Salary and Benefits Review 2023

Close of tender: 31 October 2023
Purpose of the brief

Friends Provident Foundation is seeking the services of an agency to conduct an organisational Salary and Benefits Review.

The project

In accordance with the Foundation’s Pay Policy, the project for which we invite you to submit a proposal is to conduct a review of the current roles (job content, span and size within the Foundation with reference to both the national market as well as internal relativities). In addition, we wish you to undertake a review of benefits offered to staff as part of their remuneration package.

Our aim is for a pay and benefits review that reflects our organisational ethos and mission for a fair and sustainable economy.

Background and context

Friends Provident Foundation is an independent endowed charity with a vision of a fairer economy and a better society. It works towards this through grants, social investments, mainstream investments and building networks and communications. The Foundation takes an integrated approach to its mission and capital base and alongside grant-making uses its endowment as a tool for change, including through social investments and shareholder engagement. For more information please visit https://friendsprovidentfoundation.org
Our structure

The Foundation has an independent board of Trustees and 8 members of staff. An organisational chart is below.

In 2011, Trustees agreed a Pay Policy for the Foundation. The intention of the policy is to create a framework within which to make pay decisions in a transparent and consistent manner. It is reviewed regularly and applies to all staff. The Pay Policy includes principles to guide pay considerations and contains the basis for determining cost of living increases. A key element of the Pay Policy is job benchmarking for new roles as well as by request by individual staff members. Although such reviews have been undertaken from time to time, no review of the salary and benefits structure of the organisation as a whole has been undertaken since 2012.

In 2022 we conducted a survey of staff on staff benefits with reference to the ACF Annual Salary and Benefits Benchmarking Survey Report (Association of Charitable Foundations). The staff team was asked for their thoughts on the benefits currently offered as well as thoughts on those offered by other foundations. Following on from this we have decided to conduct a formal Salary and Benefits Review.
Deliverables

The main outputs of the exercise will be:

1) A job evaluation for each role, including job content, size, span and an analysis of the pay element of the package in relation to external comparators (segmented regionally, functionally and/or by organisational size).
2) A review of the non-pay elements of staff remuneration, building on the internal review and staff survey, reflecting leading-edge HR practices.
3) An overview of an approach to organisational pay and conditions for our staff that might better reflect our mission.
4) A costed menu of pay and benefits elements for consideration by staff and trustees.
5) An analysis of any anomalous factors and inequalities embedded in the current structure that may have emerged for historical reasons or that reflect market conditions.
6) Recommendations for addressing such anomalies.
7) A set of external comparators for future reviews.
8) Recommendations for reviewing the existing Pay Policy and methods to better reflect current labour market information.

Budget

Trustees have not identified a specific budget figure for this work and will respond to the budget submitted by those tendering for the work.

Proposal structure

In your response to this brief, please include:

1) An overview of the proposing adviser or advisory firm
2) Your complete contact details and any relevant credentials
3) A brief summary of your organisational values and working practices.
4) A proposal for meeting the deliverables of this brief, including methods, staffing, data sources to be used, timescale, indicative budget.
5) Indications of input or resources required from the Friends Provident Foundation required by your method to meet the deliverables.
6) Approximate start date (team availability).
7) A list of previous comparable clients and a brief description of work undertaken
8) Your organisational diversity, equity and inclusion policy.
9) Biographies of staff that would be directly involved in undertaking the work outlined, including skills, experience (lived and learned), and relevant qualifications.

**How to apply**

To apply please send a proposal for the work that is relevant to the brief by **5pm on Tuesday 31 October 2023** to Danielle Walker Palmour, Director, enquiries@friendsprovidentfoundation.org.uk. We will acknowledge receipt of your submission.

If you have any questions or would like to informally discuss the work, please contact:

Kate Kendall – 01904 629675 kate.kendall@friendsprovidentfoundation.org.uk
Annex 1 - Pay policy

May 2022. V3

This policy does not form part of any contract of employment and it may be amended at any time.

Introduction

The Foundation Trustees wish to ensure that:

- they act as a responsible employer, and those employees are fairly rewarded for their expertise and effort in order to attract and keep appropriately qualified employees to lead, manage, support and deliver the Foundation’s aims;
- the salaries that the Foundation pays are fair and transparent to trustees;
- the employment arrangements offer the best value for money for the charity;
- salary review processes are fair;
- and staff and trustees feel clear and comfortable with these processes.

Responsibilities

All employees are responsible for complying with the performance appraisal systems and provide accurate information when requested.

The Foundation Director is responsible for conducting individual pay reviews as requested, undertaking sector reviews as required by Trustees, benchmarking new roles, reviewing the appropriate indices for presentation to Trustees. The Foundation Director will also consider the business plan and how it may over time, impact on the scope and responsibilities of employee’s roles and/or future recruitment needs.

Resources Committee is responsible for keeping the policy under review, considering the annual cost of living increase awards, and making recommendations to the full Board.

The Trustee Board has overall responsibility for pay and salaries as part of the annual budget and business planning process.

Policy Principles

1. FPCF salaries aim to be broadly comparable to equivalent jobs within other charitable foundations. Some regard may also be given to salary levels
within the wider voluntary sector and ensuring that salaries are at a level to retain and recruit staff of high quality. Salaries structures and scales will be relevant only as far as required by employment arrangements. This principle recognises that future FPCF staff are most likely to be drawn from the foundation sector.

2. **The salary for each staff post is separately benchmarked against similar jobs within the foundation sector and takes account the wider economy.** A check should then be made that the relative remuneration amongst different foundation staff is reasonable, relative to the responsibilities of different FPCF posts. This principle reflects the small size of the staff team, which would make any more complex pay structure inappropriate.

3. **Performance management is separated from any salary considerations.** This is more compatible with voluntary sector norms. It allows both parties to approach appraisal and supervision processes more honestly and collaboratively. It also fits well with a small organisation, where the ‘bottom line’ is public benefit rather than financial returns.

4. **FPCF does not have salary scales. However, there should be an annual cost of living increase, related to a suitable inflation measure.** This ensures that salaries do not reduce in real terms.

**Procedure**

The Foundation will calculate cost of living increases by an equal weighting of cost of living as measured by for annualised 3-month Average Weekly Earnings Index without Bonuses (National Statistics Office), between a floor of 0% and a cap of 4%; and the Consumer Prices Index including Housing costs (CPIH).

**Annual cycle**
The following cycle will be applied:

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<thead>
<tr>
<th></th>
<th>Existing events</th>
<th>Pay cycle</th>
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<tbody>
<tr>
<td>mid-June</td>
<td></td>
<td>Index figure available</td>
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<tr>
<td>July</td>
<td>Resources Committee</td>
<td>Considers budget assumptions</td>
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<tr>
<td></td>
<td></td>
<td>Including cost of living increase</td>
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<tr>
<td>September</td>
<td>Trustee Board meeting</td>
<td>Budget received and approved</td>
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<td></td>
<td></td>
<td>Cost of living increase agreed as part of budget.</td>
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<tr>
<td>1st October</td>
<td></td>
<td>New financial year</td>
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<td></td>
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<td>Annual increase implemented</td>
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In addition, Trustees will undertake a more general review from time to time to check salaries against benchmarks and to deal with any other salary matters. This does not preclude staff or trustees raising salary questions at other times, if they have significant concerns.