



MIND IN CROYDON
ANNUAL SALARY AWARD PROCESS

The aim of this paper is to ensure that staff understand fully the annual salary award process and the principles on which it is based.

Background

Mind in Croydon sees its staff as its main asset and works hard to try to provide the best possible terms and conditions that it can. This includes not only salaries, but pension contributions, life assurance, an Employee Assistance Programme and flexible working hours (although we have to take into account the need to provide our services). We also invest as much as we can afford in staff training and development, although sometimes this means we have to undertake specific fundraising to achieve this.

Each year staff costs account for between 70% and 85% of Mind in Croydon's total costs. The majority of Mind in Croydon's income comes from its contracts with Croydon Clinical Commissioning Group (CCG) and Croydon Social Services for the provision of services. In the year ending March 2017, 61% of total income came from Croydon Clinical Commissioning Group and Croydon Social Services. Compared with other charitable organisations, we are fortunate to have such a high level of local statutory funding. In the past we have been successful in negotiating inflationary increases with our main funders which has allowed us to give staff a pay increase each year. Recently, however, inflationary increases from our funders have not been forthcoming. In 2011/12, as result of public spending cuts, our funding from Croydon Council was reduced by £122,000 (a reduction of 26%). Mind in Croydon has managed these cuts without having to make any staff redundant by using charitable reserves to make up the shortfall in the short term whilst longer term solutions were explored. In 2013, Croydon Council decommissioned Mind in Croydon's Furniture Service which meant we had to make three people redundant. In 2017, the CCG removed its funding from our Welfare Benefits Advice Service and Employment Support Service. We are working with Croydon Council to mitigate these losses. Mind in Croydon's future funding is more uncertain now than it has been in the past. Most people will also be aware that there have been significant cuts to public spending over the last few years. For the foreseeable future, it is likely that we will be expected to do more work for less money.

KEY POINTS

1. The award of incremental points and/or salary increases will be made according to the following criteria:
 - Substantial increase in the number of staff managed
 - Significant increase in the annual managed budget
 - Agreed fundamental changes to the person's job description involving additional responsibilities which are permanent
 - Significantly increased complexity in the role and responsibilities
 - A significant increase in the postholder's knowledge and /or skills. This would normally apply to staff who have been engaged because they have relevant experience but need to acquire the specialist skills and experience to meet the same standard as their colleagues.

2. Staff are not automatically entitled to an annual increment or inflationary pay increase. This is directly related to the fact that the ability of Mind to award salary increases is entirely dependent on the level of funding received for the contracts for the provision of services.
3. If staff have experienced a particularly demanding year or have been asked to carry additional temporary responsibilities this does not automatically warrant an incremental increase. In these circumstances a one-off payment might be awarded.
4. Unlike the statutory services, incremental points are not awarded on length of service. It is not automatically the case that if staff are in post for a number of years that they will progress to the top of their salary scale.
5. Even if staff meet any of the criteria in 1. above, a pay increase will only be made if a) that project's budget can cover that cost and b) paying such an increase would not cause unfair pay differentials within a project or the agency as a whole.

Recruitment & Retention

Scarcity of supply of specific staff in the particular employment market may warrant paying staff on a higher salary scale. This is because we are contractually obliged to provide particular levels of service. Failure to do so because we have been unable to appoint staff to a project in order to provide the service could put funding at risk. The decision to pay above the budgeted rate would only be done with the approval of the Chief Executive and Finance and General Purposes Committee.

The annual salary process is as follows:

October/November: Chief Executive begins discussions/negotiations with our main funders about the level of funding for the next financial year. Such negotiations include what level, if any, of inflationary uplift there is to be. Often these negotiations are not completed until March of the next year. Some years these are not completed until May, two months after we have awarded salary increases to staff.

October/November: As part of the appraisal/supervision process, managers, in discussion with their staff, form a view about whether any staff warrant re-grading or a one-off payment.

December: Chief Executive writes to the Business Development and Service Delivery Manager and Functional Managers asking them if they wish to recommend any of the staff they manage to be re-graded or receive a one-off payment. If Managers do wish to recommend anyone, they need to put in writing why (in accordance with the principles outlined above). Any re-gradings or one-off payments would have to be affordable within the budget of the project (and we would have to have regard as to what this might do to differentials throughout the whole organisation).

December / January: The Business Development and Service Delivery Manager discusses with Project Managers, individually, the proposals she will be forwarding to the Chief Executive concerning each Project Manager and his/her staff. The proposals will be recorded in writing, including costs. Agreement or failure to agree would be highlighted at this stage and will be recorded in writing, with reasons. Increases being recommended by the Project/Functional Managers rely for implementation on Mind receiving adequate additional funding from its main funders in the year in question.

All the proposals are forwarded by the Business Development and Service Delivery Manager to the Chief Executive. Functional Managers not managed by the Business

Development and Service Delivery Manager forward their proposals to the Chief Executive. Proposals are then discussed and recommendations agreed.

February: the Chief Executive presents the salary proposals for all Mind in Croydon staff, including any recommendations for re-gradings or one-off payments, to the Salaries Sub- Committee for their consideration and approval. **It is this Committee which authorises salary increases or one-off payments, not the Chief Executive.**

March/April: Individual salary award letters are sent.

Any member of staff who feels they wish to appeal against their salary award decision has the right to do so. This appeal is considered by the Chair of Mind in Croydon, who is not a member of the salary sub-Committee.