

## **HPC – Salary Structure**

### **1. Purpose**

In April 2002 Council agreed that HPC consider adopting ways of working and HR practices that match those required by their users under the new legislation. It was agreed that this would involve the design and implementation of a fair and transparent reward system and drafting up-to-date employment policies. This decision formed the basis of the pay and grading work undertaken by HPC Human Resources and external consultants – Jacqueline Hammond (HR Consulting), and Richard Bulgin (Reward Group).

The purpose of this paper is to:

- i) provide an update on the outcome of the results of the research conducted by Richard Bulgin;
- ii) set out the framework, principles and financial implications of the new HPC pay system;

### **2. Recommendations**

Finances and Resources sub committee are asked to:

- i) note the contents of this paper; and
- ii) approve the pay framework , principles set out in para 4

### **3. Rationale**

#### **3.1 Update on actions taken**

An assignment schedule was agreed with Reward in April 2002, and this formed the basis for the work undertaken. The main elements included:

- Updating and evaluating HPC job descriptions;
- Producing a market range for each job (ie pricing each job); and
- Comparing current HPC salaries with company packages in the marketplace(not-for-profit sector).

The CEO job description was not included in this exercise as this position is substantively different in terms of size, responsibility and external focus.

Consequently, Reward will provide information on CEO's packages for the President who will determine the salary for this position.

### **3.2 Main findings from actions**

Overall, the current salaries of HPC staff are close to the market medians of the not-for-profit sector and little below the salaries of commercial equivalents. HPC (former CPSM) salaries have kept pace with the market and, as a result, positioning HPC salaries within the not-for-profit sector is an affordable proposition.

There are small number of jobs where the HPC salary varies considerably from the market . These variations will be considered in more detail before committing to any market based pay system . This will involve revisiting job descriptions to ensure their accuracy.

HPC's Kennington, inner London location is a high paying one. This is unlikely to change.

## **4. General Principles and Framework for new Reward system**

### **4.1 Principles**

- The mechanism for HPC salaries is fair and transparent .
- HPC positions itself (for pay purposes), in the not-for-profit sector.
- On implementation of the new pay system, protection of salaries will be provided for if necessary.
- Overtime will not be normally available to anyone on an individual salary range.
- Annual Leave will be equalised to 30 days each year.
- Scarcity Allowances will be considered where it can be proved that skills are scarce on the market.

#### **4.2 Framework**

- Broad salary bands are introduced for non specialist, generic roles. This will minimise risk of grade drift, allow for more flexibility and assist in any future moves towards fewer levels.
- Introduce individual salary ranges for Senior and Middle managers and Specialist roles.

#### **5. Financial Implications**

As stated earlier, current HPC salaries are in the main, comparable to the market.

The cost of implementing a new pay system would be less than 5% of HPC's current pay bill.

#### **6. Staff Handbook**

Presently, HPC Employment Policies and Procedures are being updated. These policies will form the basis of a staff handbook. The intention is that it will be introduced in parallel with the new pay system.