



Group Remuneration Policy

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1. Purpose

This policy outlines the Company's approach to remuneration. Remuneration is the reward for employment in the form of pay and benefits.

We aim to:

- offer a fair deal that is in line with our Company values in respect of remuneration
- Provide clarity on the remuneration that any employee can expect and on how employees may progress, either within their role or within the company, ensuring consistency across departments
- Demonstrate the high value that the Company places on its employees, without raising unrealistic expectations and working within its financial constraints.

2. Principles

The following principles will apply to this policy:

- It will be open, fair and transparent
- It will comply with employment legislation and best practice
- It will comply with data protection legislation and best practice
- It will ensure we have appropriate measures in place to minimise breaches in employment law and data
- It will ensure consistency in the approach for all staff.

3. Review

We will review this policy at least once every three years to ensure that it continues to operate within best practice, achieve measurable results, and achieve continuous service improvement.

Alternatively, the policy and all associated procedures will be reviewed immediately following any relevant change to government policy, regulation, or legislation.

4. Responsibilities

The Executive Team will approve this policy under delegated authority from the Board.

The Head of HR will be responsible for ensuring that policy reviews are undertaken in a timely manner and that appropriate consultation takes place. The Head of HR is responsible for ensuring that this policy communicated and implemented as required.

5. Scope

This policy applies to North Devon Homes employees, including any of its subsidiary companies (collectively referred to as the Company).

The Board has its own Remuneration Policy.

6. Policy Statement

The Company aims to ensure that employees are remunerated fairly for the job that they do and that salaries are set within a tolerance of +/- 10% of the market median.

6.1 Pay Structure

Salaries are set using the market median and are on a single-point basis. The Company does not subscribe to general incremental pay scales.

Salaries as a minimum are paid in accordance with the national minimum wage for those aged under 23 years old. The National Living wage is paid to staff aged 23 years old and over. These rates are reviewed annually by the government.

6.2 Pay Administration

6.2.1 How and when salary is paid

Salary for all staff is payable monthly in arrears in 12 equal instalments on the 25th of each month via a BACS transaction to a nominated bank account and will be subject to such deductions as are required by law. Where 25th is a weekend, payment will be made on the Friday before.

New joiners commencing employment after the 15th of the month will be paid the following month. Under the terms of our Company Financial Regulations, advances are not permitted.

In the event of a payment error being made by the Company, it will investigate the matter, with a view to rectifying it at the earliest opportunity. Staff will be reimbursed for any underpayment via BACS. For overpayments, staff will be expected to reimburse the Company immediately upon becoming aware of the issue. In exceptional circumstances a repayment plan may be offered.

The Staff Handbook sets out information relating to P45s, P60s and P11Ds.

6.2.2 Salary breakdown calculations

Day rate

Salary = daily rate based on FTE
260 (days worked per annum)

Hourly rate

FTE salary = weekly pay Weekly pay = hourly pay
52 37 (FTE hours per week)

Pro rata rate

Actual number of hours worked x salary = pro rata salary
37 (FTE hours worked per week)

6.2.3 Pension Auto-Enrolment

After three months' employment, staff are automatically enrolled into the Company pension scheme where they:

- earn over £10,000 per year
- are aged 22 or over; and

- are under State Pension age.

Further pension information can be found at section 6.5.1 of this policy.

Staff can elect to opt in sooner or to opt out once automatically enrolled. Finance department can provide further details on this.

6.2.4 Leavers

Leavers will be paid all monies owed in their final pay. This will include payment for any accrued untaken holiday.

6.3 **General Pay**

Wherever possible, vacancies will be advertised with either a salary band or an up to salary. A competency-based pay scale may be used to determine the starting salary which will not be less than the lower quartile. This provides line managers the discretion to recognise different levels of expertise, qualifications and capability on appointment. Specific criteria for achievement of the progression to the median salary will be agreed with the employee on appointment so that they are aware of how the full salary is to be achieved and have an idea of how long this is expected to take.

In very exceptional circumstances, the Executive Team reserves the right to award a salary outside of the current policy remit in order to respond to critical business or market demands or risk in order to recruit or retain staff.

6.4 **Apprentice and Trainee Pay**

All Apprentices are offered the same salary for the first 12 months of their Apprenticeship. For the remainder of the Apprenticeship, Apprentices are paid the national minimum wage according to their age.

Salary uplifts will be made automatically upon age thresholds being met.

Trainees are paid on a scale appropriate to their level of skills and competency compared to the qualifications and experience required for the post. Trainees will receive a development plan detailing progress and time required to move along the scale.

Trainee salaries as a minimum are paid in accordance with the relevant National Minimum Wage rate.

6.5 Allowances

6.5.1 Pension contributions

The Company is a member of the Social Housing Pension Scheme (SHPS). The SHPS-Defined Contribution scheme is open to all employees.

- Employee contributions are 3%
- Employer contributions are 7% .

The Board reviews the employer contribution rate annually.

Additional Voluntary Contributions (AVCs) can be used to increase employee monthly contributions. Further details are available from Payments & Payroll Coordinator.

Details of Pension auto enrolment are set out above at section 6.2.3 of this policy.

6.5.2 Annual leave

The Holiday year runs from 1 April to 31 March each year. All staff are entitled to 27 days annual leave per year, plus all bank holidays. This is applied on a pro rata basis for part time staff. Directors receive 32 days annual leave per year, plus all bank holidays.

General principles for a holiday purchase and sell back scheme are in place; whereby an employee can apply to buy or sell up to 5 days annual leave so long as specific criteria are met, and with line manager approval.

Leavers are paid in lieu of any accrued holiday entitlement on a pro-rata basis. Calculations are based on:

$\frac{\text{annual salary}}{260} \times \text{no. day holiday not taken.}$ 260 (days worked per annum)

If staff have taken more holiday than they are entitled by their leave date, the Company reserves the right to recover costs from the final pay.

6.5.3 Essential Car User Allowance

Where it is a job role requirement to frequently travel in order to fulfil that role, an essential car user allowance will be considered. Essential car user allowance is £1,350 per annum. The Executive Team authorise and review posts eligible for an essential car user allowance every three years, in accordance with the Non-Company Vehicle Policy.

Essential car allowance rate may be reviewed from time to time by the Executive team.

HMRC rules apply in respect of payment for mileage.

The Executive Team receive a car allowance as part of their total remuneration package.

6.5.4 Company sick pay entitlements

Entitlement to Company sick pay is dependent upon length of service. Details are set out in the Sickness Management policy.

6.5.5 Out of Hours / Standby Payments

Out of hours and Standby payments are set out in the Staff Handbook. Claims must be submitted and approved via Cascade. Rates are subject to cost-of-living review.

6.5.6 Overtime Payments

Claims may only be made with the advance approval of a Director. Overtime claims must be submitted and approved via Cascade. Overtime is paid at time and a half between the hours of 6:00pm and 8:00am Monday to Friday inclusive, and all day on Saturdays. Flexi-time may not be accrued for the period for which overtime is paid during these hours.

Double time will be paid for any hours worked on Sundays and / or Bank Holidays, with the equivalent time off in lieu.

6.5.7 First Aider and Mental Health First Aider Payments

First aiders and mental health first aiders receive £250 per annum for undertaking these qualified roles. The Company will fund training to enable staff to gain and retain the required qualifications.

6.5.8 Expense claims

Expense claims must be submitted and approved via Cascade. All claims must be in accordance with Financial Regulations and Staff Allowance & Mileage Rates. Receipts must be provided.

6.6 **Changes affecting pay**

6.6.1 Succession Planning and Internal Transfers

Internal transfers and secondments pose an opportunity for individuals to develop their own experience and further their own careers, as well as an opportunity for the Company to retain talent within the organisation.

Secondments and internal transfers may be used as development opportunities for staff, and whilst business needs must be considered, should be encouraged by managers.

Salary will be awarded on a scale appropriate to their level of skills and competency compared to the qualifications and experience required for the post. Where the appointment is made on a salary lower than their existing salary, in taking up the post their salary will be reduced accordingly. Where appropriate, a development plan detailing progress and time required to move along the scale will be put in place.

In exceptional circumstances, staff secondments to business-critical posts may be agreed on a temporary basis with the approval of the Executive Team where there is a strong business case for doing so in order to develop or grow staff for future roles or projected business need, without having to formally advertise for this post

6.6.2 Acting Up / Honorarium Payments

As part of the Company's ongoing commitment to developing staff there may be a business need or requirement to act up into a post. This may include:

- Taking on additional responsibilities of a post that is more senior than their current one, this may be to cover, sickness or other absence
- Taking people management responsibilities for a set period of time.

In these circumstances we may take the view that the additional responsibilities merit the payment for the period of the activity. The Executive Team will consider any acting up / honorarium arrangements and agree a payment for a period of up to six months at a time, depending on the duties and responsibilities.

A percentage of the full-time equivalent salary will be agreed by the Executive Team and reviewed on a six-monthly basis.

6.6.3 Promotion

In the event of an internal promotion, levels of expertise, qualifications, competency and capability will be reviewed to determine the salary offered at appointment. Where a development need / skills gap has been identified a salary of 10% to 20% less than median will be considered. In all cases the employee will be provided with a development plan detailing how the full salary is to be achieved and how long this is expected to take.

6.6.4 Management of Change Process

From time to time and for a variety of reasons, the Company may be required to make changes within areas of the business. These may or may not impact pay and/or job roles. All changes processes will be carried out in accordance with our Management of Change Procedure.

6.7 **Pay Reviews**

6.7.1 Role of Group Remuneration & People Committee (GRAPC)

GRAPC is responsible for overseeing the remuneration of staff and recommending changes to the Group Board. This includes ensuring our policy on pay and reward adheres to statutory and code compliance, including market testing.

6.7.2 Cost of Living Increase

Each December, GRAPC will consider whether to recommend to the Board payment of a cost-of-living increase for the following financial year.

Factors considered are:

- the economic climate at the time, including local conditions
- what others in the sector are awarding
- business plan and budget constraints
- general and wage inflation.

The Board will decide at its quarter four meeting whether to ratify the GRAPC recommendation.

Where a cost-of-living increase is to be awarded it will be with effect from 1 April and will typically be a percentage increase in salary. However, payment of a minimum award will be considered as an alternative. This is to ensure that those on lower salaries receive a meaningful increase.

Should there be any business reason for a cost-of-living increase not to be awarded, the Company will endeavour to notify employees as soon as practicably possible.

6.7.3 Market Testing Exercise

A market testing exercise of all salaries and benefits will take place every three years by way of a validation of all salaries to ensure that staff have confidence that their pay reflects the market and is fairly and equitably applied.

This exercise is undertaken by an external provider and is broadly based on the following scope:

- All posts evaluated against the market
- Job descriptions used to evaluate post (not job title)
- Evaluation to compare total remuneration package; including benefits and perks
- Evaluation to compare ndh remuneration package against other Housing providers in the south west and nationally
- Evaluation to compare similar non housing posts in the south west, where applicable

- Evaluation to included comparison with posts being advertised
- Evaluation of different options for rewarding excellent performance by other Housing providers in the south west and nationally
- Equal Pay Health Check to ensure that there are no discrepancies between the pay for males and females for the same posts.

The external provider analyses market data and reports back findings based on lower, median and upper quartile points in the market.

Where results show that salaries are within a tolerance of +/-10% of the median, they will not be adjusted to reflect differences in the market. However, in the event of the current salary being below the lower quartile, the salary will be increased to at least the lower quartile.

Where results show that salaries are below the tolerance of -10% of the median, they will be increased to the be within tolerance.

Where results show that salaries are above the tolerance of +10% of the median, the pay protection rules set out below:

6.7.4 Pay Protection Rules.

Where pay is negatively affected by either a change process or market test result, pay protection will be applied. This means that the existing salary will be frozen with no entitlement to cost of living rises or increments for a period of six months. At the end of this period, salary will be reduced by 50% of the difference between the old salary and the new salary, with no entitlement to cost of living rises or increments for a further 6 months. Thereafter, the salary will be reduced to the agreed new salary.

6.7.5 Existing Post Reviews

From time to time, due to changes to responsibilities, restructuring activities or team changes. Job descriptions may need to be reviewed which in some circumstances will require a re-evaluation of the job description. This will be at the discretion of the line manager.

In such cases, an ad hoc job evaluation will be undertaken by the same external provider who carried out the market testing exercise – this is to ensure consistency in approach.

Any changes in salary as a result of the re-evaluation will require Executive Team approval.

6.7.6 New Post Evaluation

Job evaluation of a new post will be undertaken by the same external provider who carried out the market testing exercise – this is to ensure consistency in approach.

Where skills are in high demand salaries may be inflated as a direct result of competition to attract specific skills sets.

New posts that are over and above the agreed establishment require approval by the Executive Team via the Staff Request Process.

The external provider analyses market data and reports back findings based on lower, median, and upper quartile points in the market.

The majority of posts will be paid at the median or within a tolerance of +/- 10% of the market median. In some circumstances it may be necessary to pay below or over this due to external factors such as market competition for specific skills sets or hard to recruit to posts. Any such decisions this will be based on business needs and will be determined by the Executive Team.

Salaries will not go below the lower quartile or above the upper quartile limits.

6.8. **Equality and Gender Pay Gap**

The Company will ensure that in all matters relating to pay individuals are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender reassignment, pregnancy and maternity, or because they work part time or on a fixed-term contract.

An Equal Pay Health Check forms part of the Company's market testing exercise carried out every three years to ensure compliance.

Further to this, although there is no legal requirement, the Company reports its Gender Pay Gap to the Board on a six-monthly basis. The Company will endeavour to minimise the Gender Gap, where possible.

6.9 Overview of Company Benefits and Perks

The benefits and perks which the Company offers form part of the total remuneration package and have been developed to ensure optimum recruitment and retention of staff with a view to maximising staff satisfaction. Company benefits and perks are subject to review and may change from time to time. Staff will be consulted as appropriate. The Company currently offers:

6.9.1 Benefits

- Defined Contribution Pension Scheme Company funded Cash Plan
 - 27 days annual leave per year + bank holidays pro rata (32 days for Executive Team)
 - Employee Assistance Programme
 - Flexible working through a Flexi-time Policy and a Work Life Balance Policy
 - Company Sick pay over and above statutory entitlement
 - Enhanced Maternity, Adoption & Paternity Pay over and above statutory entitlement
 - Salary sacrifice schemes – e.g. Cycle and Tech Schemes
 - Buying and selling annual leave.

6.9.2 Perks

- Long Service Awards at 10, 20 and 30 years of service. Details of amounts are set out in the staff handbook.
- Bright Star recognition awards

- Free parking
- Free tea and coffee
- Annual Health Fair
- Hybrid working
- Subsidised health initiatives; netball, singing, Pilates, yoga
- Small on-site gym facility
- Corporate gym membership.

6.10 Total Reward Statements

Each year the Company will issue all staff with an Annual Total Reward Statement detailing the total remuneration package received in the previous year to ensure that all staff understand the true make up and value of their package.

6.11 Training and Development

The Company recognises the importance and value of training and developing its staff to attract and retain key skills within the business. Wherever possible, the Company operates and invests in a 'grow our own' ethos. Training and development will be supported according to business need, in line with the Training policy.

7. Consultation

Who has been consulted in developing the Policy?

Date	Consultation methodology	Challenge / Impact / Result
November 2022	Executive Team	To approve changes
December 2022	GRAPC	To approve changes
January 2023	Staff consultation	Amendments suggested and incorporated.

8. Equality Impact Assessment

8.1 Identify potential impact on each of the diversity “groups”

Strand	No impact	Negative impact	Positive impact	Comments/evidence
Race	?			No protected characteristics used to determine pay and reward
Disability	?			No protected characteristics used to determine pay and reward
Gender	?			No protected characteristics used to determine pay and reward
Gender Reassignment	?			No protected characteristics used to determine pay and reward
Sexual orientation	?			No protected characteristics used to determine pay and reward
Religion or belief	?			No protected characteristics used to determine pay and reward
Age	?			No protected characteristics used to determine pay and reward
Rural issues	?			No protected characteristics used to determine pay and reward
Social Inclusion issues	?			No protected characteristics used to determine pay and reward
Pregnancy and maternity	?			No protected characteristics used to determine pay and reward
Marriage and civil partnership	?			No protected characteristics used to determine pay and reward.

8.2 Does the Policy promote equality of opportunity?

Yes.

8.3 If “adverse impact” identified in table above is it?

Not applicable.

8.4 A full EIA is not required for this policy.

8.5 If suggestions for improvement have been suggested, what should the positive outcome be for North Devon Homes’ customers and stakeholders?

None.

Next review date	
March 2026	
Author	Related Documents