

Pay Policy

March 2004

*Crisis Centre
Ministries*

*Bringing God's grace and healing love
to people with life-disrupting problems*

Contents

Introduction.....	3
1. The principles.....	3
1.1. <i>Good employers</i>	3
1.2. <i>Good employees</i>	3
1.3. <i>Responsible Trustees</i>	3
2. The process.....	4
2.1. <i>Our current position</i>	4
2.2. <i>Looking for evidence</i>	4
Appendices.....	5
1. Staff Survey: Comparisons	5
2. Staff Survey: Other Aspects.....	6

Introduction

This paper sets out some principles for a CCM pay policy, and seeks to apply them in specific proposals for staff pay. The approval of Trustees is sought to both the principles and their application. So far as possible, this paper has been written in a neutral and factual manner (referring to CCM staff by their titles, rather than their names, for example). This should not be taken, of course, as reflecting any lack of appreciation for the work they all do.

1. The principles

1.1. Good employers

The first principle is that, as Christian employers, we should be good employers. The terms and conditions of work should be comparable with the rest of the voluntary sector; we should be scrupulous in complying with legal requirements; and we should pay the rate for the job. So our staff should not be subsidising CCM's work by having low pay. Nor should we expect them to cope with falling living standards so, as a minimum, it is proposed that all annual salary increases should take account of inflation.

At the time of writing, the rise in the RPI is 2.5%, so account should be taken of this in finalising the recommendations. In other words, CCM staff, like other Christian people, should be appropriately paid and decide prayerfully for themselves, in the light of all their obligations, how much to give to the Lord's work and to secular charities, and which causes it is right to support.

1.2. Good employees

The second principle is that Christian employees should be good employees. In a Christian organisation, the quality of the work done by staff witnesses to their faith and commitment to pleasing the Lord: a day's work should be done for a day's pay. Christian staff should thus meet the full requirements of their job, after a reasonable period of training, with suitable support and after settling in. If unable or unwilling to meet these requirements, they cannot expect to receive the full rate for the job. This is particularly so in a small and busy organisation, where "carrying" someone puts pressure on the rest.

1.3. Responsible Trustees

The third principle is that Christian Trustees should be responsible trustees. Our aim to pay our staff well has to be balanced by our overall responsibility for CCM, and for managing its finances in a prudent way that meets our legal obligations. So we should not (without much careful thought and prayer) be pledging to pay our staff significantly more than the income we expect to have to cover it: trusting the Lord and hoping for the best are not the same thing. But what we need is a strategy that explains to our core supporters the pay principles outlined above and seeks their

approval of them. To allow time for such a strategy to take effect, CCM is planning a series of four phased pay rises (beginning on 1 April 2004) to bring those staff whose pay falls short of a fair rate up to that target.

2. The process

2.1. *Our current position*

CCM costs from £90k to £100k to run each year, and the salary bill is a substantial proportion of that (75% or more). This is no surprise: our work is people-centred. But it does mean that a significant salary increase will impact considerably on overall expenditure. For example, for every 1% that salaries increase (approximately £730 per annum) overall expenditure will rise by at least 0.75%.

2.2. *Looking for evidence*

At the General Manager's suggestion, evidence on voluntary sector salaries was sought in the Annual Voluntary Sector Salary Survey 2003. The Survey is well-established: the 2003 one is the fifteenth. It draws on data from 184 voluntary organisations of all sizes throughout Great Britain. Of these, 16 had an annual income of under £250k and employed 99 people in total. So these organisations are broadly comparable to CCM. Within the Survey were 48 local or community-based organisations and 16 categorised as religious/ missionary, but both included some very large bodies. A note on some aspects of this Survey other than pay is provided in appendix 2.

All in all, the data on the sixteen smallest organisations seemed the most useful and it has been relied upon heavily in making recommendations for the General Manager and Office Manager posts. The Survey supplies data on salaries paid (and other benefits) to the following: Chief Executive; Director; Senior Function Head; Functional Manager; Specialist Staff; Administrative/Care Supervisor; Administrative /Care Officer; PA/Secretary; and Junior/Trainee Staff.

The view has been taken that there is a good match between General Manager and Chief Executive, and a reasonable one between Office Manager and Administrative /Care Supervisor (though as the Office Manager's job has developed it is far from being simply administrative).

For these posts, figures are available for the lower quartile, median, upper quartile and average levels across all the organisations in the Survey (definitions of these terms are given in appendix 1). Given that CCM aims to be a good employer – our first principle - we should not be satisfied with the lower quartile figure. This is especially so given that our staff pension provision is not generous. On the other hand, we are a relatively small organisation; nor are we set in London or the south east where the cost of living is notably higher. The view has thus been taken that our aim should be to pay salaries at the median level for relevant CCM staff.

Appendices

1. Staff Survey: Comparisons

In the table of salaries below:

- 'LQ' ('lower quartile') is the figure where 25% of actual salaries are lower;
- 'Med' ('median') is the figure where 50% of actual salaries are lower;
- 'UQ' ('upper quartile') is the figure where 75% of actual salaries are lower;
- 'Av' ('average') is the sum of individual salaries divided by the number of individuals in the sample.

	LQ - £	Med - £	UQ - £	Av - £
All Chief Executives	38,064	51,667	75,000	58,814
Chief Executives of smaller bodies	25,245	31,209	36,209	32,090
All Administrative/Care Supervisors	16,000	18,950	21,856	19,057
Administrative/Care Supervisors of smaller bodies	14,817	17,000	22,660	17,870

2. Staff Survey: Other Aspects

This note gives additional background on the 2003 Survey. The main report is entirely focused on basic salaries. Here we summarise some of the other conclusions of the Survey so as to provide additional context:

- Three quarters of the organisations in the Survey offered some kind of occupational pension scheme. Employer costs ranged from 7% to 14% depending on the type of scheme. CCM only offers between 3% and 5%, so we may want to take this into account when assessing the salaries we pay;
- Almost all organisations offered some compensation for out of hours working: 95% gave time off in lieu, though just a quarter paid formal overtime;
- The most common family friendly benefits were compassionate leave (4/5 of organisations); paternity leave (2/3) and flexitime (1/2);
- Some form of performance related pay applied in two thirds of organisations surveyed;
- Chief Executives in the voluntary sector earn less than half their private sector counterparts.

Copyright © 2004 Crisis Centre Ministries

Web site: <http://www.crisis-centre.org.uk>

Author: Graham Donald

Last updated: 15:37 11 March 2004

Location: C:\My Documents\Paul\CCM\Policies\Pay\Pay_Policy_0403.doc