

## **Remuneration Policy**

### **1. Background And Objectives**

- 1.1** Goram Homes wants to be regarded as an excellent employer, one that people will want to join and be proud to work for.
- 1.2** This document sets out Goram Homes's policy to ensure that remuneration is sufficient to recruit and retain a staff team that is skilled, motivated and productive within agreed resources to enable Goram Homes to achieve its corporate objectives.
- 1.3** The policy also seeks to ensure that Goram Homes adopts an open and transparent approach to establishing base pay, pay awards and wider employee financial benefits.

The principles and policy objectives contained within this policy will ensure that the expenditure on remuneration is in line with assumptions made in the approved Business Plan.

### **2. Policy Detail**

#### **2.1 Scope**

- 2.1.1** This policy applies to all staff, including the Managing Director and members of the Senior Leadership Team and the board.
- 2.1.2** Goram Homes does not consider any of the information set out in this policy to be contractual and all elements are subject to change.
- 2.1.3** The Policy covers the following areas:
  - Determination of salary levels
  - Salary benchmarking reviews
  - Interim review of salaries
  - Annual Pay Award
  - Pension
  - Additional hours / Overtime
  - Bonuses
  - Acting up payments
  - Performance related pay
  - Appeals
  - Protection of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006
  - Determination of key benefits (non-pay)
  - Other Key Benefits

- Agency workers
- Payment of salary

**2.1.4** Goram Homes recognises that pay is not the only motivator for employees and acknowledges the importance of tangible and intangible rewards within the wider context of the work experience. As such, Goram Homes will operate a “total reward” approach which recognises all aspects of work that are valued by employees, including elements such as recognition, work/life balance, company culture, employee development and working environment in addition to the wider pay and benefits package.

## **2.2 Determination of Salary Levels – excluding board and committee members**

**2.2.1** Goram Homes is committed to ensuring that:

- Salaries remain competitive in the labour market, through conducting regular pay reviews, paying individuals in line with normal industry practice and standards, and benchmarking salaries against other employers.
- Goram Homes will not discriminate based on an individual's gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender assignment, pregnancy and maternity, or because they work part time or on a fixed term contract.

**2.2.2** Goram Homes wants to offer salaries that enable it to attract high calibre applicants. Pay levels will be set by alignment to “the median commercial market rate” as part of an attractive “total rewards” package. Using a market rate means there is no formal structure in place for pay progression as there is a single salary attached to each role. This method is also often referred to as “spot salaries”.

**2.2.3** To establish what the market rate is for each role within the organisation a salary benchmarking process will be used. An external consultant, who possesses the necessary understanding of the employment market within which Goram Homes operates, will be used to undertake a benchmarking review of pay levels against similar sized organisations taking into account the geographical location.

**2.2.4** The external consultant will gain an understanding of the role by using the following information:

- Role profiles and person specifications
- Benefits offered by Goram Homes (i.e. sickness pay, holiday, pension contributions)
- Current salary levels
- Organisational staff structure

- Background information on Goram Homes (i.e. number of staff, turnover, complexity)
- Discussions with the Managing Director, and other senior managers as applicable

**2.2.5** Role profiles and person specifications will be reviewed on a regular basis and as a minimum every two years prior to the process to review market rates.

**2.2.6** Within a salary benchmarking process all roles are benchmarked individually based on the role content and position within the organisation and then compared to other external comparator roles. No form of job evaluation is undertaken as part of salary benchmarking.

**2.2.7** Goram Homes will take account of the advice from the external consultant regarding any tolerances that should be taken account of, since rates may vary for the same occupation and in the same location.

**2.2.8** Given the imprecise nature of benchmarking, when reviewing the salary data received from the external consultant, Goram Homes reserves the right to rationalise spot salary figures and will seek to standardise pay rates for roles within the tolerance level advised by the external consultant, where appropriate.

**2.2.9** The remuneration committee will consider and advise the board on any amendments to senior pay within the company. This will include the following roles, the Managing Director, the Chief Financial Officer and any other role with a salary exceeding £100k.

**2.2.10** All roles subject to shareholder oversight will be referred to the shareholder for approval once considered by the remuneration committee as set out in 2.2.9 and the board. The Chair of the board will lead on these approvals as required by the shareholder agreement.

## **2.3 Determination of Salary Levels – Non executive board and committee members**

**2.3.1** The rate of any annual increase will be determined by the shareholder on an annual basis, this decision would normally be before the end of June in the year subjected to any increase. This would be applicable to the April of the same year.

**2.3.2** The overall fees for the roles of NED's (plus and enhancements for chair roles) and committee members. Will be determined by the shareholder on a 4 yearly cycle. This cycle will commence in 2024.

## **2.4 Salary Benchmarking Reviews**

- 2.4.1** Salary benchmarking reviews will be conducted every two years, for all staff. In the years between salary benchmarking reviews roles may be re-assessed as a result of grievance or by exception, but in any event, only with the approval of the Managing Director, or the Chair of the Board in the case of the Managing Director's salary.
- 2.4.2** Salary benchmarking reviews will normally be conducted between September and October and pay adjustments required to move salaries up to the market rate (if appropriate) will be payable from the 1<sup>st</sup> April in the following year. In the case of back pay this will be considered by the remuneration committee and agreed if appropriate.
- 2.4.3** When a recruitment exercise is undertaken within the period of three months before a salary benchmarking review is due (e.g. 1<sup>st</sup> January – 31<sup>st</sup> March) the recruitment advertisement and any accompanying information will clearly state that a salary review is pending.

## **2.5 Interim Review of Salaries**

- 2.5.1** In between salary benchmarking reviews an interim review of salaries may be conducted (e.g. in response to experiencing recruitment difficulties). In this situation, Goram Homes may commission an external consultant to undertake a review of inflation and recent pay growth, in general terms and in relation to the housing sector and also consider the outlook for the next financial year. The purpose of this review is to provide authoritative information to Goram Homes to enable an approach to be developed to awarding an increase (if appropriate) in salaries for the next financial year. Any increase will normally be effective from the 1<sup>st</sup> April.
- 2.5.2** The ability of Goram Homes to afford to award an increase in salaries as a result of an interim review of salaries will be a determining factor in whether any increases in salaries are awarded. Where there are any budget changes required to accommodate such changes this must be considered by the remuneration committee.

## **2.6 Annual Pay Award**

- 2.6.1** Alongside salary benchmarking and reviews, Goram Homes will also conduct an Annual Pay Review to include all staff. This will establish whether to make any additional pay awards to employees from 1<sup>st</sup> April each year. This review process will take into account:
  - company performance
  - the financial position of the company and affordability
  - any changes in the cost of living / inflation (RPI)

- changes in the labour market (local and industry) including recruitment and retention pressures
- individual employee performance
- shareholder expectations and requirements

**2.6.2** The company will appoint an experienced external advisor to complete an annual pay report. This report will be presented to the Remuneration Committee at a suitable date, so to allow consideration and recommendations to be made to the board meeting which best aligns with the 1<sup>st</sup> of April each year.

**2.6.3** The board will then consider and approve where appropriate any annual pay award.

**2.6.4** All pay awards are discretionary and Goram Homes reserves the right to change the process and criteria applied and the date of the award as part of the annual pay review. The decision on any annual pay award will be subject to approval by the Board, and any Executive Directors affected by the decision will not participate in any such decision.

**2.6.5** Remuneration of Board non executive directors and committee members are excluded from annual pay review. All matters regarding pay for these roles are covered in section 2.3

## **2.7 Pension**

**2.7.1** We offer a contributory Group Personal Pension Fund (NEST) and we will match employees' contributions from 5% up to 10%, this is overseen by the board to ensure affordability and value for money.

**2.7.2** Board non executive directors and committee members will not be eligible to receive pension contributions due the nature of the contract for services rather than employment.

## **2.8 Additional Hours / Overtime**

**2.8.1** From time to time staff may be required to work outside of normal office working hours, e.g. attending evening or weekend meetings, carrying out special tasks in addition to their normal duties. This will normally be a standard part of an employee's role profile as part of an agile work culture.

**2.8.2** In the majority of cases, such work would not qualify for any additional payment. However, in exceptional circumstances, the Managing Director may authorise paid overtime to be paid in line with their normal hourly rate.

## **2.9 Bonuses and Performance Related Pay (PRP)**

- 2.9.1** Bonuses or PRP will not normally be paid as part of an employee's standard remuneration package. Inclusion of any bonus or PRP within a contract must be first approved by the Remuneration committee, following a request by either the Managing Director or Chair.
- 2.9.2** In exceptional circumstances a Manager may recommend an employee is paid a bonus if the employee has been required to undertake work of a higher level than is normally required for a period of less than one month and it was not possible to arrange in advance an acting up payment. Recommendations for bonuses must be made in writing to the Managing Director for approval.
- 2.9.3** A Retention Bonus may be paid to an employee on completion of a key project where retaining an employee for the duration of the project is a significant risk to Goram Homes. In these circumstances the amount of bonus and achievement criteria must be agreed at the start of the project and authorised by the Managing Director.
- 2.9.4** Where a Bonus is to be awarded, the process for administration and award of the Bonus is to be included within the employee's contract. This is due to this being an exception to the standard policy and a bespoke arrangement. This contract drafting requires the approval of the Remuneration committee prior to any contract being signed.

## **2.10 Acting-up Payments**

- 2.10.1** If an employee is required to undertake work of a higher level than is normally required for a period that exceeds one month, a monthly additional payment may be paid to reflect the increase in responsibility.
- 2.10.2** The level of this payment will normally be agreed in advance by the Managing Director and will continue for as long as the employee is required to undertake the extra responsibility. The normal level of salary for acting up would be 90% of the salary of the higher-level role.
- 2.10.3** On completion of the acting up period, the employee's pay will revert to its normal level.

## **2.11 Appeals**

- 2.11.1** Individuals who wish to appeal against a pay decision that affects them may raise the matter through the Grievance Procedure.

## **2.12 Protection for Staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)**

- 2.12.1** TUPE protects employees when a business changes to a new owner and apply to what are known as “relevant transfers” which may occur in many situations. The two broad categories are business transfers and service provision changes.
- 2.12.2** Goram Homes is committed to protecting employees following a relevant transfer under the TUPE regulations, enabling them to enjoy the same terms and conditions, with continuity of employment, as they had before the transfer.
- 2.12.3** Goram Homes acknowledges that TUPE applies to all relevant transfers including situations where services are assigned to a new contractor, for example, in labour-intensive services such as office cleaning, catering, security, refuse collection and repairs and maintenance.
- 2.12.4** Employees who transfer into Goram Homes will remain on the same salary as they were on with their previous employer immediately prior to the transfer. Future review of the salary will be carried out during the next planned salary benchmarking process in line with this Policy. Salaries which fall above the market rate will be protected. Whilst the salary is protected the current rate of pay will be maintained but no increase will be payable as a result of the Interim Review of Pay Rates, where applicable.
- 2.12.5** Where employees transfer into Goram Homes on terms and conditions including performance related pay, this will be maintained as long as Goram Homes has mechanisms available to support the scheme but may be reviewed when business needs dictate. If it is not possible to maintain the performance related pay scheme on transfer, Goram Homes will consult with the employees prior to transfer.
- 2.12.6** Goram Homes may seek to vary terms and conditions (including pay and benefits) of an employee after transfer, provided that the transfer or a reason connected with the transfer is not the sole or principal reason for the variation.
- 2.12.7** Obligations relating to provisions of benefits for old age, invalidity or survivors in employees’ occupational pension schemes do not transfer under TUPE. However, the provisions of the Pensions Act 2003 sections 257 and 258 do apply, which means that provisions equivalent to the TUPE regulations apply to pension rights.
- 2.12.8** Goram Homes will provide a form of pension arrangement for employees who were eligible for, or members of the old employer's scheme. The pension arrangement will not necessarily be the same as the arrangement provided by the previous employer but will be of a certain minimum standard specified under the Pensions Act, which includes the automatic enrolment provisions.

## **2.13 Determination of Key Benefits (non-pay)**

**2.13.1** Benefits other than pay may be agreed by the board. This is in accordance with the “total rewards” approach to employing staff adopted by Goram Homes.

**2.13.2** Periodic reviews of benefits will be conducted by the Managing Director, with appropriate external support where identified as necessary. This will take into account the overall employment package offered by Goram Homes taking into account the operating market. This will help to ensure Goram Homes is able to recruit and retain staff within the markets in which it operates and that such benefits are valued by staff.

**2.13.3** If a review indicates that changes are required these will be brought to the Board for consideration, alongside proposed revisions to this policy.

## **2.14 Living Wage**

**2.14.1** Goram Homes is an accredited Bristol Living Wage employer. The Living Wage is an hourly rate set independently and updated annually and is calculated according to the basic cost of living in the UK. The current hourly rates for London Living Wage and UK Living Wage can be found on the Living Wage Foundation website. Employers choose to pay the Living Wage on a voluntary basis as opposed to the National Minimum Wage and the National Living Wage which are statutory obligations.

Payment of the Living Wage has many advantages, and these include:

- Staff retention
- Reduction in absenteeism
- Ethical employment practices
- Reduction in poverty affording people the opportunity to provide for themselves and their families

For Goram Homes, being a Living Wage employer means the following:

- We will continue to pay the Living Wage for all its directly employed staff.
- We will ensure to the extent permitted by law that its contractors or sub-contractors pay London Living Wage to those employees, workers or the self-employed based in Greater London and pay UK Living Wage to those employees, workers or the self-employed based outside Greater London. This applies to all contractor's employees, workers or the self-employed and it's sub-contractors employees, workers or the self-employed providing two or more hours of work to the City.

## **2.15 Other Key Benefits**

### **2.15.1 Annual Leave**



- 2.15.1.1** All permanent employees of Goram Homes are entitled to 28 days annual leave (excluding bank holidays). Entitlement to annual leave will increase by 1 day for every year of service up to a maximum of 30 days.

## **2.15.2 Compassionate Leave**

- 2.15.2.1** We offer up to 3 days compassionate leave for the death of a close family member or a sudden and serious terminal illness.

## **2.15.3 Medical Appointments**

- 2.15.3.1** We allow colleagues reasonable time off to attend routine medical appointments or specific treatment (such as an operation), appointments to visit Goram Homes' Occupational Health provider and reasonable time off for treatment in connection with a disability. Any recovery time following a treatment would be considered sickness and subject to our normal sick pay scheme.

## **2.15.4 Sick Pay Scheme**

- 2.15.4.1** All employees will be entitled to 1 week full pay and 1 week half pay during any probationary period of employment and then increasing as follows:

6 months service	2 weeks full pay and 2 weeks half pay
1 year service	8 weeks full pay and 8 weeks half pay

## **2.15.5 Maternity and Paternity Leave**

- 2.15.5.1** Maternity and Parental leave shall be allocated as laid down in current Maternity Policy

## **2.15.6 Car Allowance**

- 2.15.6.1** Goram Homes does not offer company cars, car allowances are not normally included but may be considered for individual roles subject to approval by the Remuneration Committee. Travelling expenses will be met in line with the Goram Homes Expenses Policy.

## **2.15.7 Company Health Plan**

- 2.15.7.1** All employees are entitled to a non-pay benefit of £500.00 per year to put towards health and wellbeing, such as gym membership, physio sessions, acupuncture. The Finance Director is to authorise individual request before any initial expense is incurred.

#### **2.15.8 Employee Assistance Programme (EAP)**

- 2.15.9** Goram Homes provides employees with access to an EAP scheme that provides 24/7 confidential, independent and unbiased information and guidance. This is available to employees experiencing difficulties at work or at home and provides access to trained wellbeing and counselling practitioners about a range of issues including alcohol and drug misuse, bereavement, and bullying and harassment.

#### **2.16 Professional Membership Subscriptions**

- 2.16.1** Goram Homes will normally meet the cost of one professional membership subscription for staff members where it is demonstrated that membership is directly related to the employee's role at Goram Homes. Approval to meet the costs requires the approval of the Managing Director.
- 2.16.2** Employee's will be encouraged to arrange for the professional membership organisation to invoice Goram Homes directly to cover the cost of subscriptions to avoid the administration costs of recovering expenses incurred.

#### **2.17 Agency Workers**

- 2.17.1** Goram Homes is committed to ensuring that it delivers excellent service to its customers at all times. Goram Homes will, where necessary, use temporary agency workers to help fulfil its operational requirements and maintain the highest standards of service.
- 2.17.2** Goram Homes will comply with the Agency Workers Regulations 2010 which apply to "agency workers who are assigned to do temporary work for hirers through temporary work agencies".
- 2.17.3** The Regulations relate to access to collective facilities and information on relevant vacancies from day one of the assignment and equal treatment in respect of basic working and employment conditions after 12 weeks.

#### **2.18 Payment of Salary**

- 2.18.1** Payments of salary will be paid to employees monthly by direct bank credit transfer. The pay day will be the last banking day of the month, except for December when payment will be made the last banking day preceding Christmas Day.

**2.18.2** Employees will receive an itemised statement of their earnings and deductions each month.

**2.18.3** It is the responsibility of each employee to ensure that Goram Homes:

- Has details of his/her bank or building society account number and sort code.
- Is advised of any changes to his/her bank or building society account.
- Is told about any payment anomalies that the employee discovers (e.g. overpayment of salary).

**2.18.4** In the case of any overpayment of salary employees will be asked to repay the sums as soon as possible. A repayment period will be agreed, which ideally should be repaid within the same tax year that the overpayment occurred, or no longer than six months. When agreeing the repayment period individual circumstances will be taken into account.

### **3 Monitoring, Consultation and Review**

**3.1** The Council will approve this policy prior to it being implemented.

**3.2** The Board will monitor the implementation of this policy.

**3.3** Employment support services supplied to Goram Homes', will provide statistics that monitor the turnover of staff due to dissatisfaction with remuneration and report to the Managing Director on an annual basis. They will also supply data relating to the market rate percentage that male and female employees are recruited on, including the length of time employees are on less than 100% of the market rate.

**3.4** This policy will be reviewed every two years in the year that follows a salary benchmarking review process and added to or modified from time to time.

### **4 Equality And Diversity**

**4.1** In the application of this policy, Goram Homes will seek to ensure that it is operated to ensure that it does not unfairly impact any individual or group. The protected characteristics are; age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity. Remedial action will be undertaken if a detrimental effect is identified.

**4.2** Using market rates as the basis for setting pay levels for individual roles, rather than using a job evaluated grading system, carries a risk that market rates can be depressed due to inequalities in pay levels between men and women. However, the approach ensures that employees are paid at a level that reflects the market rate for each specific role.

- 4.3** In order to reduce the equalities risk of using market rates, any external consultant requested to undertake a review of market salary levels will be asked to supply additional guidance on appropriate strategies to mitigate any equality risks alongside any recommendations being made to the Board for any salary adjustments to be made.

## **5 RELATED DOCUMENTS**

- Expenses Policy

## **6 POLICY DETAILS AND CONTROL**

Date of issue	
Replacing/Updating	Updating
Next Review Date	
Drafted by	Stephen Baker, Managing Director
Contributors	
Responsible Executive Officer	Stephen Baker, Managing Director
<b>Version Control</b>	
<b>Version</b>	<b>Date</b>
1.0	
1.1	29 <sup>th</sup> October 2021
	2.14.7 Company Health Plan – incorporated non-pay benefit of £500 towards health and wellbeing for each employee.
1.2	28/11/2023
	Sections 2.1.1, 2.2.9, 2.3, 2.4.1, 2.4.2, 2.5.2, 2.6.1, 2.6.2, 2.6.3, 2.6.5, 2.7.2, 2.9.1, 2.9.4, 2.11, 2.15.6.1, 2.19, 3.1, 2.18.1
1.3	23/04/2024
	Updated to include shareholder matters relating to senior pay.