



## PAY POLICY

May 2026

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<b>Applicable Committee(s)</b>	Corporate Services
<b>Owner - role</b>	Director of Finance & Corporate Services

<b>Record of Updates/Changes</b>			
<b>Current Version</b>	<b>Date Approved</b>	<b>Approved By</b>	<b>Changes</b>
V3	21/05/2026	Corporate SC	Expanded sections on application for internal moves, eg regrading and promotion to ensure fairness and clarity on process.
V2	19/05/2025	Corporate SC	Updates to reflect organisation changes
V1	23/05/2022	Corporate SC	New policy

## 1.0 INTRODUCTION

The purpose of the Pay Policy is to ensure transparency and accountability with regard to Castlehill Housing Association's (CHA's) approach to setting pay.

The Pay Policy identifies:

- The method by which salaries are determined and how they are paid
- How CHA's pay structure operates and how grading is determined, including pay progression
- The approach to the annual pay review, and how this is agreed and approved
- Information relating to additional allowances and when they are payable, or links to the policies where this information is provided.

## 2.0 SCOPE

This policy applies to all employees of Castlehill Housing Association, including the Chief Executive. All relief staff are included in CHA's annual salary review process.

## 3.0 ASSOCIATED POLICIES

- Staff Expenses Policy
- Vehicles and Driving Policy
- Job Evaluation Policy

## 4.0 METHODS OF PAY AND PAY ADVICE

The basic hourly rate is annual salary divided by 52 weeks divided by weekly working hours. Individual contracts will detail how pro-rating has been applied to any staff member working less than 35 hours per week.

Salaries and where applicable, allowances and other additional remuneration, are paid direct to staff bank accounts by bank transfer by the 27<sup>th</sup> day of each month. Salaries and car allowance cover the period to the end of the calendar month and other allowances or other additional remuneration, are paid a month in arrears. The law requires CHA to deduct Income Tax and Employee National Insurance contributions from salary.

Each member of staff is issued with a payslip in our HR System, People HR, showing their basic monthly salary, any pay supplements, allowances or deductions made. It is in the interest of all members of staff to check their payslips carefully each month and to inform Finance as soon as possible if they think an error has been made.

## 5.0 PAY GRADES

Currently CHA has 13 separate pay grades, with a pay scale attached to each pay grade. A grade is attached to a post following a job evaluation process, the details of which are outlined in our Job

Evaluation Policy. The full pay grading structure is available in the HR Information section of the SharePoint site.

Each pay grade is made up of five incremental points, with a 2.5% differential between incremental points. In general, new employees, or existing employees appointed to promoted posts, are placed at the lowest point of the applicable grade, except where one or more of the following factors arise, in which case placement will be subject to agreement between the parties:

- Additional skills, experience, qualifications or part-qualifications
  - Circumstances requiring the payment of a market rate such as skills shortages, high turnover, or other economic factors
  - Where employee is promoted and there is an overlap in the pay grade, they will be appointed to the next increment up from their current salary.
- ☒ When this occurs a written business case should be put to the Chief Executive for approval, to ensure consistent application of the policy and that the conditions outlined above are met.

Where applicable, annual increments within the applicable pay grade will be paid from 1 April each year until the maximum point on the applicable grade has been reached. If new employees have not completed 6 months continuous service by 1 April, their first increment will be paid 6 months after their start date and annually on 1 April thereafter.

Eligibility for incremental progression is governed solely by duration in post and does not take account of performance. Relief posts attract a spot rate, aligned with the appropriate job grading associated with the post they are covering.

## 6.0 SALARY REVIEW PROCESS

The pay grades within the salary structure are reviewed annually, with changes effective from 1 April every year. Where salary reviews have not been agreed in time to enable salaries to be increased on 1 April, increases will be backdated to 1 April once agreement is reached.

In the February of each year the Chief Executive submits a Salary Review Report to the Management Committee. This report provides all the required information to enable the Management Committee to make an informed decision in relation to any salary increase. If it is decided a salary increase is to be made, this will be applied across all 13 of CHA's salary grades. Members of CHA staff are not present for these discussions.

In compiling this report the following information will be considered:

- The increase in the cost of living - the measure used is currently CPIH from the previous September to give an indication of level of inflation, however other measures may be considered.
- Affordability of a salary increase for CHA, taking account of committed spending, all sources of income and the impact on the financial position of the Association.
- Comparability of the pay awards being made across housing associations locally and nationally.

- Local labour market conditions and how this affecting recruitment and retention of staff.

## 7.0 SALARY BENCHMARKING

Salary benchmarking exercises are conducted at a maximum of 5 year intervals to ensure comparability with other Housing Associations where their operations are either of a similar size, in a similar location or offering similar services. This will be conducted by an external salary benchmarking specialist to ensure impartiality, with any recommendations being presented to the Management Committee for review. Action to address any outcomes of the salary review will be considered at each grade, where benchmarking data demonstrates a specific concern that employees within a grade are being paid less than the market rate for the role. Benchmarking may be conducted out with this timescale, if a need is identified to consider external sources of pay information for a specific job role/groups of job roles. HR will provide regular information on key metrics, eg staff turnover, vacancy statistics and employee feedback to identify any issues early and ensure that action can be taken. Any benchmarking for individual job roles or smaller groups of job roles should be approved by the Chief Executive, with final outcomes being approved by the Management Committee.

## 8.0 ADDITIONAL PAYMENTS

There are some additional payments that can be made to an employee during the course of their employment with Castlehill:

Additional Hours	<p>Staff who work fixed working hours may be eligible to claim additional hours when they work outside their normal contractual hours. This could be; to attend training, attend a meeting or to provide holiday/sickness cover. These hours should always be authorised in advance and approved by the appropriate line manager before being submitted to Finance for payment a month in arrears. Further details are contained in our Terms and Conditions of Employment.</p> <p>Staff who are eligible for Flexitime generally do not qualify for additional hours.</p>
Car Allowances	<p>Staff who are deemed Essential Car Users, qualify for a monthly allowance to help maintain their vehicle. Further details can be found in our Vehicles and Driving Policy.</p>
Expenses	<p>Certain expenses, including mileage and subsistence expense can be claimed. Further details are contained in the Staff Expenses Policy.</p>
Call Out	<p>Where an employee is called out of hours to deal with an emergency situation that cannot be resolved by our out of hours service, they can make a claim for three hours pay at their standard rate to compensate for time spent dealing with the emergency. Claims of these nature</p>

	should be submitted in writing and authorised by the line manager, before being sent to payroll for payment.
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## 9.0 TEMPORARY UPGRADING

There may be occasions where it is necessary to temporarily upgrade a member of staff for a period of time, usually to cover a period of longer-term absence or while recruitment is ongoing.

Where full responsibilities for a post are being undertaken, the staff member should be seconded into the post and paid the relevant salary for the period of time the higher level of responsibility applies.

Where only a proportion of higher grade responsibilities are being undertaken, then an allowance may be payable for this period. The size of the allowance will be determined by the proportion of time spent on higher grade duties.

## 10.0 PROMOTION OR SECONDMENT TO HIGHER GRADE POST

A promotion is defined as an advancement of an employee's position at Castlehill and will typically involve an increase in responsibilities and authority and means the employee will likely be placed on a higher grade in our pay structure.

A promotion or a promotion as a result of secondment will have likely to have occurred after a formal recruitment process, either due to a vacancy due to employee turnover or as a result of organisational change. Where a temporary need is identified due to an emergency situation, for example, long term sickness cover a full recruitment process may not have occurred, however the guidance in this section should still be followed.

Placement on the new grade will typically follow the conventions outlined in section 5 of the policy. Increments in the new post will continue to be applied from 1<sup>st</sup> April.

Where a seconded post is made permanent, the employee will be continued to be paid at the rate applied during the secondment period. Where an employee has been placed on a secondment at a higher rate as set out in Section 5 above, consideration should be given within the business case to incremental progression in post if the secondment is subsequently made permanent.

## 11.0 REGRADING

Regrading occurs when an existing post has developed, changed or grown significantly in size and has been reviewed in line with the Job Evaluation Policy.

Regrading is different from a promotion as the job purpose will remain broadly the same, however specific roles and responsibilities have changed.

Regrading is approved by the Corporate Services Sub-Committee and any change to grade will generally take place from the 1<sup>st</sup> of the month after the approval is given. For example, if an approval is given at May Sub-Committee, it will be applied from 1<sup>st</sup> June.

Placement on the grade will follow the principles outlined below:

- Employees are placed at the lowest point of the applicable grade. This would typically be the 1<sup>st</sup> increment in the salary scale.
- Where employee is promoted and there is an overlap in the pay grade, they will be appointed to the next increment up from their current salary.

Due to committee dates, it is unlikely that a regrading exercise will take effect on the 1<sup>st</sup> April. However, if this is the case the employee will be matched as above into the correct increment on the revised salary scale, and then if an increment is due, it will be applied.