to fulfil our mission. The Board holds ultimate responsibility for all pay decisions and will follow a defensible process, including benchmarking, to ensure remuneration is reasonable and offers value for money.

## 4.0 Definitions

Term	Definition

<b>Remuneration</b>	An employee's total compensation package, which includes their base salary, any applicable benefits, and the employer's pension contributions made under the Workplace Pension Scheme.
<b>Benchmarking</b>	The process of comparing the charity's salary for a specific role against the salaries paid for similar roles in other charities of a comparable size, sector, and geographical location.
<b>The Board</b>	The Board of Trustees of the charity who are ultimately responsible for managing the affairs of the CIO as per Clause 9 of the Constitution.
<b>Employee</b>	An individual who has entered into or works under a contract of employment with the charity.

## 5.0 Principles and Procedures

**5.1 Trustee Responsibility** The Board of Trustees holds ultimate and non-delegable responsibility for setting and approving the remuneration for all staff positions. This authority covers the entire remuneration package, including base pay, any benefits, and employer pension contributions.

**5.2 Benchmarking and Fairness** The Board is committed to a fair and defensible process for setting pay levels. It will use benchmarking to ensure that remuneration is appropriate for the role and is not excessive. Salaries will be compared against similar roles in charities of a comparable size, sector, and location to ensure they are both competitive enough to attract suitable candidates and represent a responsible use of charitable funds.

**5.3 Legal Compliance** The charity is unequivocally committed to complying with all relevant UK pay-related legislation. This includes, but is not limited to, the requirement to adhere to the National Minimum Wage and the provisions for equal pay for work of equal value under the Equality Act 2010.

**5.4 Pay Review Process** All staff pay will be formally reviewed by the Board on an annual basis. This review will be a comprehensive assessment that considers factors such as individual performance, any significant changes in the role's responsibilities, current benchmarking data, and the charity's overall financial position and affordability, as guided by the principles and target levels set out in the Reserves Policy.

## 6.0 Roles and Responsibilities

- **The Board of Trustees:** Holds ultimate accountability for this policy. The Board's duties include formally approving the policy, setting all pay levels and any salary bands, and conducting the annual pay review. All final decisions on remuneration rest with the Board.
- **Designated Trustee / Committee:** In line with Clause 14 of the Constitution, the Board may delegate the task of conducting research and making recommendations on pay. A designated Trustee or committee would be responsible for gathering relevant benchmarking data and presenting evidence-based pay proposals to the full Board for its final decision.

## 7.0 Implementation

- This policy is effective immediately upon its formal adoption by the Board of Trustees.
- This policy will be communicated to all future employees. Its core principles will be clearly referenced in their Written Statement of Principal Terms and Conditions of Employment and in the Staff Handbook.

## 8.0 Monitoring and Review

- **Reporting:** Any decisions made under this policy, including the specific outcomes and rationale of the annual pay review, will be formally recorded in the minutes of the Board of Trustees. This practice, required under Clause 24 of the Constitution, creates an auditable record of the Board's oversight and decision-making process.
- **Annual Review:** This policy will be formally reviewed by the Board of Trustees on an annual basis to ensure its continued fitness for purpose. The review date noted in the header of this document will be updated upon the completion of each review.

## 9.0 Related Policies and Documents

- The charity Constitution
- Conflicts of Interest Policy
- Disciplinary and Grievance Policy
- Equal Opportunities and Diversity Policy
- Internal Financial Controls Policy
- Reserves Policy
- Risk Management Policy
- Sickness Absence Policy
- Workplace Pension Scheme Information Policy
- Written Statement of Principal Terms and Conditions of Employment Policy