

## Pay and Reward Policy

<b>Version Number</b>	2
<b>Revision Date</b>	March 2024
<b>Department</b>	Business Support and Transformation
<b>Author</b>	Head of HR and OD
<b>Reason for Policy Creation/Revision</b>	This policy has been updated to reflect the transition years to the new pay framework and our probation rates during this time
<b>Data Protection</b>	This policy is aligned to our Employee Privacy Policy and our Data Protection Policy & Procedure.
<b>Equalities</b>	EIA was done as part of the Pay Framework Project in 2023
<b>Sustainability</b>	This policy provides a sustainable pay framework for the future of Hanover.
<b>Proof Read By</b>	Director of Business Support & Transformation
<b>Date Approved</b>	11 March 2024
<b>Approved By</b>	ELT – minor change
<b>Next Review Due</b>	March 2026
<b>Audience – Training and Awareness Approach</b>	An update will be posted on HAPI.
<b>Effective Date</b>	11 March 2024
<b>Internal References – Policies &amp; Procedures (Located on The Hub)</b>	Market Supplement Procedure Job Evaluation Procedure
<b>External References</b>	None

### 1. Policy Purpose

- 1.1 The policy sets out the approach Hanover takes to pay for employees. The policy enables Hanover to meet its strategic objective to be a resilient organisation and meet our strategic objective to be a Great Employer, enabling us to recruit, develop, reward, motivate and retain high quality people capable of delivering excellent services to our customers.

### 2. Policy Scope

- 2.1 This policy applies to all employees while they are employed by Hanover. The policy also includes casual workers whilst they accept and undertake work. It excludes any agency workers. The Board are responsible for making key decisions on pay and reward as set out in our Scheme of Delegation.

### 3. Objectives

- 3.1 The Equality Act 2010 requires employers to have a robust process in place that enables them to measure the value of roles and ensure equity in pay. This is a fundamental principle which is central to our ethos on equality and diversity and pay related policies and practices.
- 3.2 Hanover will put equal pay into practice by:
- Maintaining a systematic job evaluation scheme which incorporates the principles of equal pay.
  - Undertake benchmarking of roles and the sector to ensure our pay is fair, equitable and competitive.
  - Carrying out regular monitoring of the impact of changes to government legislation relating to pay and taking appropriate remedial action to resolve issues identified.
  - Providing training/guidance for managers involved in decisions about recruitment, pay, benefits and promotions.
  - Working in partnership with employee representatives to ensure equality in pay and benefits.
  - Responding promptly to any complaints in relation to equal pay.
- 3.3 By following these principles Hanover intends to avoid unfair pay and reward practices and promote best practice as well as fulfil our ambition to be a Scottish Living Wage Employer by March 2026, the end of our transition phase.
- 3.4 Hanover is already a National Living Wage (NLW) Employer and are committed to continue to do so until the Scottish Living Wage accreditation can be achieved. New NLW rates will automatically be applied on the 1<sup>st</sup> April each year to the effected grades. Hanover is also committed to compliance with the Scottish Government “Fair Work First” guidance, implemented from 1<sup>st</sup> July 2023.

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3.5 All our salaries will be benchmarked and reviewed on a minimum of a 3-yearly basis and a maximum of 5-yearly basis to ensure consistency and fairness. Salaries will be monitored in the intervening years and ad hoc benchmarking for specific roles will be carried out only if necessary.

3.6 We aim to ensure we are competitive in the social housing sector in Scotland and provide an attractive package to our current and future employees.

### 4. Job Evaluation

4.1 Job evaluation is a means of establishing the relative worth of a job within the organisation and is typically used to produce a rank order of jobs within an organisation. Hanover has a documented procedure for the Job Evaluation Process.

4.2 All roles will be fairly evaluated using the principles of the Hanover job evaluation process to establish where they fit within the organisational hierarchy. Hanover use an external provider to minimise subjectivity and enable rational, consistent and transparent decisions to be made about roles. Information and facts about the job are all evaluated in the same way within established parameters.

4.3 We operate three pay frameworks:

- Housing Hanover Framework (**Appendix 1**)
- Telecare Framework (**Appendix 2**)
- Care Framework (**Appendix 3**)

4.4 Having these frameworks in place, allows Hanover to respond to the differing needs within those areas of the business, allowing for government pay requirements, living wage changes and market conditions.

### 5. Benchmarking and Pay Framework - Spots and Ranges

5.1 Every role within Hanover will be benchmarked against salaries from national comparators from the peer groups in the sector we operate in. Using the benchmarking data, a spot salary will be created in conjunction with the Board, aligning with the Scottish National Average and depending on affordability.

5.2 Hanover will use an external company to undertake a benchmarking exercise for all roles on a 3–5-year basis. In the interim years any general ‘cost of living’ award will be reviewed and agreed by the Board before being applied in April each year.

5.3 In this 3-year transition period we are moving from a band and 5-point scale model with automatic increments to a spot and ranges model. This will take 3 years to complete. This approach is to ensure affordability and allows us to address those lowest paid employees first.

5.4 During the implementation phase, all new employees or employees moving internally into a new role where they have limited experience will start on the bottom point of

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the scale (which will be Point 4 from 1<sup>st</sup> April 2024), and there will be no probation point.

- 5.5 Once the implementation phase is complete (31<sup>st</sup> March 2025), from 1<sup>st</sup> April 2025 all new employees or employees moving internally into a new role will start on a probation point – which will be 5% less than the spot salary (Point 5).
- 5.6 For financial year 2026-27- a mechanism for receiving the new 5% above the median point will be co-designed with employees over the transition period to ensure fair and transparent criteria are developed and applied consistently.
- 5.7 In exceptional circumstances a successful external candidate may be offered a starting salary at the spot rather than the minus 5% probationary point. This may occur if the individual has considerable relevant experience, and the recruitment would not be successful on the minus 5% probationary level salary.
- 5.8 The decision to allow a higher starting salary must balance with the need to ensure that an effective appointment is made, the need to give value for money to Hanover, meet statutory requirements and the need to be fair and equitable to all new starters. The relevant Director should be consulted on these occasions and the Market Supplement Procedure (as per section 7) must be followed and approved by ELT.

### **6. Pay Protection**

- 6.1 Hanover are committed to taking a fair and transparent approach to pay protection. During the transition period, which is made up of three phases, the transition phase will not require any employees to have their salary protected as no one will be at a financial detriment, this is a term known as red circling.
- 6.2 At the end of phase three we will review the position against the benchmark and consider our options for pay protection for those roles significantly over the benchmarked figure.
- 6.3 Any employees who are already subject to pay protection or red circling prior to the current pay review will continue with their existing arrangement.

### **7. Market Supplements**

- 7.1 A Market Supplement is a non-obligatory, time-limited payment made in addition to normal pay, where there is clear evidence that recruitment and retention difficulties are caused by the total remuneration package available being too low compared to other employers.
- 7.2 Market Supplement benchmarking will be carried out where a clear case can be made that the current benchmark is not reflective of the market. Clear case evidence would include roles that have been unsuccessfully advertised for twice, roles where offered have been turned down, due to salary, more than 3 times or where 2 or more people have left Hanover for greater salaries elsewhere, as identified by exit interviews.

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7.3 The full procedure and approvals process can be found in the Market Supplement Procedure – **Appendix 4**.

### **8. Allowances**

8.1 In some roles, we pay additional allowances – for example for undertaking sleepovers, or where night shifts is a requirement of the role. Where this is the case, allowances will form part of any benchmarking we do.

### **9. Monitoring & Evaluation**

9.1 This policy will be reviewed by the Head of HR and OD and the Head of Finance to ensure that it continues to be reasonable and affordable, any market supplements will be reported on regularly and reviewed.

### **10. Reporting**

10.1 We are required to report on an annual basis our Gender Pay Gap report and we will report on the progress of the implementation of the pay review – both will be submitted to the People Committee.

### **11. Review**

11.1 We will review this policy every three years or earlier as required.

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### Appendix 1 – Housing Framework

Housing Salary Scales	Transition Points			
Band	Point 3	Point 4	Point 5	Roles
H/A	118,616	118,616	118,616	Chief Executive
H/B	77,813	81,080	84,350	Director of Strategic Finance Director of Strategic Asset Management Director of Customer Services Director of Business Support & Transformation
H/C	63,511	65,779	68,280	Head of Finance Head of HR &OD Head of Sustainability Head of Governance & Transformation Head of Digital Head of Housing
H/D	50,413	51,401	52,391	Compliance & Repairs Manager New Build & Remodelling Manager Planned Maintenance Manager Systems Improvement Manager Customer Experience Manager Strategic Finance Manager
H/E	44,810	45,997	47,183	Operations Manager Health & Safety & Wellbeing Manager Factoring Co-Ordinator Communications Manager OD Manager, Procurement Manager Business Development Manager Risk & Assurance Manager Transactional Finance Manager Senior People Partner Performance & Transformation Manager Project Officer Customer Safety Co-Ordinator

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FH/F	34,658	36,635	38,609	Assisted Living Project Officer Contracts Officer Maintenance Officer Repairs Supervisor Clerk of Works Housing Officer HR Business Partner Repairs & Voids Officer Policy & Transformation Officer Performance and Transformation Officer Business Support Officer People Partner Executive Business Officer Volunteer Co-ordinator Welfare Rights Officer Finance Business Partner Digital Coach,
H/G	27,937	28,992	30,045	Assistant HR Business Partner Communications Officer Area Administration Officer Finance Officer Payroll Officer
H/H	23,787	24,773	25,762	Administrative Assistant Property Customer Services Assistant Repairs Advisor Retirement Home Manager Sheltered Housing Manager Communications Assistant Human Resources Assistant OD Administrator Development Manager Office Assistant Financial Analyst ICT Service Desk Analyst
H/I	21,154	21,420	21,970	Business Support Assistants Office Assistant
H/K	█	█	21,200	Handy Person
H/K3	█	█	20,100	Cleaners

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### Appendix 2 – Care Framework

Care Framework		Transition Points		
Band	Point 3 (probation point)	Point 4	Point 5	Roles
C/C	63,511	65,779	68,280	Head of Care
C/E	44,810	45,997	47,183	Operations Manager - Care
C/F.5	40,500	40,500	40,500	Housing with Care Manager
C/ F	34,658	36,635	38,609	Very Sheltered Housing Manager
C/ G	27,937	28,992	30,045	Team Leader
C/H	23,787	24,773	25,762	Development Manager Very Sheltered Housing Worker Mobile Support Worker Support Worker
C/I	21,154	21,420	21,970	Cooks Administration Assistant Home Support Worker Development Assistant
C/J	██████	██████	21,200	Catering Assistant Care Worker - Qualified
C/K4	██████	██████	20,600	Care Worker - Non-qualified
C/K2	██████	██████	20,100	Cleaners



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### Appendix 3 – Telecare Framework

Telecare Framework			Transition Points	
Band	Point 3 (probation point)	Point 4	Point 5	Roles
T/D	50,413	51,401	52,391	Telecare Manager
T/F	34,658	36,635	38,609	Telecare Supervisor
T/G.5	██████	██████	33,000	Senior Operator, Telecare Trainer
T/H	23,787	24,773	25,762	Telecare Operator Administration Assistant Customer Service Centre Administrator