



Mind in Croydon Annual Salary Award Process

The aim of this paper is to ensure that staff fully understand 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 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 75% and 85% of Mind in Croydon's total costs. The majority of Mind in Croydon's income comes from its contracts with NHS Croydon and Croydon Social Services for the provision of services. In the year ending March 2009, 74% of total income came from NHS Croydon and Croydon Social Services. Compared with other charitable organisations, we are fortunate to have such a high level of secure funding. Over the years we have been successful in negotiating inflationary increases with our main funders which has allowed us to give staff a pay increase (sometimes an increment and an inflationary uplift) each year. However, such inflationary increases from our funders are not guaranteed. Recently, other charities have received substantial cuts in their funding. This has meant that not only did staff fail to get a salary increase, but also that posts have been put at threat and people have been made redundant. Mind in Croydon's funding has also been at threat in the past; it was only through a lot of hard work and extensive campaigning that these cuts have been avoided. We do not see any such immediate threats on the horizon for Mind in Croydon, but people may be aware, for instance, of the very serious financial problems that some local Councils often face. Most people will also be aware that there are likely to be significant cuts to public spending over the next few years.

KEY POINTS

1. The award of incremental points and/or substantial 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 dependant 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.

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 be done with the approval of the Chief Executive, Human Resources Manager, Director of Client Services and Project Manager.

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 Director of Client Services and Functional Managers asking them if they wish to recommend any of the staff they manage to be re-graded. If Managers do wish to recommend anyone, they need to put in writing why (in accordance with the principles outlined above). Any re-gradings 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 Director of Client Services discusses with Project Managers, individually, the proposals he 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 Director of Client Services to the Chief Executive. Functional Managers not managed by the Director of Client Services 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, to the Salaries Sub-Committee for their consideration and approval. **It is this Committee which authorises salary increases, not the Chief Executive.** Mind in Croydon currently uses the National Council for Voluntary Organisations' annual salary survey as a way of testing how Mind in Croydon salaries compare with the market rate.

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.

December 2009