# Pay Policy

## 1. Purpose of this Policy

To set the pay and rewards for staff there is a need to make informed judgements as well as adhering to the charity's governance and constitutional arrangements.

Trustees are legally and constitutionally responsible for setting rates of pay and this responsibility should not be wholly delegated to the executive team.

In deciding on levels of pay for all staff the following factors will be considered.

These factors are not exclusive, and any decision will inevitably include an element of discretion on the part of Trustees.

**Factors affecting decisions on pay and remuneration are:**

- The purpose aims and values of the charity and its general needs
- How any decision might impact on the overall pay policy for all staff, especially where a 'remuneration ratio' is in place
- The type of skills, experience, competences to meet the charity needs
- A significant increase in responsibilities or major change in job description
- The charity's current strategic plan and how this might affect future needs
- The charity's ability to pay, now and in the future
- An assessment of the individual's performance against expectations, where possible with clear evidence and targets
- Appropriate available information on pay levels in other commercial businesses and charities relative to size, budgets, responsibilities
- The nature of the wider 'employment offer' where pay is only one part of the package (this might include additional benefits or less material factors such as work-life balance, flexibility, less pressure, etc.)
- The charity's track record in recruiting and retaining high-performing staff
- The likely impact of any decision on the public reputation of the charity
- A commitment to pay, at least, the Real Living Wage (as determined from time to time by the Living Wage Foundation; a Citizens UK charity number 1107264 initiative), except for government programmes where there is a value exchange beyond salary – for example, Apprenticeships and Kickstart
- An aspiration to pay, at least, any local government recognised rate, where it is higher than the Real Living Wage (for example the Oxford Living Wage as determined by Oxford City Council), to all staff.

## 2. Introduction

SOFEA is a rapidly growing charity, its staff have a wide variety of skills and experience, which is necessary to fulfil our complex mission.

One of the key elements of our programme is to provide a route into employment for people (especially young people) who are marginalised in the labour market. To do so requires that we employ many young people on their first steps into work.

The benefits of this are enormous to them and to the mission of SOFEA.

## 3. Remuneration Ratio

The charity upholds a 'remuneration ratio' of 5:1 between the highest and lowest paid full-time members of staff. In reality the differential between the highest and lowest paid member of staff is closer to 3:1.

## 4. Gender Pay Difference

The charity aims to ensure that gender is not a factor in differences in pay between members of staff.

**SOFEA will operate a banding process as follows:**

**Band 1: Senior Leaders**
With significant responsibility for the strategic aims of the organisation and significant line management responsibility for other staff.
*Example Job roles: CEO/ Director of People and Culture/ Director of Operations/ Director of Innovation*

**Band 2: Senior Management/ Teaching Staff**
With responsibility for the design, delivery, monitoring and evaluation of the whole or very significant part of one or more programmes at SOFEA. All qualified teachers will be in this band.
*Job roles: Site Directors/Deputy Site Directors/ Teaching staff/ Lead professionals with a very large cross organisation influence*

**Band 3: Upper Management/ Heads of Department**
With responsibility for the design, delivery, monitoring and evaluation of a significant part of one or more programmes at SOFEA.
*Job roles: Heads of Department and equivalent*

**Band 4: Middle Management/ Lead Programme Delivery**
With responsibility for the effective day to day delivery and management of one or more of SOFEA's programmes, in support of the Head of Department

*Job roles: FS Office manager/ Pastoral support to education programme/ Social Prescriber/ CAMHs worker/ Finance Officer/ Membership Manager*

**Band 5: Supervisory / Programme Support**

With responsibility for the day-to-day operations of one or more aspects of a SOFEA programme.

*Job roles: Goods in/ out supervisor, waste supervisor, IT admin, customer service assistant, Data analyst, HR assistant, driver, marketing officer*

**Band 6:**

Entry level, with the exception of government programmes such as Apprenticeships and Kickstart.

*Job roles: warehouse assistant, cleaner, driver's assistant*

## 5. Contractors

In some instances, SOFEA will engage the services of contractors. SOFEA acknowledges that contractors may receive up to 150% of the equivalent position in the bands above, acknowledging that they are usually responsible for their own insurance, holiday and sickness arrangements, equipment and transport.

## 6. Pay Reviews

An overall pay review will be carried out annually, in March each year, which will determine overall pay rates and movement within the bands.

Individuals' pay will be determined as part of their annual performance management.

SOFEA aspires to respond to any in year changes to the Real Living Wage and other appropriate rates.

Organisation wide changes to pay will take effect at the beginning of SOFEA's financial year (July 1st).

## Appendix 1:

### Bands 2023/24

| | Min Hourly rate | 2022/23 rate | Difference |
|---|---|---|---|
| Band 6 | £11.45 | £10.90 | 5% (10p above OLW) |
| Band 5 | £12.00 | £10.90 | 10% |
| Band 4 | £13.10 | £12.48 | 5% |
| Band 3 | £16.38 | £15.60 | 5% |
| Band 2 | £19.66 | £18.72 | 5% |
| Band 1 | £25.00 | n/a | New band |

In some circumstances, such as government programmes which have a primary focus on training, pay rates may be in line with national rates. For example, this may apply to Kickstart and Apprenticeship schemes.

The table above sets out the minimum rate in each band, there is likely to be variation within the bands depending on experience, qualifications and level of responsibility.

## Appendix 2: Remuneration Ratios

The charity has a commitment to uphold a 'remuneration ratio' of 5:1 between the highest and lowest paid full-time members of staff. In reality the ratio between the highest and lowest paid member of staff is closer to 3:1.

**Current ratios:**

| **Ratio** | **2023/24** | **2022/23** | **2021/22** |
|---|---|---|---|
| *CEO to 1st percentile (lowest paid* | **3.1: 1** | **3.2: 1** | **3.1: 1** |
| *CEO to median* | **2.75: 1** | **2.75: 1** | **3.1: 1** |
| *CEO to 90th percentile (highest 10%):* | **1.5: 1** | **1.5: 1** | **1.5: 1** |

**Gender Pay difference:**

**Average hourly rate**

| | **2023/24** | **2022/23** | **2021/22** |
|---|---|---|---|
| **Female** | **£15.71** | **£14.84** | **£13.63** |
| **Male** | **£15.72** | **£13.53** | **£13.40** |

**Average total pay**

| | **2023/24** | **2022/23** | **2021/22** |
|---|---|---|---|
| **Female** | **£24,907** | **£23,590** | **£20,620** |
| **Male** | **£24,303** | **£21,686** | **£19,303** |

In 2023/24 the lowest paid member of SOFEA staff is paid £11.45 per hour, 10p per hour above the Oxford Living Wage, and 55p per hour above the real living wage.

**Percentage of employees in each pay band 2023**

| Pay Band | Female | Male |
|---|---|---|
| Pay band 1 – Senior Leaders | 50 | 50 |
| Pay band 2 - Senior Management/ Teachers/ Some HODs | 40 | 60 |
| Pay band 3 – Upper Management/ Some HODs | 62 | 38 |
| Pay band 4 – Middle Management/ Programme Lead | 68 | 32 |
| Pay band 5 – Supervisory/ Programme support | 20 | 80 |
| Pay band 6- Entry level | 31 | 69 |

| | 2022 | 2022 | 2021 | 2021 |
|---|---|---|---|---|
| Pay Band | Female | Male | Female | Male |
| Upper pay band | 43 | 57 | 50 | 50 |
| Upper middle pay band | 83 | 17 | 50 | 50 |
| Middle pay band | 79 | 21 | 71 | 29 |
| Lower pay bands | 23 | 77 | 24 | 76 |

## Appendix 3: Public Pay Statement 2023/24

**SOFEA Pay Statement 2023/24**

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One of the key elements of our programme is to provide a route into employment for people (especially young people) who are marginalised in the labour market. To do so requires that we employ many young people on their first steps into work.
The benefits of this are enormous to them and to the mission of SOFEA.

**Factors the Board considers when making decisions on pay and remuneration:**

- ***A commitment to pay the Real Living Wage to all staff (as determined from time to time by the Living Wage Foundation; a Citizens UK charity number 1107264 initiative) except for government programmes where there is a value exchange beyond salary – for example, Apprenticeships and Kickstart***
- ***An aspiration to pay any relevant local government recognised rate, where it is higher than the Real Living Wage (for example the Oxford Living Wage as determined by Oxford City Council), to all staff***
- ***The purpose aims and values of the charity and its general needs***
- ***How any decision might impact on the overall pay policy for all staff, especially where a 'remuneration ratio' is in place***
- ***The type of skills, experience, competences to meet the charity needs***
- ***A significant increase in responsibilities or major change in job description***
- ***The charity's current strategic plan and how this might affect future needs***
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- ***Appropriate available information on pay levels in other commercial businesses and charities relative to size, budgets, responsibilities***
- ***The nature of the wider 'employment offer' where pay is only one part of the package (this might include additional benefits or less material factors such as work-life balance, flexibility, less pressure, etc.***
- ***The charity's track record in recruiting and retaining high-performing staff***
- ***The likely impact of any decision on the public reputation of the charity***

**In 2023/24 the lowest paid member of staff will be paid above the Oxford Living Wage of £11.45 an hour.**

**Remuneration Ratios**

The charity has a commitment to uphold a 'remuneration ratio' of 5:1 between the highest and lowest paid full-time members of staff. In reality the ratio between the highest and lowest paid member of staff is closer to 3:1.

**Current ratios:**

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