

Statement on Setting Executive Pay

SBA The Solicitors' Charity is committed to rewarding its people to recognise their effort and to retain their skills, and to attract new high-calibre staff. The Charity believes in the importance of transparency in how it sets pay and is particularly conscious of the need for clarity and openness in setting executive pay.

Decisions on pay for all staff are made by the Board of the Charity. All members of the Board, including the Chair, are independent volunteers who bring their skills, knowledge and expertise from outside the organisation to decision-making. A sub-committee of the Board, the People & Development Committee (which is made up of volunteer Board members), scrutinises pay proposals in detail on behalf of the full Board.

Transparency and reporting

This statement will be published on the Charity's website and will be used in drafting the Annual Report and to inform notes to the Annual Accounts concerning the Board's statutory duties to declare levels of executive pay.

The Charity has adopted a pay policy that applies to all staff in the organisation. In line with good practice, the draft policy was shared with staff for comment before trustee approval. The policy clearly sets out how recommendations on pay increases are to be governed, the parameters to be considered in making decisions about pay, how and when grading and benchmarking of salaries is to be carried out and the importance of independent review in the grading and benchmarking process.

Under the terms of the Pay Policy, decisions on pay are made by the full Board on the recommendation of the People and Development Committee following scrutiny of a formal annual proposal. Responsibility for the application of the Pay Policy in respect of the CEO lies with the Chair of the Board. Application of the Pay Policy with regards to all other staff lies with the CEO.

The Pay Policy may be found [here](#).

Proportionality of executive pay

The Charity considers how proportionate executive pay is both to the external market and in relation to other pay in the organisation. In common with all other roles in the Charity, using the benchmarking process outlined in the Pay Policy the CEO's salary is assessed against similar roles in similarly sized and located organisations within similar sectors.

The Charity pays due regard to NCVO and ACEVO good practice guidance on ratios between executive salaries and those of other employees. The Board has agreed a maximum cap of 3:1 between the salary of the CEO and the median of all other salaries in the organisation.

To calculate this ratio the CEO's salary is compared with the median of all other full time equivalent salaries. Where there is an even number of staff, the average of the two middlemost salaries in the set is used.

The current (January 2020) ratio of CEO to median staff pay is 2.01:1

Executive performance

In common with all staff of the organisation, the CEO is subject to a 6-month probationary period. Successful completion of the CEO's probationary period is assessed by the Chair and one other member of the Board.

Annual KPIs for the CEO are agreed between the Chair and the CEO and shared with all trustees and staff. These are monitored in regular 1:1 meetings between the Chair and CEO and a formal annual performance appraisal is carried out by the Chair and one other member of the Board.

In adopting its current pay policy, the Charity has chosen not to use individual performance related pay, though organisational performance is a factor considered in setting across the board pay rises.

Recruitment and retention

Since attracting high-calibre staff who can help grow and develop the Charity is important to the organisation, the Charity recognises the need to be competitive in the labour market whilst paying due regard to prudent use of charitable funds.

The Pay Policy sets out an approach to benchmarking that ensures salaries for all staff are commensurate with those of people performing similar roles in similarly sized and located organisations within similar sectors. Taking account of affordability, it is the aim of the Charity to pay all salaries including that of the CEO at, or above, the median of the benchmarked salary range for each role. However, salaries will not normally be paid above the level of the third quartile of the relevant benchmark.

The Charity also offers a generous pension scheme with staff contributions matched by the employer to a maximum of 10% of salary as well as a generous holiday leave entitlement above statutory guidelines.