

How do we agree the pay for our teams?

ateb want to be able to attract and retain the right skills and expertise to deliver the best services we can, so we have adopted the following process to setting the remuneration of our team.

Every 3 years we appoint an independent Human Resource consultancy to review all our role profiles across the group and compare them to other similar roles in other organisations. Our role profiles are categorised as follows:

- RP/01 - Board member (Currently unremunerated, under review)
- RP/02 - Chief Executive
- RP/03 - Director
- RP/04 - Manager
- RP/05 - Service or Team leader
- RP/06 - Delivery leads

The independent consultant analyses similar companies and makes allowances for our location and local employment market etc. before arriving at a salary range for each role. The consultant will consider scale, complexity and performance of ateb in concluding its recommendations.

The report is then presented to a specialist Committee of the Board called the Remuneration Committee by the Chief Executive and independent consultant. The Remuneration Committee privately review the report with the independent consultant, without any employees, to agree that the report is acceptable for ateb to use to set its salaries and/or propose changes or further work. The Committee then reports back to the main Board on their findings and the Board makes the following decisions:

- That the report provides an acceptable basis upon which ateb can benchmark its salaries
- The position within the salary ranges where ateb should benchmark its salaries e.g. lower quartile, median, upper quartile etc.

The above process makes sure that the salaries for each role are correctly pitched in the market every third year to assure we attract and retain great skills.

As costs traditionally rise annually, the Remuneration Committee also uses an independent consultant to consider cost of living increases from financial year to financial year. If a pay review is agreed, all the team receive the same percentage increase to their salary. Again the Remuneration Committee would report back to the Board for a decision on any increases deemed appropriate. The Board are not required to increase salaries if they believe the market conditions or business affordability do not warrant an increase. The Board's latest decisions regarding group salaries are as follows:

- The last Independent consultant review of ateb's role profiles was undertaken by www.foresthr.co.uk in the financial year 17/18. The next market testing report will take place in FY 20/21.

- The Board set its salaries at the median point of the 17/18 independent report
- The Board noted that the report had been tested for equal pay differentials and that as ateb has less than 250 employees, a gender pay gap return was not required
- The pay review for FY 17/18 to FY 18/19 was 2.25%.

In addition to salaries the Group has a range of other incentives and benefits for example, paid holiday leave, car allowances (certain roles) and contributory pensions. ateb's pension scheme is operated by SHPS and is a Defined Contribution scheme for new starters. ateb will match team members contributions up to a maximum of 10% of their salary. Pension contributions and general pension arrangements are all agreed annually by the Board.

Up to the start of FY 18/19 ateb had a performance incentive pay scheme based on the John Lewis partnership incentive scheme. The Board are reviewing this scheme through 18/19 to ensure it is delivering the right outcomes in performance, prior to this review the scheme could incentivise between 0 – 4% of salary as a one of non-consolidated payment only where efficiency savings and performance targets agreed by the Board were met. The Chief Executive role was removed from the Incentive scheme as of FY 2017/18.

The highest paid (FTE) position in the group is the Group Chief Executive, the (FTE) ratio between this and the lowest paid roles is:

- 4:1 using highest divided by the average of remaining salary method
- 6.4:1 using highest divided by lowest method

In FY 2017/18, ateb paid all its employees a minimum of £8.75 p/hr which is above the National Living Wage (2017/18 NLW was £7.83 p/hr for a person over the age of 25) and equal to the Real Living Wage for that year. Our apprentices are paid in accordance with the national apprentice rates with all apprentices regardless of age, starting on a minimum of £5.90 p/hr per hour (FY 17/18) and then in accordance with the national age bands.

Expenses are paid were applicable in accordance with Inland Revenue advice.

Our Boards are currently unremunerated, but due to the increasing levels of input and responsibilities and in-line with other similar Board arrangements, this is under review during 18/19.

ateb aims to attract and retain the best people so will continue to develop its approaches to remuneration to ensure it meets this aim whilst being cost effective for the customers it serves.

Information current as at December 2018 - primarily reflecting on approach taken to rewards in FY 2017/18

(This report will be updated in the new financial year 19/20)