

St Raphael's Hospice - Pay and Staff Expenses Policy

Foreword from the Joint Chief Executives

At St Raphael's Hospice, our mission is to deliver exceptional person-centred palliative and end-of-life care to the communities we serve. The skill, compassion, and dedication of our staff make this possible. Ensuring that colleagues are remunerated fairly, lawfully, and transparently is therefore central to both our governance responsibilities and our values of dignity, respect, and integrity.

This policy defines the principles, legal framework, and procedures governing pay and staff expenses at St Raphael's Hospice. It reflects our obligations as a registered charity and a regulated care provider, ensuring that every payment made from charitable or public funds is justified, affordable, and consistent with the highest standards of probity.

We are committed to maintaining pay systems that attract and retain outstanding staff, promote equality, support wellbeing, and sustain our financial future.

Signed

Nick Stevens, Joint Chief Executive

Becca Trower, Joint Chief Executive

Date _____

1. Purpose

The purpose of this policy is to establish a lawful, equitable, and transparent framework for the determination, application, and review of pay and staff-related expenses. It ensures that all remuneration decisions comply with employment and charity law, align with the Hospice's strategic objectives, and support the recruitment and retention of a competent, compassionate, and motivated workforce.

2. Scope

This policy applies to all employees of St Raphael's Hospice, whether full-time, part-time, fixed term, casual or temporary.

Clinical employees are remunerated in accordance with, or by reference to, Agenda for Change (AfC) pay bands where appropriate and in line with the strategic objectives of the hospice.

Non-clinical employees are remunerated through a fair, evidence-based approach using external benchmarking, internal equity considerations, and job-evaluation principles. Rather

than fixed pay bands, the Hospice applies a transparent benchmarking framework to determine appropriate pay ranges for each role, ensuring fairness, consistency, competitiveness and financial sustainability.

Bank workers are covered by specific provisions set out in Section 18 and Appendix F. Contractors, agency staff, honorary appointments, and volunteers are not covered by this Pay Policy.

3. Legal and Regulatory Framework

This policy is governed by the following legislation and regulatory standards, as amended from time to time:

- Equality Act 2010 (Equal Pay provisions)
- Employment Rights Act 1996
- National Minimum Wage Act 1998 and National Living Wage Regulations
- Working Time Regulations 1998
- Pensions Act 2008 and Auto-Enrolment Regulations
- Charities Act 2011 and Charity Commission Guidance (CC11)
- HM Revenue & Customs regulations on taxable pay and benefits
- Care Quality Commission (CQC) Fundamental Standards
- Professional registration requirements (NMC, GMC, HCPC, Social Work England etc.)

All pay and expenses decisions must withstand external scrutiny from regulators, donors, auditors, and the public.

4. Definitions

For the purpose of this policy:

- Agenda for Change (AfC) – the national NHS pay system used as a reference framework for clinical roles.
 - Band – the pay grade assigned to a post following the required job evaluation.
 - Job Evaluation – a systematic method of assessing the relative demands of roles to determine the banding to be applied to any given role.
 - Market Supplement – a temporary, evidence-based addition to base pay to address recruitment or retention difficulties.
 - Allowances – payments made in addition to base pay for specific duties or conditions (e.g., on-call, unsocial hours).
 - Bank Worker – an individual engaged on an ad-hoc, zero-hours contract to provide flexible cover.
 - Expenses – reimbursement for authorised expenditure reasonably incurred in the performance of duties.
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5. Duties and Responsibilities

Board of Trustees: holds ultimate accountability for remuneration and must ensure that the policy meets legal and regulatory obligations and demonstrates responsible stewardship of charitable funds.

People & Remuneration Committee: acts on behalf of the Board of Trustees to oversee implementation, approve senior pay recommendations, review equal pay audits, and monitor compliance.

Head of People Services: owns this policy and maintains oversight of the application, ensures regular review, provides expert HR advice, and maintains the pay and grading structure.

Line Managers: apply this policy fairly, complete appraisals, and ensure accurate payroll information is submitted.

Finance and Payroll Teams: ensure payments comply with HMRC and pension regulations, maintain accurate records, identify any over or under payments, and support audit processes.

Employees: provide truthful payroll information, complete claims in accordance with this policy, communicate any issues with pay swiftly, and maintain professional standards required for pay progression.

6. Principles

All pay must be:

- lawful, fair and equitable;
- based on job value, not individual negotiation;
- transparent and evidence-based;
- affordable and sustainable;
- linked to performance, competence, and professional behaviours which are consistent with the Hospice's values.

Remuneration arrangements will not expose the Hospice to undue financial risk or reputational harm. Decisions will be free from discrimination and bias, and consistent with the Equality Act 2010.

7. Pay Structure and Job Evaluation

The Hospice maintains a structured pay system comprising a series of pay bands. Each role is evaluated using the approved Job Evaluation Framework (Appendix B) to ensure internal equity and legal compliance.

Clinical posts are benchmarked against the NHS Agenda for Change profiles. Non-clinical posts are evaluated using the Hospice's local framework based on the criteria of; knowledge, responsibility, effort, and working conditions.

Where duties change substantially, the role will be re-evaluated. Pay adjustments following re-evaluation will take effect from the date of formal approval of the new pay band. Retrospective adjustments will occur only where required to remedy proven pay inequity.

8. Recruitment and Starting Pay

New appointments will normally commence at the minimum point on the relevant band. A higher starting point may be approved where the candidate demonstrates exceptional or significant relevant experience or specialist qualifications.

Such decisions must be evidence-based, recorded in writing, and authorised by the Head of People Services. Starting non-clinical salaries above the mid-point of the relevant band require prior approval of the People & Remuneration Committee.

Offers of employment must not breach equal pay principles or create unjustified differentials with existing staff.

9. Pay Progression and Performance Requirements

9.1 Eligibility

Progression within a pay band is not automatic. Employees become eligible to move to the next pay point only after a minimum of twelve months in post, and on confirmation that all applicable performance and conduct criteria have been met.

9.2 Assessment

The line manager will review the employee's performance through the annual appraisal process. The appraisal must confirm:

- Achievement of agreed objectives and core competencies;
- Satisfactory attendance and punctuality;
- Completion of all mandatory and statutory training;
- Compliance with the Hospice values and professional codes of conduct.

9.3 Clinical Staff Requirements

Clinical employees must, in addition:

- Maintain current professional registration (NMC, GMC, HCPC etc.);
- Demonstrate participation in clinical supervision and reflective practice;
- Provide evidence of CPD to meet revalidation requirements;
- Participate in clinical audit and quality-improvement activities.

Failure to maintain these standards may result in withholding of pay progression until statutory compliance is restored.

9.4 Deferral or Withholding of Progression

Progression will be deferred where:

- A disciplinary sanction is live;
- A formal capability or performance improvement plan is in place;
- Mandatory training remains incomplete; or
- Performance / professional standards are not met.

The manager must document the reasons for deferral and confirm the review date. The employee has the right to make written representations under the pay appeal process outlined below procedure if they believe the decision is unfair.

9.5 Recording and Audit

All progression decisions will be recorded on the HR/payroll system and retained for audit purposes. The People & Remuneration Committee will receive an annual report summarising progression outcomes and equality data to ensure consistency and compliance.

10. Market Supplements

10.1 Where the Hospice faces demonstrable difficulty in recruiting or retaining suitably qualified staff in specific occupations, a temporary Market Supplement may be applied. The supplement is intended to bring total remuneration into line with the external labour market and should only be used in exceptional circumstances to ensure safe staffing levels are maintained.

10.2 A supplement may only be approved following submission of a written business case, supported by benchmarking data and evidence of unsuccessful recruitment efforts. The Head of People Services will review the proposal for compliance and affordability before submission to the People & Remuneration Committee for approval.

10.3 All supplements are time-limited and subject to formal review at least annually. The review will determine whether the market justification remains valid. Supplements may be withdrawn with appropriate notice if the original rationale no longer applies.

10.4 Supplements will normally be non-pensionable and will not count towards overtime or other allowances unless specifically authorised in writing.

11. Allowances and Additional Earnings

11.1 Allowances may be paid where the nature of the role requires duties beyond normal contracted hours or exposure to particular conditions. Examples include unsocial-hours working, standby, and on-call duties, other notable responsibilities, and specialist skill payments.

11.2 Rates of allowance will be determined with reference to NHS Agenda for Change provisions for clinical staff and locally negotiated rates for non-clinical staff, ensuring parity of treatment and affordability.

11.3 All allowances must be authorised in advance by the appropriate manager and verified by Payroll. Payments must be supported by accurate records of hours or duties performed and will be subject to audit.

12. Acting-Up and Temporary Duties

12.1 Where an employee formally covers the full duties and responsibilities of a higher-band post for a continuous period exceeding four weeks, the employee will receive acting-up pay equivalent to at least the minimum of the higher band for the duration of the assignment.

12.2 Acting-up arrangements must be confirmed in writing, specifying start date, review intervals and end date. They must not be used to avoid recruitment to substantive posts or to confer long-term advantage without due process.

12.3 Where only part of the duties of a higher post are undertaken, or where additional responsibilities are shared, an appropriate honorarium may be approved on a pro-rata basis with written justification.

12.4 Any additional payment needs to be formally approved.

13. Overpayments and Underpayments

13.1 The Hospice has a legal duty to recover overpayments made to staff and a moral duty to ensure recovery arrangements are fair and transparent. Any overpayment will be recovered in consultation with the employee, taking account of individual financial circumstances.

13.2 Where an underpayment has occurred, the Hospice will rectify the error as soon as practicable and normally within the next payroll cycle.

13.3 All payroll discrepancies must be reported immediately to the Head of People Services. Managers must verify payroll data before submission to minimise errors. Recovery and correction records will be retained for audit purposes.

14. Staff Expenses

14.1 Employees will be reimbursed for reasonable and necessarily incurred expenses while carrying out official Hospice business. The policy mirrors NHS Terms and Conditions, adjusted for the hospice context.

14.1.1 Travel and Mileage

Staff using their own vehicle for authorised business travel will be reimbursed at the mileage rates approved by the Hospice and reviewed annually, normally aligned to HMRC Advisory Fuel Rates or the relevant NHS mileage rates. Mileage claims must include journey details, dates, start and end locations, and purpose. Commuting between home and the normal base does not qualify for reimbursement.

14.1.2 Public Transport

Where public transport is the most cost-effective option, reimbursement will cover the standard class fare actually incurred. Receipts are required.

14.1.3 Subsistence

Staff required to travel on Hospice business for extended periods may claim subsistence in accordance with rates set out in the Expenses Schedule. Claims must represent actual expenditure supported by receipts.

14.1.4 Overnight Accommodation

When overnight stays are authorised, employees should use Hospice-approved accommodation arrangements. Where staff arrange their own accommodation, reimbursement will not exceed the maximum nightly rate specified in the Expenses Schedule.

14.1.5 Relocation Assistance

Where relocation is required to fill a hard-to-recruit post, assistance may be offered in line with a separate Relocation Expenses Procedure. Such assistance must be pre-approved and may include repayment clauses should the employee leave within an agreed period.

14.1.6 Expense Claim Process

Claims must be submitted monthly via the approved system, authorised by the line manager and supported by valid receipts. Claims older than three months will not normally be paid unless exceptional circumstances are evidenced.

14.1.7 Fraud Prevention

Submission of false or misleading claims constitutes gross misconduct and may lead to dismissal and referral to the relevant authorities.

15. Executive Pay Governance

15.1 Executive remuneration, including that of the Joint Chief Executives, is determined by the People & Remuneration Committee and ratified by the Board of Trustees. The process will comply with Charity Commission guidance CC11: “The Essential Trustee—How to Manage Charity Finances and Pay Staff Responsibly.”

15.2 Executive pay must reflect the complexity and responsibility of the role, sector benchmarks, and the financial capacity of the Hospice. It must not be excessive or disproportionate. No executive may participate in decisions affecting their own pay.

16. Equal Pay and Workforce Equity

16.1 St Raphael's Hospice upholds the principle of equal pay for work of equal value. The Head of People Services will ensure that periodic Equal Pay Audits are conducted and reported to the People & Remuneration Committee.

16.2 The Hospice will monitor pay distribution by gender, ethnicity, disability and other protected characteristics, where data is available, to ensure compliance with the Equality Act 2010 and to inform its Equality Action Plan.

16.3 Any disparities identified must be investigated and rectified promptly. Outcomes and actions will be reported to the Board.

17. Bank Workers

17.1 Bank workers are remunerated at an hourly rate appropriate to the duties performed. Rates are reviewed annually and must meet or exceed the National Living Wage.

17.2 Bank workers are entitled to statutory holiday pay, which will be paid as an identifiable element of the hourly rate currently 14%, in compliance with current law, this however does not apply to overtime, overtime will be paid at the normal contractual rate.

17.3 They are not eligible for incremental progression or contractual allowances unless specified in their engagement terms.

17.4 Clinical bank staff must maintain active professional registration and compliance with mandatory training before undertaking assignments.

18. Dispute Resolution and Appeals

18.1 Employees who believe a pay or expenses decision has been applied incorrectly may raise the matter informally with their line manager.

18.2 If unresolved, a formal written appeal may be submitted under the Hospice appeal procedure within ten working days of notification of the decision. The appeal must be made in writing to the Head of People Services within 10 working days of the pay decision, clearly setting out the grounds for appeal.

18.3 Appeals will be considered by an independent manager or committee not previously involved. The decision of the appeal body will be final within internal procedures.

19. Monitoring, Audit and Review

19.1 The Head of People Services will ensure this policy is reviewed at least every three years or sooner if legislative or organisational changes occur.

19.2 Internal Audit may review compliance with this policy at any time. Findings will be reported to the People & Remuneration Committee and the Audit & Risk Committee.

19.3 The Committee will receive annual reports on pay expenditure, progression outcomes, equality monitoring, and compliance with HMRC and pension regulations.

19.4 Recommendations for amendment will be submitted to the Board of Trustees for approval.

20. Version Control and Sign-off

Version	Date Approved	Review Date	Author	Approved By
Version 1	03/12/2025	03/12/2026	Head of People Services	Trust Board

Signatures

Date _____

APPENDICES

Appendix A – Pay Framework and Benchmarking Approach

St Raphael's Hospice operates a transparent, evidence-based pay framework for all clinical and non-clinical roles.

Clinical roles continue to be aligned, where appropriate, with the NHS Agenda for Change (AfC) pay profiles to ensure consistency with recognised national standards.

Non-clinical roles do not sit within a fixed banding structure. Instead, pay is determined through a structured benchmarking approach that draws on:

- Reliable market salary data from comparable hospices, charities, NHS providers and local employers.
- Internal job-evaluation principles to ensure equity and consistency.
- Compliance with statutory and regulatory requirements; and
- Affordability and organisational sustainability.

The Head of People Services maintains the master record of approved benchmarked pay ranges. These records form part of the Hospice's payroll control documentation and are reviewed annually as part of the corporate pay-review process.

Any request to appoint, progress or adjust pay outside an approved benchmarked range requires written justification and must be authorised under the governance arrangements set out in Appendix E.

Appendix B – Job Evaluation Framework

1. Job evaluation is the legally recognised mechanism through which the relative demands of roles are assessed to determine appropriate pay bands. The Hospice's framework evaluates:
 - a) Knowledge, qualifications and skills;
 - b) Decision-making responsibility and autonomy;
 - c) Impact on patient care and organisational outcomes;
 - d) Supervisory and leadership responsibility;
 - e) Emotional, physical and mental effort; and
 - f) Working conditions.
 2. All new or substantively changed posts must undergo evaluation before recruitment. Line managers are responsible for initiating evaluation requests via HR.
 3. Evaluations shall be conducted by trained panel members under the oversight of HR. Records of scoring and rationale must be retained for a minimum of six years for audit and potential Equal Pay Act defence.
 4. Re-evaluation will occur where duties, scope or accountability materially increase or decrease. Outcomes will be implemented prospectively from the approval date.
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Appendix C – Allowances and Additional Earnings Framework

1. Allowances may be payable where the nature of the post requires duties or working patterns outside normal expectations. Such payments must comply with employment law and internal policy.
 2. Authorised allowances include but are not limited to:
 - Unsocial-hours payments for night, weekend or bank-holiday working;
 - On-call or standby allowances;
 - Overtime payments or time-off-in-lieu (TOIL) arrangements;
 - Specialist-skill payments; and
 - Temporary honoraria for defined additional responsibilities.
 3. All allowances must be approved in advance, clearly documented, and supported by verifiable records of hours or duties. Payroll will only process claims that meet evidential and authorisation standards.
 4. Allowances are subject to annual review by the Head of People Services to confirm continued operational need and affordability.
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Appendix D – Market Supplement Policy

1. A Market Supplement may be awarded where external labour-market evidence demonstrates that the Hospice cannot recruit or retain essential staff at the standard pay-band rate.
 2. Applications for a supplement must include:
 - Benchmark data showing material pay differentials;
 - Evidence of recruitment or retention failure; and
 - An assessment of risk to patient safety or service continuity.
 3. The Head of People Services will evaluate the proposal for legal compliance and affordability before submission to the People & Remuneration Committee.
 4. All supplements are:
 - Time-limited (normally twelve months);
 - Subject to scheduled review; and
 - Non-pensionable unless explicitly authorised.
 5. Where market conditions normalise, supplements will be withdrawn with appropriate written notice.
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Appendix E – Governance and Delegated Authority

1. Ultimate accountability for remuneration resides with the Board of Trustees.
2. The People & Remuneration Committee exercises delegated authority to:
 - Approve pay-review recommendations;
 - change executive remuneration;
 - Approve Market Supplements and policy amendments; and
 - Receive and scrutinise equal-pay and progression reports.

3. The Head of People Services implements the policy, maintains pay structures and ensures compliance with law, regulation, and internal audit requirements.
 4. Line Managers ensure correct application of the policy, accurate submission of payroll data and proper record-keeping for allowances and expenses.
 5. No officer shall participate in decisions affecting their own remuneration. All approvals must be evidenced in writing and retained for audit inspection.
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Appendix F – Bank Worker Pay and Entitlement Provisions

1. Bank workers are engaged under zero-hours contracts and are paid at the rate appropriate to the role undertaken on each assignment.
 2. Holiday entitlement accrues in accordance with statutory requirements and is paid as a 14% uplift to hourly pay. (This is not applicable to overtime)
 3. Bank workers are entitled to statutory sick pay and maternity rights where qualifying conditions are met but are excluded from contractual enhancements and incremental progression.
 4. Clinical bank workers must maintain current professional registration and complete all mandatory training before undertaking shifts.
 5. All assignments are subject to verification of hours worked and authorisation by the relevant manager. Payment will be made through the monthly payroll in arrears.
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Appendix G – Pay Assurance and Equality Monitoring

1. The Hospice will monitor pay data to ensure ongoing compliance with the Equality Act 2010 and to maintain public confidence in its employment practices.
2. The Head of People Services will conduct an Equal Pay Audit at least every two years, analysing base pay, allowances and progression outcomes by gender, ethnicity and other protected characteristics where data permits.
3. Findings and recommended corrective actions will be reported to the People & Remuneration Committee and included in the annual Equality, Diversity & Inclusion Report to the Board.
4. Where inequities are identified, remedial measures will be implemented promptly, and outcomes monitored for effectiveness.
5. Records of equality reviews and Committee discussions shall be retained in accordance with the Data Protection Act 2018 and UK GDPR.