

## Remuneration policy and statement for 2014/15

NCVO's Inquiry into Senior Executive Pay (published in April 2014) recommended that, as good practice, all large charities publish an annually updated statement explaining their ethos and policy on remuneration, as well as the actual remuneration, roles and names of the highest paid staff. In response to these recommendations, as trustees we agreed to publish Local Trust's remuneration policy, details of the chief executive's pay and the ratio between the highest and median and the highest and lowest salaries.

### Introduction

- 1 As trustees we are responsible for setting remuneration levels for staff. Setting appropriate pay and rewards for staff requires making informed judgments in line with our governing documents and we do this each year, via our finance and audit sub-committee who make recommendations to the full board of trustees.
- 2 This document provides details of the remuneration policy for Local Trust staff as agreed by the board of trustees. It is reviewed and updated annually.

### Our ethos and approach

- 3 Local Trust is a unique organisation supporting resident and community led solutions to create lasting change throughout England. We were established in 2011 by a consortium of partner organisations to manage the Big Local Trust and since then we have developed and refined our style and approach and continue to do so.
- 4 We take a collaborative approach to all that we do; building alliances and relationships to the benefit of each community we support; working with national and local organisations. Our first and major initiative is Big Local - an exciting opportunity for residents in 150 areas around England to use at least £1m each to make a massive and lasting positive difference to their communities.
- 5 We recognise the importance of valuing our staff and paying a fair salary for each role, recognising the context in which we work. We know that the majority of our funds are currently public money and for the benefit of Big Local areas. We also know that our staff need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts of those delivering national support, research and evaluation.
- 6 We recognise the small size of our staff team and the need to maintain and encourage organisation-wide team working to achieve our goals, operating as one team working together with different responsibilities. We also recognise that over time staff will probably leave to progress their career and we will help them do that if we are unable to provide career development within Local Trust.

- 7 We are a London Living Wage-accredited employer, meaning that all staff and contractors of Local Trust are paid at least the London Living Wage. We promote this to all those we work with, encouraging them to do the same.
- 8 Working with Tank Consulting we market tested all salaries in 2011/12 and again in 2012/13 when we recruited new staff against similar roles. We market tested against national partner and voluntary and community sector organisations and independent trusts and foundations.
- 9 In June 2015 we agreed to market test and benchmark all terms and conditions of employment before March 2016 to ensure we continue to offer relevant terms and conditions to all our staff, including salaries.
- 10 As trustees we consider pay increases annually.
- 11 We are conscious that our indicative 15 year Big Local Trust budget has provision for a 3% uplift in gross salary costs and that any proposal to increase the salaries budget beyond that level would require us to identify compensatory savings within central costs. It should be noted that at present salaries are at a fixed level with no incremental scale attached to any post.
- 12 As a relatively young organisation we are moving carefully towards a relevant remuneration policy. We recognise that our approach to remuneration and staff terms and conditions might change in future as the organisation and staff team matures and as external factors change.

#### **Senior staff remuneration 2014/15**

- 13 The gross salary of our chief executive, Debbie Ladds, in 2014-15 was £88,001 and the employer contributions to her pension fund totalled £9,394. Trustees believe this is fair remuneration for the chief executive given the level of responsibility, achievements of establishing Local Trust and Big Local and the type of work we do.
- 14 No other staff member earned over £60,000, the remuneration threshold which we are legally required to report on in our annual report.

#### **Salary review 2014/15**

- 15 For 2014/15 trustees awarded a consolidated cost of living increase of 2%, applied to all salaries and dated from 1 April 2014. In June 2015, trustees also awarded a flat rate £500 (gross) one off non-consolidated payment to all staff in post during the year and once they had passed their probation, in recognition of the significant achievements that had been made.

#### **Ratio between the highest and median and highest and lowest salaries**

- 16 As at 31 March 2015, the highest full time gross salary was £88,001, the median was £34,165 (ratio 2.6 to 1 between highest and median) and the lowest was £25,883 (ratio 3.4 to 1 between highest and lowest).

#### **Annual report and accounts**

- 17 Senior staff remuneration and the relationship between highest and median and highest and lowest salaries are also published in the annual report and accounts of both Big Local Trust and Local Trust.

Kevin Sugrue, chair of trustees, on behalf of the Local Trust board of trustees  
Summer 2015