

Wales & West Housing Pay and Reward Statement 2019

This statement describes the WWH approach to how we pay and reward our workforce and details numbers of staff in receipt of various elements over the last 12 months. The statement is reported annually to the Board and subsequently, in the spirit of openness and transparency, made publically available on the WWH website.

It covers the period January to December 2019 in line with the WWH financial year.

1. Purpose and aim of the statement

The statement is intended to provide information about pay and reward policy to ensure transparency and fairness in terms of how we reward our staff for the roles performed.

2. Pay principles

We are committed to transparent, fair and equitable pay and reward arrangements that provide value for money and enable the recruitment and retention of staff with the skills and motivation to deliver a high level of service across the communities in which we operate.

Our approach to pay is based on the following principles:

- Affordability and value for money
- Equal pay
- Openness and transparency
- Supporting the Joseph Rowntree Real Living Wage as an accredited employer

3. Scope

The pay statement describes the pay and reward arrangements that apply to all staff.

Senior employees are the Senior Management Team (consisting of the Group Chief Executive, Executive Directors and Directors).

The lowest paid employees are those posts aligned to the Real Living Wage.

4. The responsibility for pay decisions

The Board is responsible for approving pay arrangements, including the pay structure (WWH banding), any cost of living awards and the decision to become an accredited Real Living Wage employer.

The Board has a stated aim of paying median market rates with no 'bonuses' or 'performance related pay'.

5. Pay structure

A pay review is undertaken annually, each July; this includes reviewing the pay of all pay bands, spot salaries and shift allowances. By exception, interim pay reviews may take place in accordance with market forces. The review may result in a percentage 'cost of living' award. The Board make all salary decisions.

Our pay structure consists of:

- Roles aligned to the Joseph Rowntree Real Living Wage which is announced in November each year. WWH applies the rate with effect from the following January.
- A range of bands (A – J) with 5 incremental points; this provides a clear, transparent structure that illustrates progressive rates of pay over a period of time (typically 5 years).
- Roles within the bands are allocated to jobs using a job evaluation scheme which establishes the relative value of different jobs within the Association. The process involves a scoring system where points are allocated against different elements; the same elements are used for each post. The job evaluation scheme is available for all staff to see on our intranet.
- New appointments are normally appointed to the first point of the banding structure (increment 1) unless there is a substantive reason for making an exception e.g. an existing employee of WWH was at the top increment of the band below immediately prior to appointment (unless a performance/disciplinary sanction states otherwise).
- In addition, where reasonable, and taking market rates into consideration, we endeavour to ensure that individuals do not take a pay-cut when joining us.
- In exceptional circumstances and only at the discretion of the Group Chief Executive (e.g. retention/competitive market reasons) employees may be awarded accelerated pay progression through the incremental scales.
- Once appointed, salaries are then subject to an incremental increase each year (up to increment 5) unless a performance/disciplinary sanction states otherwise.
- Spot salaries for Senior Management Team members (excluding the Group Chief Executive and Executive Directors).

Market testing (using external data or through the use of consultants) is undertaken as necessary. In the interim years any general 'cost of living' award agreed by the Board is applied.

- Spot salaries for the Group Chief Executive and Executive Directors

Market testing (using external data or through the use of consultants) is undertaken as necessary. The information is discussed by a Remuneration Committee which then makes a recommendation to the Board. The Board make the final decision.

Performance related pay and bonuses do not apply within our pay and reward structure; staff receive a competitive pay and benefits package and in return we expect everyone to do a good job.

The pay structure and respective rates are in **Appendix I**.

Staff numbers at all levels are in **Appendix II**.

6. Employment terms and conditions of service

The majority of employees have terms and conditions of service, including pay, set by the Association.

In line with TUPE regulations, some staff have opted to retain their former employer's terms and conditions of service.

Business driven change management procedures may also result in some staff receiving pay protection, normally for up to 2 years.

7. Equal Pay

An Equality and Diversity clause is contained within the Role Profile for all posts across the organisation.

We appoint staff to roles on merit and regardless of age, race, gender, marital status, sexual orientation, disability or religion and belief.

The job evaluation process is applied to all posts within the incremental scales.

External market testing is undertaken to inform spot salaries for posts within the Senior Management Team.

The Real Living Wage rate of pay is determined by the Joseph Rowntree Living Wage Foundation and published annually in November.

8. Pensions

Pension contributions

We are a member of The Pensions Trust and operate the Social Housing Pension Scheme (SHPS).

The Schemes attract an overall contribution which is determined by the Trust which is reviewed every three years. Overall pension contributions may vary between the different pension schemes, but the employer contribution rate is 9.85% regardless of scheme.

Defined Benefit schemes:

The 1/60th Final Salary scheme is closed to new members.

The 1/60th CARE scheme is open to those staff who are existing members of the Final Salary Scheme only; these staff can apply to join this scheme as an alternative to the Final Salary, 1/80th CARE scheme or DC scheme (below).

The 1/80th CARE scheme is open to all employees and can be used as an alternative to the DC scheme (below).

Defined Contribution scheme:

This is our nominated scheme for pension auto enrolment.

We also operate a pension salary sacrifice arrangement which typically attracts National Insurance savings. The total amount of money being paid into the pension scheme remains the same and the benefits from the pension scheme are unaffected.

| SHPS Scheme | Number of employees per scheme* |
|---|--|
| 1/60 th Final Salary Defined Benefit (<i>closed to new members</i>) | 60 |
| 1/60 th CARE Defined Benefit (<i>closed to staff other than those currently in the Final Salary scheme above</i>) | 135 |
| 1/80 th CARE Defined Benefit open to all employees | 29 |
| Defined Contribution | 149 |

| | |
|---|----|
| | |
| Number of employees not in a pension scheme | 45 |

9. Business travel and subsistence expenses

Staff are reimbursed for costs incurred in carrying out their necessary duties. Mileage payments are in line with approved HMRC allowances and, as far as possible, do not give rise to additional taxation or National Insurance liabilities.

We agree corporate rates with a number of hotels and these must be used unless there are exceptional circumstances; these arrangements cover costs for accommodation. More flexible arrangements exist for food and beverages allowing staff to choose (up to an allowance) where to eat. All claims must be receipted.

| | |
|---|-----|
| Number of staff who made travel and/or subsistence claims in the last 12 months | 310 |
|---|-----|

10. Additional payments and allowances

Depending on business requirements, staff may be eligible for the following additional payments during the course of their employment:

- **Overtime:**

Working overtime is a voluntary arrangement and authorised in advance. If overtime is worked, it attracts a standard hourly rate for time worked up to 37 hours a week and time and a half for hours worked in excess of 37 hours a week.

| | |
|---|----|
| Number of staff who received overtime payments in the last 12 months (excluding Customer Service Centre shift work) | 31 |
|---|----|

- **Shift allowances for mobile workers:**

Volunteers from across the business make up a team of mobile workers who support residents in the event of an emergency or critical situations.

- Bank Holiday (night)
- Bank Holiday (day)
- Mobile worker (on-call)

| | |
|--|---|
| Number of mobile workers who received a shift allowance in the past 12 months (excluding Customer Service Centre shift work) | 7 |
|--|---|

- **Qualifications:** We endeavour to support individuals who wish to study for a qualification and will pay between 50% and 100% of fees including registration/student membership (subject to meeting the criteria).

| | |
|---|----|
| Number of staff supported to study for qualifications in the past 12 months | 19 |
|---|----|

- **Professional fees:** The cost of annual subscription fees and any one off joining fees are paid by us, where membership of the professional body is of relevance and of benefit to both the individual and us, in carrying out their role.

| | |
|---|----|
| Number of staff for whom professional fees have been paid in the past 12 months | 62 |
|---|----|

- **Market supplements:** this applies to posts where external market data results in a supplement to the base pay for the role.

The supplement can be adjusted up or down in accordance with market rates.

| | |
|--|---|
| Number of roles that attracted a market supplement in the past 12 months | 0 |
|--|---|

- **Acting up allowance:** When individuals are requested by the Association to take up additional responsibilities for an agreed period of time, for which a monetary sum is awarded.

| | |
|---|---|
| Number of roles that attracted an acting up allowance in the past 12 months | 0 |
|---|---|

- **Pay protection:** Where the post band and/or normal earnings in a redundant role exceed that of the job to which a member of staff is redeployed, the former salary will be protected for up to 2 years. By this, the salary will remain unchanged until such a time as the salary of the new substantive post equals or exceeds the salary of the former role.

| | |
|--|---|
| *Number of staff currently with pay protection | 9 |
|--|---|

**This figure includes staff with protection rights under TUPE.*

11. Pay relativities within WWH

The lowest pay within WWH is the Joseph Rowntree Real Living Wage hourly rate (this excludes apprentices who are engaged on training contracts for whom the Government's published apprenticeship rates apply).

The highest paid position is the role of Group Chief Executive.

Currently, the ratio between the highest and lowest paid posts is 9:1

The ratio between the average pay across the organisation and that of the highest paid post is 4.7: 1

12. Gender Pay Gap

The Gender Pay Gap identifies the difference in average female earnings compared to average male earnings.

We have applied the Government's Gender Pay Gap Reporting methodology (as at April 2018) to identify our mean gender pay gap as **12.5%** and median gap as **9.7%**.

The proportion of males and females in each quartile bracket are as follows:

| Quartile | Male | Female |
|--------------|-------|--------|
| Lower | 30.9% | 69.1% |
| Lower middle | 24.7% | 75.3% |
| Upper middle | 41.2% | 58.8% |
| Upper | 42.3% | 57.7% |

Information relating to bonuses is not applicable to us.

The figures are based on the salary data on the Government's prescribed date of April 2019. This will be re-calculated annually and published within this document on our website.

We will endeavour to eliminate the pay gap through our commitment to ensuring that our processes are transparent and that staff are recruited and rewarded fairly, regardless of gender.

We will continue to review HR data to help us identify any barriers to gender equality and inform priorities for action.

13. A wider reward and recognition package

In addition to an employee's salary and such payments featured above (including pensions), WWH offers a further range of financial and non-financial workplace benefits, including:

- Health Cash Plan
- Employee Assistance Programme (EAP)
- Enhanced family friendly arrangements e.g. maternity/adoption/paternity
- Flexible working arrangements

- Flexi-time
- Learning and development opportunities
- Staff Giving Something Back Day (paid time off for volunteering)
- Childcare vouchers
- Sustainable travel loans – low emissions vehicles / bikes
- Season ticket loans (transport)
- Annual staff conference / party
- Long Service / Loyalty awards

Executive Directors also benefit from a non-pensionable car allowance of £7,000 per annum. (introduced in 2019)

Staff receive an individual financial reward statement accompanied by a generic “*Your Benefits*” brochure outlining and promoting the wider range of benefits available.

Appendix I

Pay Scales as at 1st July 2019

Senior Management Team – spot salary range

| Salary Range (£) | Number in post |
|-------------------|----------------|
| 140,000 – 159,000 | 1 |
| 130,000 - 139,900 | 1 |
| 110,000 – 129,900 | 3 |
| 90,000 - 109,900 | 1 |
| 70,000 - 89,900 | 4 |
| 60,000 - 69,900 | 2 |

| Increments | 1 | 2 | 3 | 4 | 5 |
|------------|---------|---------|---------|---------|---------|
| Band J | £45,951 | £47,764 | £49,579 | £51,394 | £53,203 |
| Band I | £36,882 | £38,695 | £40,509 | £42,323 | £44,138 |
| Band H | £33,053 | £33,993 | £34,935 | £35,875 | £36,818 |
| Band G | £29,863 | £30,659 | £31,456 | £32,253 | £33,053 |
| Band F | £26,963 | £27,686 | £28,411 | £29,136 | £29,863 |
| Band E | £24,497 | £25,116 | £25,730 | £26,345 | £26,963 |
| Band D | £22,325 | £22,867 | £23,412 | £23,955 | £24,497 |
| Band C | £20,583 | £21,017 | £21,455 | £21,890 | £22,325 |
| Band B | £18,845 | £19,279 | £19,719 | £20,150 | £20,583 |
| Band A | - | - | £17,840 | £18,336 | £18,845 |

Other pay rates

Joseph Rowntree Real Living Wage £9.00 per hour (salary equivalent £17,316)

Appendix II

As at 31st December 2019:

| Post Title | Number in post |
|--------------------------------|-----------------------|
| Group Chief Executive | 1 |
| Group Deputy Chief Executive | 1 |
| Executive Director (Assets) | 1 |
| Executive Director (Resources) | 1 |
| Executive Director (vacancy) | 0 |
| Directors | 8 |
| Band J | 35 |
| Band I | 17 |
| Band H | 107 |
| Band G | 43 |
| Band F | 37 |
| Band E | 92 |
| Band D | 33 |
| Band C | 1 |
| Band B | 7 |
| Band A | 3 |
| Living Wage | 31 |
| Total | 418 |

