

REMUNERATION POLICY

Lorna Mapson, Group HR Manager
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I. INTRODUCTION

TCL is committed to ensuring a proper balance between

- i. paying staff and others who work for fairly, so that only the best people are recruited and retained and
- ii. careful management of charity funds.

In so doing, TCL will ensure the greatest effectiveness in delivering its charitable objectives and meeting the needs of stakeholders. Whilst TCL's remuneration is generally competitive within the leisure industry it does not compete on pay with other industries.

2. STAFF SALARIES

2.1 New Posts

When determining the salary for a new post, TCL will collect information about comparable roles where possible, preferably within the Leisure sector. This information will be used to benchmark TCL salaries, normally aiming to set them at a level that appears to represent the market / local area. TCL will also seek advice from peers within other organisations where they employ people in similar roles. To this end TCL benchmark with other south east leisure centre operators (SELCO) and Community Leisure UK (formerly SPORTA).

2.2 Salary banding

All posts meet the minimum requirements in respect of the National Minimum Wage (NMW). All employees aged 25+ will be paid at least the National Living Wage (NLW). It is current TCL policy to apply NLW to all staff regardless of their age, with the exception of apprenticeships.

Salaries for the majority of posts will comprise a band made up of a series of salary points. Other posts have a flat rate salary. All salaries are openly stated in job adverts.

Subject to company finances, post-holders are able to progress up to the next salary point within the band applicable to the post at the beginning of each new financial year, subject to having received a satisfactory annual appraisal (Development and Review Time (DART)) and having achieved their key performance indicators for the year. Following the annual appraisal (DART), an employee's manager will make a recommendation to the Chief Executive as to whether a progression up to the next band has been merited.

2.3 The Living Wage Foundation

TCL would like to work towards paying the 'living wage' (LW) over time in accordance with The Living Wage Foundation recommendations, but only when this is affordable and sustainable.

2.4 'Annual' Pay Award and Adjustments

During the budget setting process (in around November/December) each year – for implementation in the following new financial year (April), the management team will consider whether the salary points for all staff should be adjusted for the forthcoming financial year beginning 1st April, to reflect changes in cost of living.

The considerations will begin with an assumption that salaries should be adjusted to match inflation (specifically the Consumer Price Index) over the preceding 12-months. Further consideration will then determine whether this is appropriate in the context of:-

- i. the charity's financial situation – can it afford the CPI linked increase and is it sustainable?
- ii. the charity's performance – have KPIs been met?

- iii. Previous pay awards made in recent years – have salaries kept pace with the CPI over the longer term?
- iv. pay reviews elsewhere – how might a failure to follow wider trends be perceived amongst staff, within peer organisations for example
- v. overall affordability and sustainability – can the charity realistically afford it now and can it sustain it moving forwards?

Based on the above, the management team will make a recommendation to the Trustees, to approve any annual pay award. If approved, annual pay awards will be applied equally to all staff including senior managers.

In order to close (and or maintain the gap) to the LWV some lower paid posts may receive a larger pay increase, where affordable and sustainable, whilst having regard to maintain a level of positive pay differential for those in more senior positions.

3. OTHER PECUNIARY BENEFITS FOR STAFF

3.1 Pension Arrangements

By nature of previous arrangements (TUPE transfers), some staff have previously opted to join the Local Government Pension Scheme (LGPS) in accordance with an admission agreements with Essex Pension Fund.

For those staff who are not members of the LGPS, TCL complies with its statutory auto-enrolment duties in accordance with Part 1 of the Pensions Act 2008, where employees' will be automatically enrolled into a defined contribution pension scheme from the date required by the Pensions Act 2008. Details are notified to each individual separately, including what he/she would need to do should they wish to opt out of membership. In this regard, TCL uses NEST to fulfil auto-enrolment obligations.

All staff, regardless of whether entitled/not entitled/eligible have the opportunity to join NEST on request. Furthermore, TCL (and the employee) pay contributions on *total* earnings, irrespective of age or earnings level.

Employees can only be a member of one pension scheme.

3.2 Private Health Care

Historically some of the senior management team have private health care arrangements, to ensure that any ill-health is treated promptly, so the individual can continue/return to work with minimum absence. All private health care is declared on PIID and subject to tax in accordance in HMRC guidelines.

3.3 Use of Facilities by Employees

In order to promote health, fitness and wellbeing, employees may use the facilities free of charge, provided a paying member of the public is not prohibited from use as a result of an employee taking up space.

3.5 Relocation Package

For the majority of posts, there is a relocation package available, in order to attract staff from further afield to the organisation.

4. PAYMENTS TO TRUSTEES

TCL Trustees are not paid for their work as a Trustee.

Trustees can be reimbursed for reasonable out of pocket expenses. They may also be paid for undertaking special work for the charity, provided that this meets with the Charity Commission guidance 'Payments to Charity Trustees – What the Rules Are'. However, TCL will generally avoid engaging its Trustees for work and will only do so where there is no suitable alternative supplier of that work.

5. DISCLOSURES WITHIN THE ANNUAL REPORT AND ACCOUNTS

In accordance with the Charity Commission's Statement on Recommended Practice 2015 (SORP) and guidance contained within the National Council for Voluntary Organisations' 'Report of the Inquiry into Charity Senior Executive Pay', TCL will include or disclose the following in its Annual Report and Accounts:-

- a statement that summaries this Remuneration Policy;
- payments to Trustees;
- an indication of the salary and other benefits received by the Chief Executive;
- the number of staff receiving more than £60,000 salary;
- a summary of pensions and other benefits receivable by staff;
- any 'annual pay award (cost of living)' changes to the payroll for all staff along with a brief justification of any such changes.

The Statutory Accounts which includes this information will also be posted on TCL's website no more than two clicks away from the home page.

6. HOW DECISIONS ARE MADE

TCL's Senior Management Team are tasked with the consideration of formal remuneration matters (including annual pay award) – which takes place annually (as mentioned above in 2.4) and which are agreed by the Trustees as part of the budget setting process. However, they may also be considered at other meetings if ad hoc issues arise during the year. The Chief Executive has the responsibility to make any ad hoc decisions regarding salary changes for any position/post holder. Any decision/s regarding the salary of the Chief Executive and senior managers is made by TCL Trustees.

The annual, formal considerations of remuneration matters are to:-

- determine and keep under review the salary banding of all staff, using market comparators, as deemed suitable, taking account of the nature of the posts being considered;
- determine any annual percentage 'pay award/cost of living' change in the payroll;
- ensure that contractual terms on termination are fair to the individual and at least meet the statutory minimum requirements, and that good performance is recognised and poor performance is not rewarded.

The Senior Management Team does not have full delegated authority in matters relating to their own remuneration, and any recommendations or decisions must be ratified by the Trustees prior to implementation.