



ACO Salary Benchmarking & Working Patterns Report

January 2024

Contents

Introduction	03
– Foreword	04
– Methodology	05
– Respondents	06
Key Findings & Considerations	07
Section 1: Salary & Pay Awards	09
– Pay Awards	10
– CEO Roles	11
– Senior Management Roles	13
– Manager Roles	14
– Officers/Executive Roles	15
Section 2: Benefits	16
Section 3: Working Patterns	18
Future Thoughts	24

Introduction

I'm delighted to introduce the findings of our first annual salary benchmarking report. This not only provides an invaluable snapshot of current remuneration and benefit levels across charities within the ACO network, but also gives us a fascinating insight into the seismic shift in working patterns as a result of the Covid 19 pandemic.

The survey base has been amongst those charities – primarily ACO members – who provide financial and well-being support to individuals – with grant-making alone in this segment of the charity sector estimated at £150m for 2021/22.

We face a period where the economic landscape – in particular inflationary pressures and cost of living increases – continues to negatively impact salaries within the charity sector. At the same time, when recruiting, employers face a challenging candidate marketplace where there is an increasing premium placed on work/life balance and flexibility.

In this context, we hope this report provides a valuable platform for charities to benchmark and assess whether their current salary, benefits and working patterns remain competitive.

Please note that when identifying salary data in the report we have provided both average and lower quartile (average of lowest 25%) and upper quartile (average of highest 25%) figures.

We hope this report will become the first of a regular annual salary analysis amongst the ACO community and we would certainly welcome your feedback and suggestions on how we can develop and improve this moving forward.

I would like to formally thank the contribution of our colleagues David Locke and Chris Coopman at Royal Agricultural Benevolent Institution (RABI) who played a central role in helping us develop, implement and analyse the survey and without whose support the project wouldn't have been viable. We are also incredibly grateful for the graphic design support provided by Hilary Barnes.

In the meantime, we hope this report provides you with some useful food for thought as we come into another challenging year for the sector in 2024.



Donal Watkin
Chief Executive
Association of Charitable Organisations

Foreword

I joined Royal Agricultural Benevolent Institution (RABI) four years ago, and wearing my Finance and HR hat, I found that while I can source salary data for the wider charity sector, it was challenging to access specific benchmark data related to benevolent charities and other similar organisations within ACO.

We believed that developing a salary and working patterns survey with ACO members would help provide cost-effective data valuable in running their organisations. Every year, Trustees ask me “what should be the annual pay award?” and “what is the correct level of pay for the Chief Executive and other staff?” I am sure I am not the only one facing these questions! When asked, it is good to have accurate data to back recommendations rather than relying on anecdotal information.

The landscape of where and how people work – whether at home, the office or in a hybrid working model – has been rapidly changing.

Working within this ACO community of organisations, I have become aware that basic benefit levels that one would expect, such as life insurance or an employee assistance programme, have not been implemented in some instances.

My hope is that the survey will provide ACO members with valuable insights (and, if necessary, helpful leverage with their Boards) to ensure the correct level of benefits and support for staff is in place. The old adage of “look after your staff, and they will look after you (and your clients!)” has never rung truer.

I hope this survey aids you in the day-to-day running of your organisations and, with your support, we look forward to developing this survey further in the years to come.



David Locke FCA
Director of Finance & Operations
RABI

Methodology

The primary objective of the Salary Benchmarking and Working Patterns Survey was to gather comprehensive data on salary structures and working patterns within member organisations of the Association of Charitable Organisations (ACO). The insights obtained aimed to enable ACO members to benchmark their salary levels and working conditions against sector standards, facilitating informed decision-making and promoting equitable employment practices within the charitable sector.

The survey was conducted through an online platform to ensure accessibility and ease of participation. The questions were structured to collect relevant information on salary components, job roles, working hours, and other factors influencing compensation within charitable organisations.

The survey comprised of 26 questions, split into five sections; Organisational Information, Pay Awards, Salary Information, Employee Benefits and Working Patterns. A range of question styles were used, including free response and tick box questions.

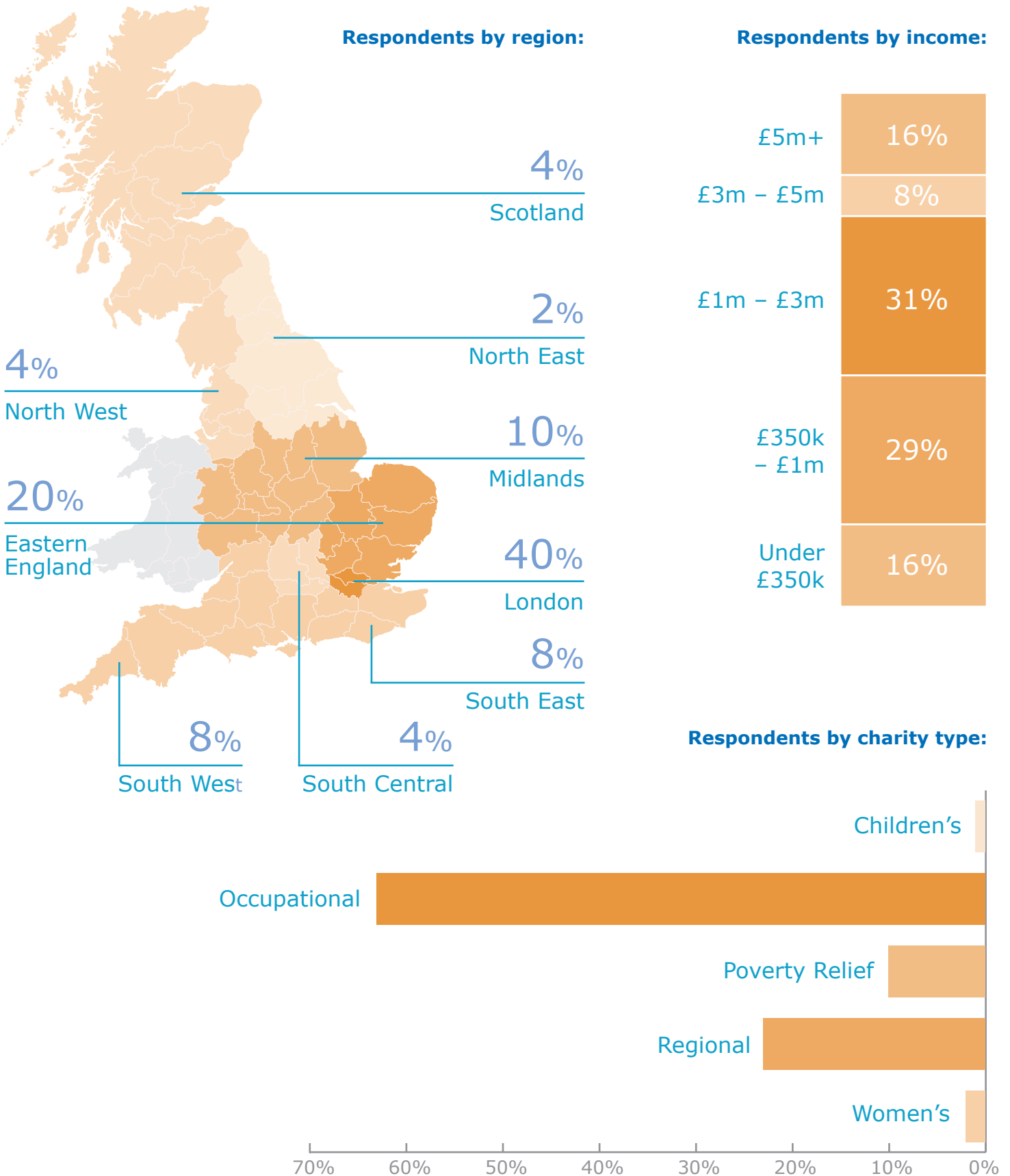
The survey was sent to all ACO members (125 organisations) and a total of 50 responses were collected within the time frame of the survey being open. The survey was open from 5th October to 20th November 2023.

Ethical standards were maintained to ensure participant confidentiality and anonymity. Initial responses were reviewed by ACO staff and David Locke (RABI) to remove identifiable information.

A reasonable time frame for data collection was set, considering the size and responsiveness of the ACO membership.

Certain quality assurance was taken on the initial data set, for example where responses were clear outliers or incorrect inputs, the data was removed during the data analysis stage to avoid skews in the final results.

Who took part in the survey?



Key Findings and Considerations

Finding

Consider

Annual Pay Award 2024

The average pay award for 2024 is 4.9% (Median 5%).

- Finalise the pay award for your organisation for 2024 based on data.

Long Term Pay Strategy

The CPI inflation measure shows UK prices have risen over the last 3 years by 20.9% but salaries (as per UK government) for the same period only by 17.8%.

- Review how your salaries have risen over last three years compared against inflation and agree your strategy for the next three years.

Chief Executive Pay

The average chief executive pay is £89,061. There was a larger variation in pay particularly for the smaller charities (under £2m per annum annual budget).

- Consider whether your Chief Executive pay is appropriate and if you need to complete a benchmarking review of their salary.
- Review your governance procedures for senior level pay including whether you require a "Nominations & Remunerations" Committee.

Hybrid Working

The survey shows the following working patterns: 33% Hybrid, 25% Home working and 24% Office based.

For those with Hybrid workers just 44% have updated contracts to reflect this.

In terms of support the feedback was that 46% provide a chair and 73% provide IT equipment.

- Review whether your staff policies, employment contracts and support processes for staff working either hybrid or at home are fully up to date and optimised for new ways of working.
- Review whether staff are provided with the right seating and IT equipment when working at home or hybrid. Consider whether meeting both Health & Safety and Cybersecurity requirements.

Office Working

The survey showed that the average time spent in the office by staff is 1.4 days per week.

- Review whether office facilities have been adapted to new working patterns, such as optimised space requirements, right levels of "hot desking" and ensuring sufficient meeting room facilities.

Core Working

The survey showed a variety of arrangements in place with organisations surveyed: 28% of 10:00 to 16:00 core hours and 22% operating 9:00 to 17:00 core hours. Many others reported having no policy.

- Review whether a core working hours policy either needs to be developed or the current policy updated to reflect both organisational and staffing requirements.

Basic Benefits

Respondents indicated that 86% provided an enhanced pension scheme (above stakeholder) but of the smaller organisations (under £1m revenue) only 35% provided life insurance/death in service cover for staff.

- Review whether your pension arrangements are satisfactory for staff. The PSLA (Pensions and Lifetime Savings Association) have shared that an employer should offer employees a minimum contribution of 12% (with at least 6% from the employer) to achieve the Pension Quality Mark (PQM) standard and 15% (with at least 10% from the employer) for PQM plus. This is also the figure quoted by UNISON as being the “minimum for a reasonable scheme”.
- Review whether life insurance arrangements are in place for staff (3 times salary is the “normal” for most employers).

Other Benefits

From the survey, 71% have an employment assistance programme (EAP) and 79% pay for staff for professional development and training.

- Review other benefits that as an employer you can provide. Consider whether you have the optimal arrangements in place for your organisation budget as well as for your recruitment and retention needs.

Caseworker / Grants Officer/ Welfare Officer

One of the most common roles within ACO member organisations are the “Caseworker / Grants Officer / Welfare Officer”. The survey indicated that there are four distinct roles and average pay levels for these staff:

- Officers (< 5 yrs Experience): **£33,622**
- Senior Officers (> 5 Yrs): **£37,223**
- Managers (Managing Team): **£46,176**
- Head (Dept. Head) **£55,514**

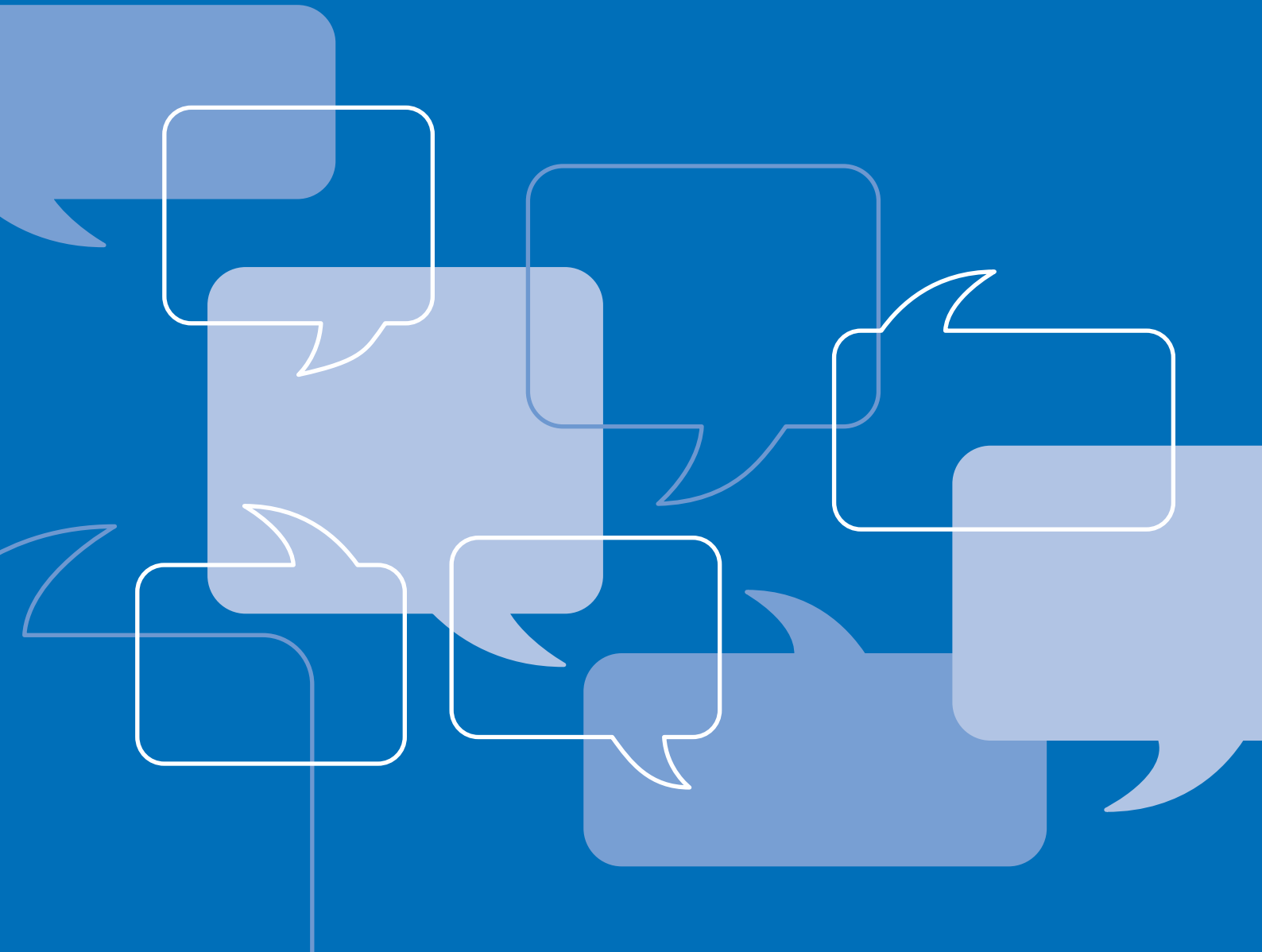
- Review to ensure the job descriptions, job titles and pay levels are optimised (with clear delineations between different grades to reflect additional responsibilities and experience levels) for key workers such as Welfare Officers.

Benchmarking Review

From the review there was a large response to this survey (50 responses), and the feedback was that some organisations have not completed a benchmark review for a long time.

- Consider whether as a standard practice your organisation should benchmark your salary levels on a regular basis (e.g. annually or bi-annually) and that this information is reported and shared with Trustees as appropriate so that they can make informed decisions.

Salary and Pay Awards



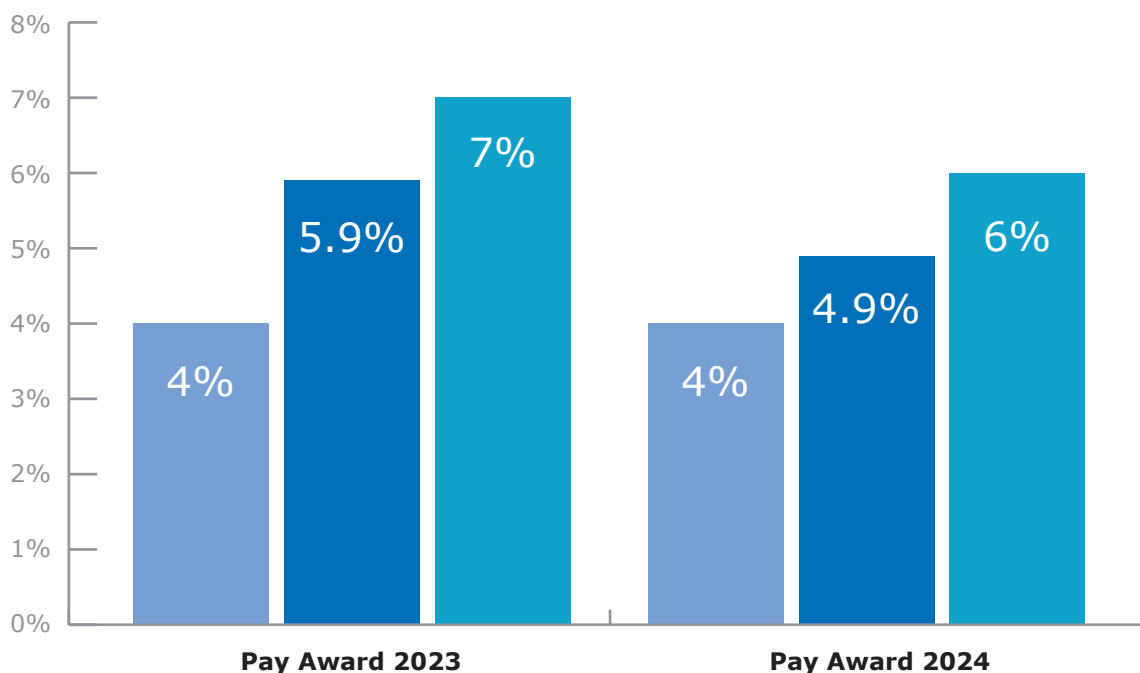
Pay Awards

Graph 1 indicates pay awards for 2023 and anticipated pay awards for 2024, with an average 2024 pay award (amongst those respondents indicating increases) of 4.9% within a range of 4% (lower quartile) to 6% (upper quartile).

Whilst reported average pay increases of 5.9% in 2023 struggled to track with inflation across the year, these 2024 pay awards may fare better against a rate that is anticipated to fall to 3.1% by the fourth quarter of 2024 according to the latest Bank of England forecast.

Interestingly 46% of respondents indicated that they had provided lump sum payments as part of recent pay awards/cost of living payments, such as one-off payments in winter 2022.

Graph 1 – Pay awards for 2023 and anticipated pay awards for 2024



Key: Lower Quartile Average Upper Quartile

CEO Roles

In order to provide statistically valuable insights, we have broken down CEO remuneration by annual revenue (organisation) into the following bands:

- **Income under £5m per year**
- **£1m – £2m**
- **£2m – £5m**
- **£5m+**

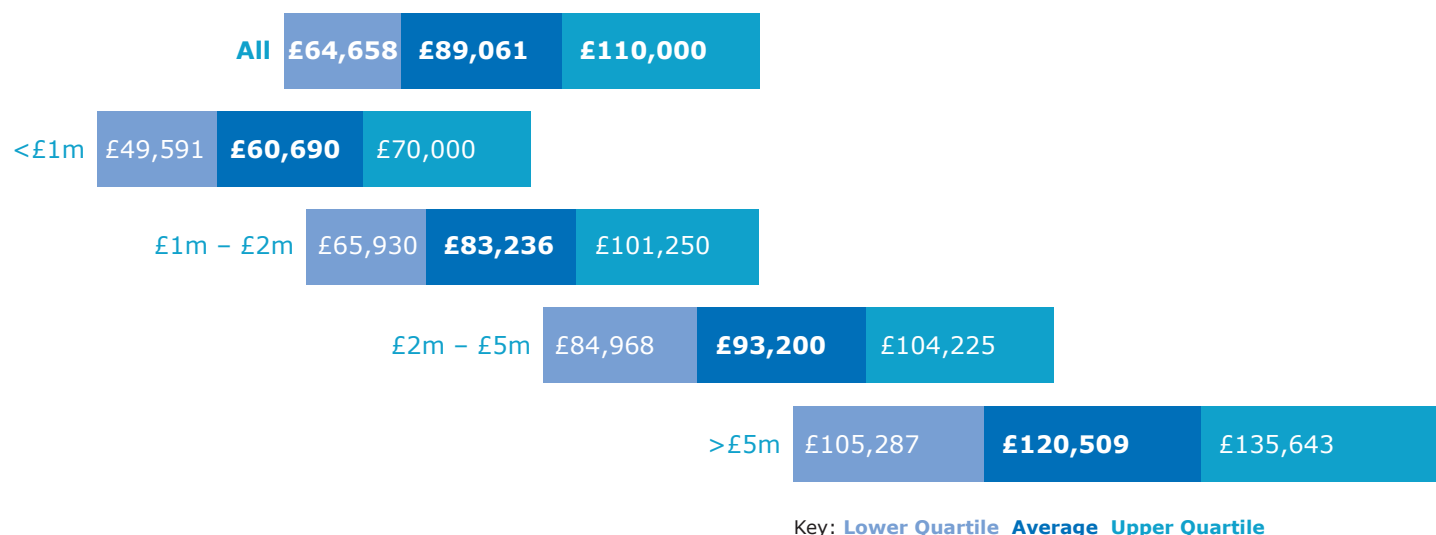
Based on survey responses, the data revealed minimal difference between salaries in London against other UK regions, so we have chosen not to differentiate remuneration by region.

CEO salaries ranged from a lower quartile* average of £49,591 for charities with annual income below £1m through to an upper quartile* average of £135,643 for charities with annual income in excess of £5m.

*(Lower quartile represents the average of the lowest 25% of responses and upper quartile the average of the highest 25% of responses in any given category).

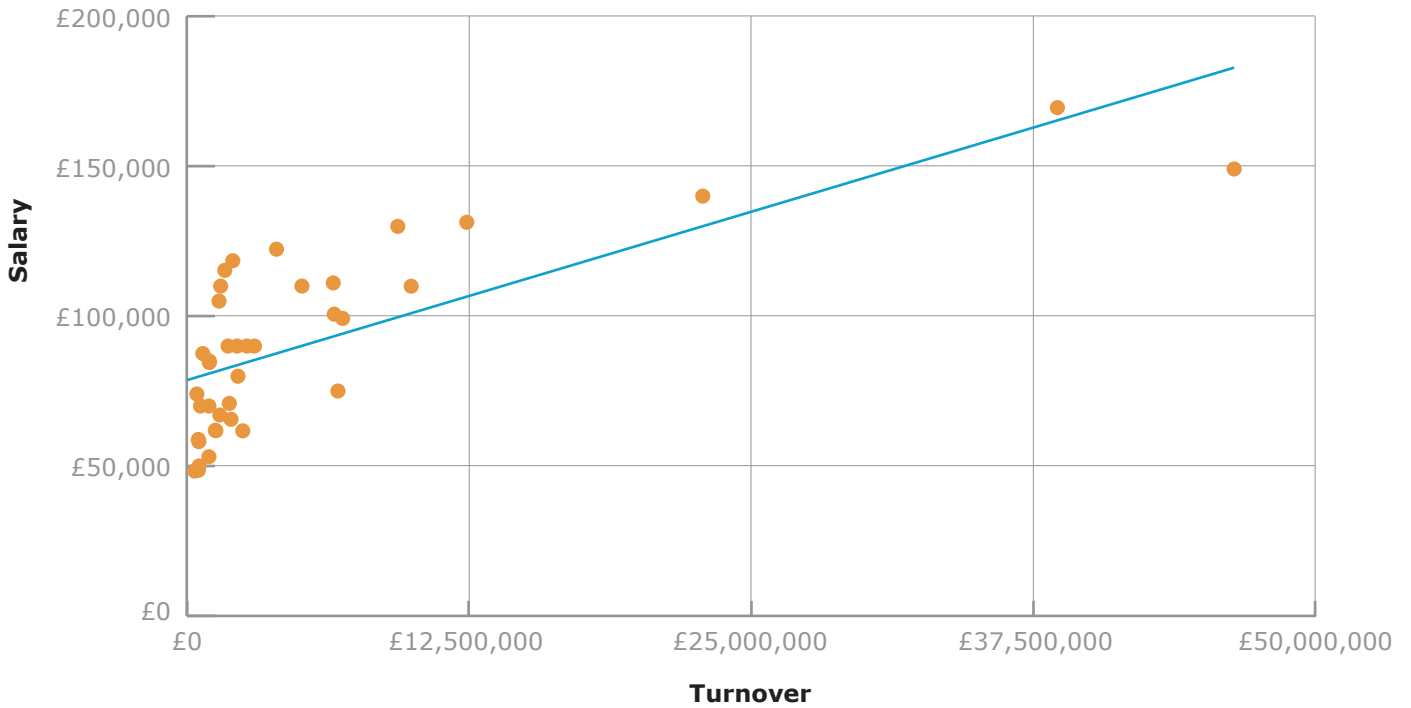
Graph 2 also underlines the broad correlation between organisational revenue and salary by band. Whilst the overall average CEO salary was indicated as £89,061, this to an extent reflect the broader weighting of responses in the revenue bands below £2m p.a.

Graph 2 – Average salary information by band for CEO roles



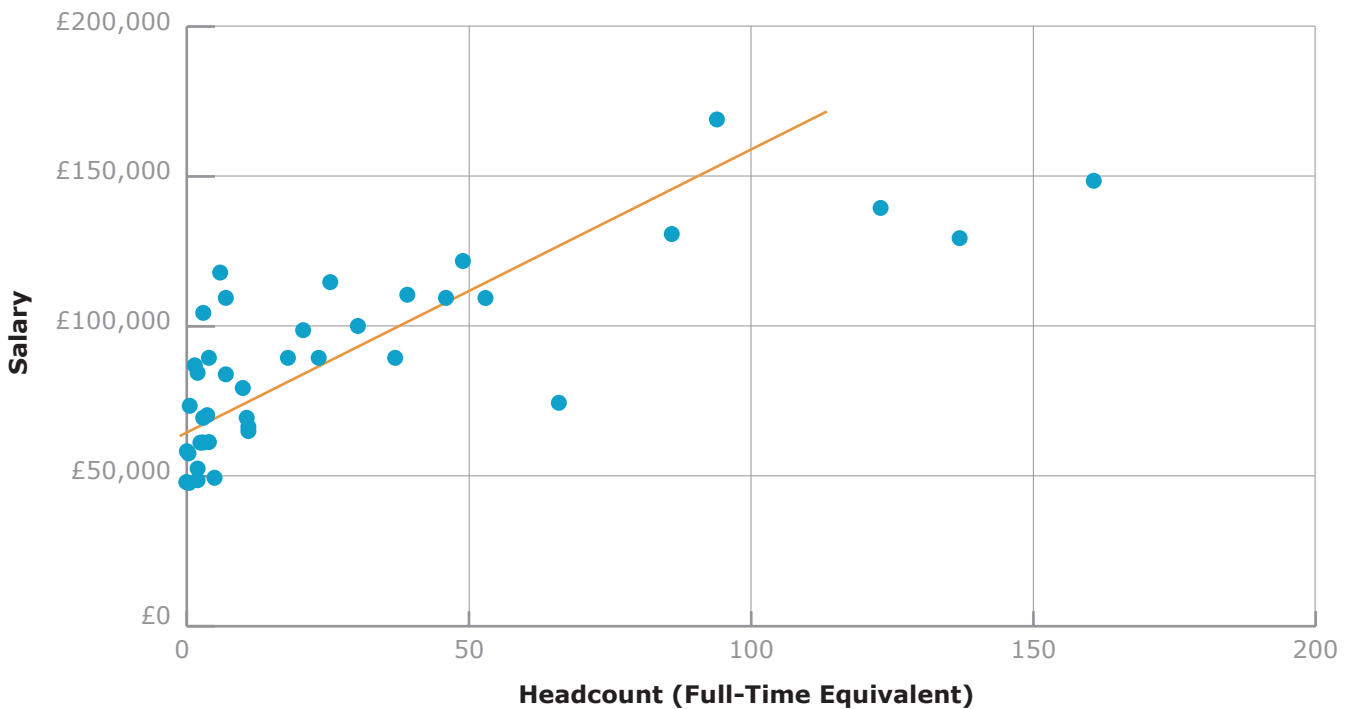
Graphs 3A and 3B show the linear relationship between CEO salaries and both organisational revenue and headcount respectively.

Graph 3A – Linear relationship between CEO salary and organisation revenue



What is particularly interesting is that the survey responses reveal a broad CEO salary range for charities with income below £2m compared to a more proportional relationship between salaries for organisations with more significant revenue.

Graph 3B – Linear relationship between CEO salary and organisation headcount

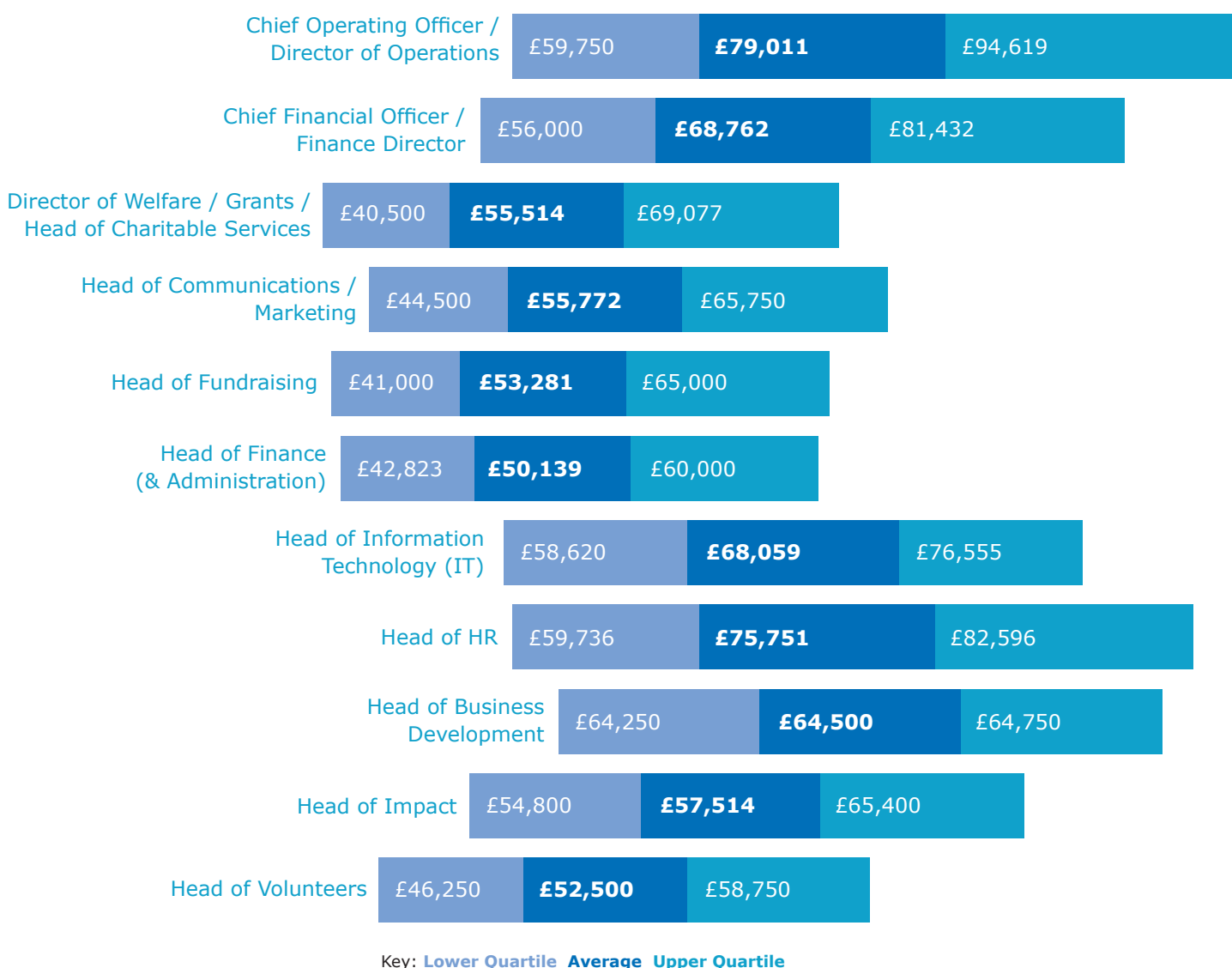


Senior Management Roles

Graph 4 outlines average salary information for a range of positions across senior management teams. Whilst responses aren't broken down by organisational income, the lower and upper quartile salaries give a broad indication of the salary range across each of the functional roles.

Unsurprisingly the two "C-Suite" roles (COO and CFO) attract the highest average salaries amongst the responding charities.

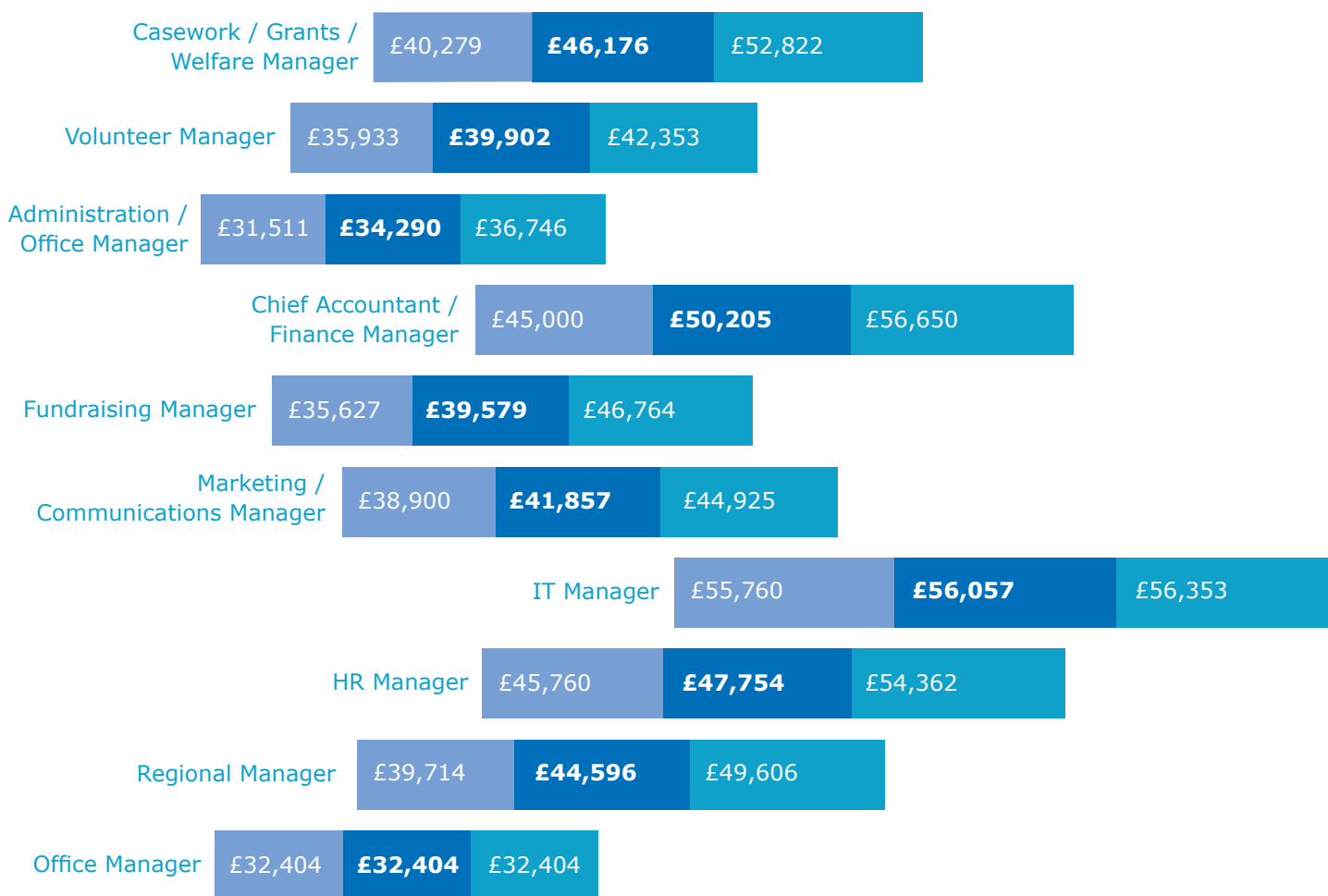
Graph 4 – Average salary information for senior management roles



Manager Roles

Graph 5 provides salary levels for a range of functional management roles. It should be noted that these roles do not necessarily imply that they have direct reports – often for small-medium sized charities in particular these may be stand-alone positions.

Graph 5 – Average salary information for functional management roles

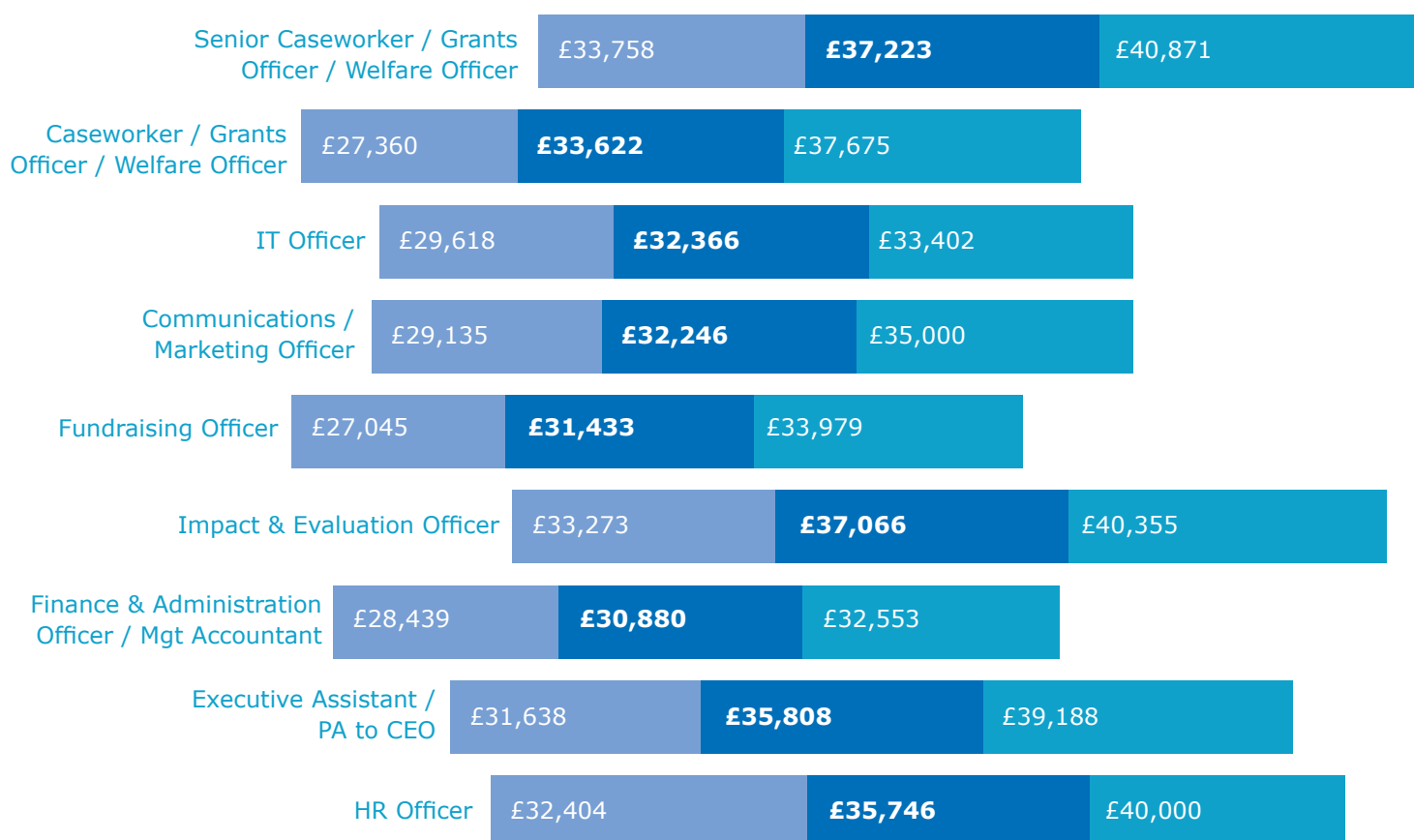


Key: Lower Quartile Average Upper Quartile

Officer / Executive Roles

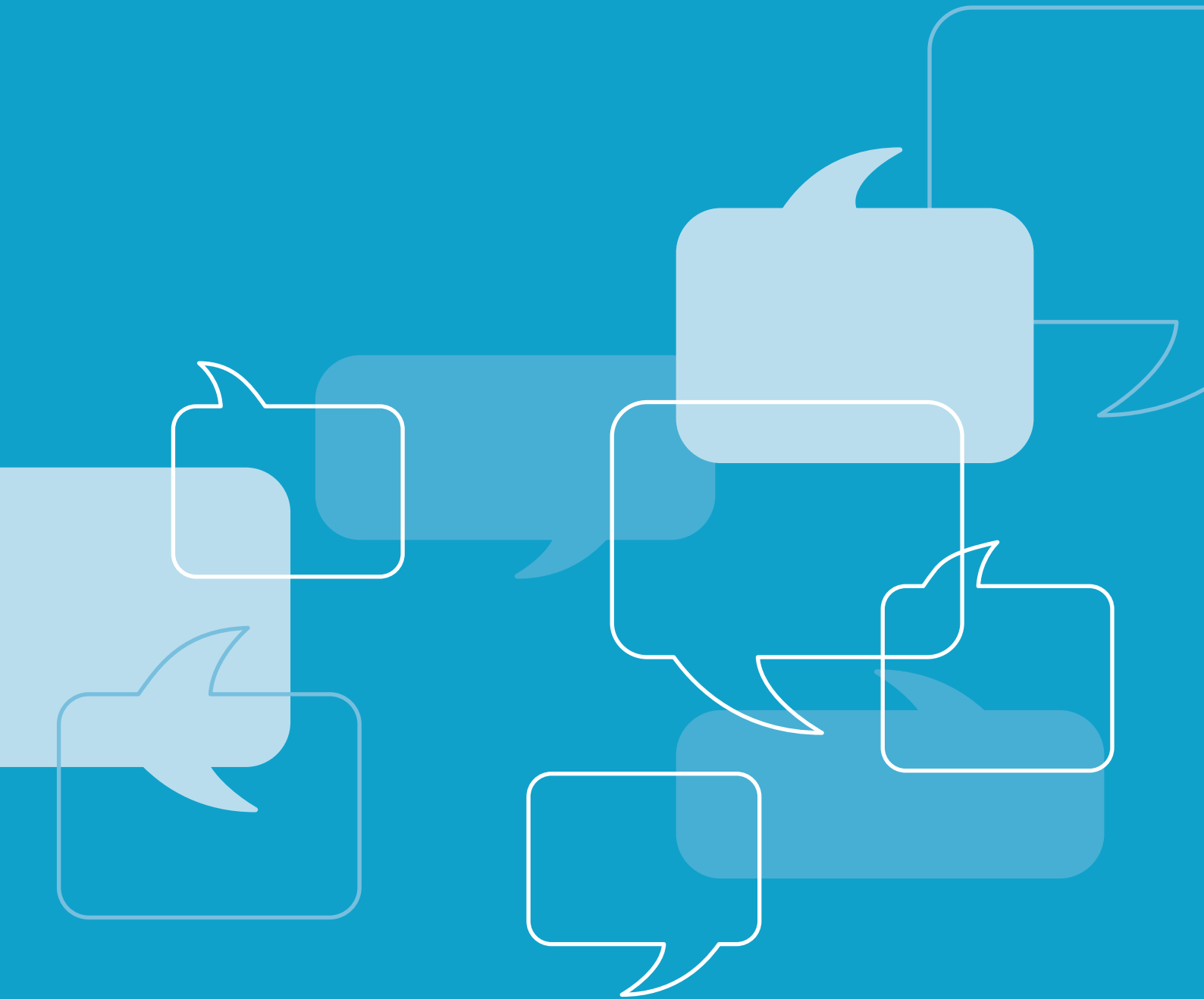
Graph 6 details salary information for a range of functional – non-management – roles which (with the exception of case management / grant officers) are often stand alone in nature.

Graph 6 – Average salary information for functional non-management roles



Key: Lower Quartile Average Upper Quartile

Employee Benefits



Employee Benefits

Graph 7 – Enhanced benefits currently provided by respondents

Benefit	<£1m revenue (%)	£1m to £5m revenue (%)	£5m+ revenue (%)
Car / Car Allowance	7	9	33
Childcare Cost Support	7	25	11
Cycle Loan	13	65	78
Death in Service/Life Insurance	35	93	89
Employee Assistance Programme	47	100	67
Enhanced Paid Parental Leave (above statutory)	13	57	67
Enhanced Pension Scheme (above stakeholder)	75	84	100
Health Insurance	16	31	22
Long Service Leave	27	54	44
Paid Care Leave	44	46	33
Professional Development Training	61	88	89
Professional Membership Subscription	50	77	89
Season Ticket Loan	27	44	44
Staff Perk Scheme (e.g. Discount Card, Vouchers, Cash Back)	20	25	67

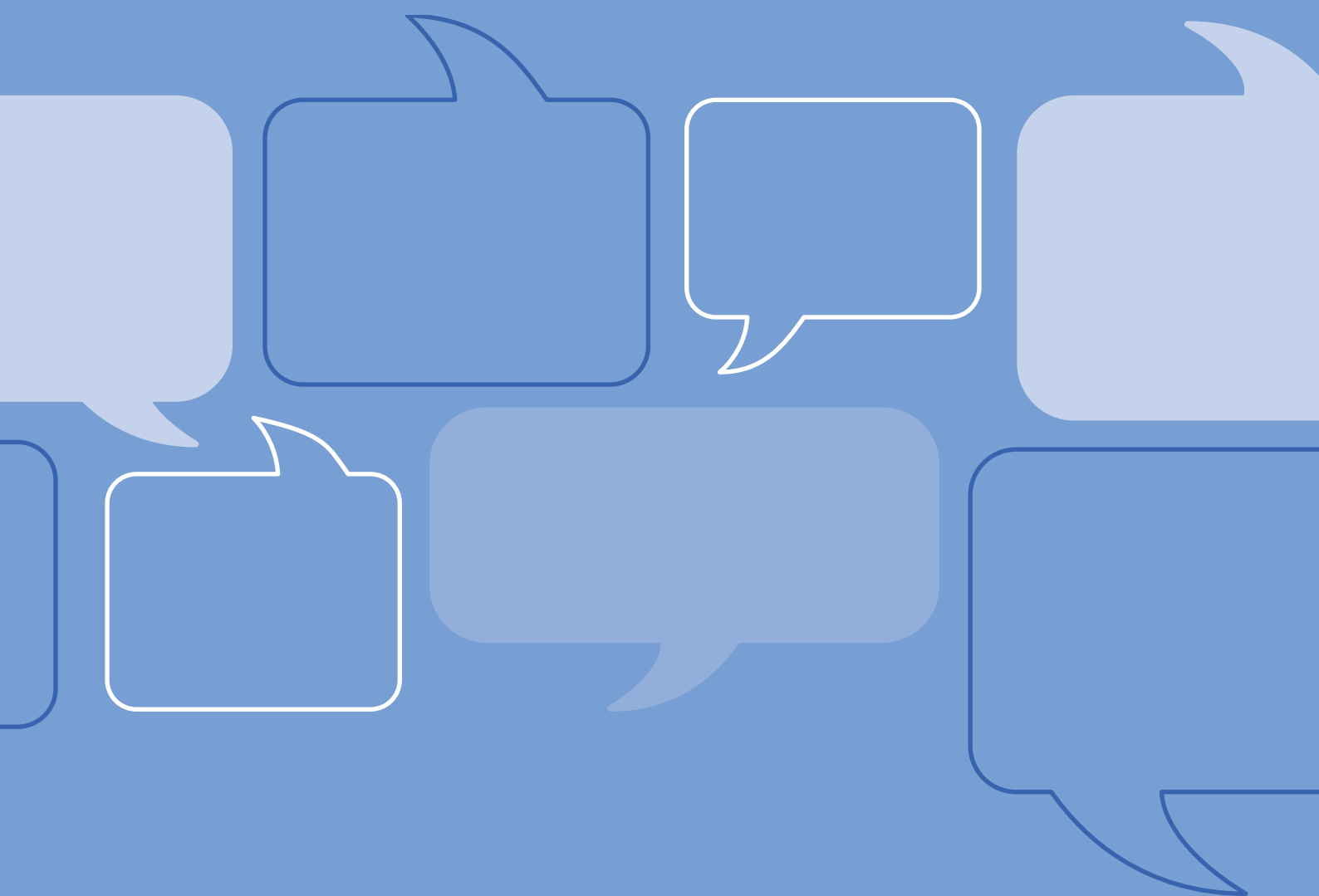
Graph 7 indicates enhanced benefits currently provided by respondents. In order to provide a more indicative analysis, charities have been broken down into annual revenue bands of sub £1m, £1m – £5m and £5m+.

Whilst the relative financial resources of the charity may be a limiting factor on the availability of certain benefits, there was certainly a widespread provision of areas such as enhanced pension schemes, employee assistance programmes (EAPs) and professional development training. What was perhaps interesting was the relatively low availability of death in service schemes amongst small charity respondents.

Respondents also indicated other benefits provided, including:

- Wellbeing days/wellbeing vouchers
- Leave purchase schemes
- Paid volunteer leave
- Reflective practice/talking therapy

Working Patterns



Since the COVID-19 pandemic working patterns have shifted dramatically, with an emphasis on hybrid working as 'the new normal' in many organisations. ACO wanted to survey members to identify and share the variety of working pattern options present among ACO members.

Flexible Working

Q. Do you have a flexible working or a work from home policy in place?

A. 88% answered **YES**

Responses around flexible working were predominantly in favour of working from home to some extent, however some members also acknowledged reasons as to why this model does not work for their particular organisation.

"Flexible working between 8:00 and 18:00 Monday to Friday. Hybrid working with mandatory 2 days in office per week".

"For all apart from our customer services team who need to be office based".

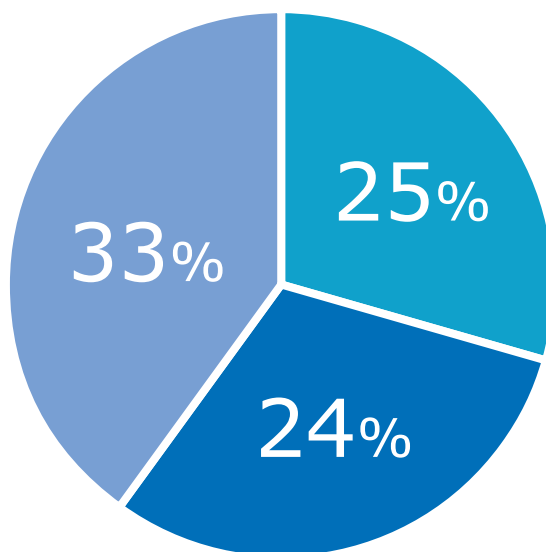
"The nature of the work does not enable home working but on a short term basis working hours can flexed if core hours are covered on site".

The survey then explored whether staff are office based, hybrid or remote.

Q. What percentage of your staff are office based, work remotely or on a hybrid basis?

A. % of charities:

Hybrid
Remote
Office based



Responses demonstrated a broad range of working options available to staff, which is a significant shift away from the office-based norm prior to the Covid-19 pandemic.

"Working in the office is encouraged and expected, but it is recognised that sometimes WFH is sometimes convenient. In agreement with individual line managers, staff can work from home sometimes, or have a regular day(s) they work from home, depending on their role and the needs of the organisation".

"We don't have an official policy but employees are able to work from home if they are not required in the office for meetings and with agreement from their line manager".

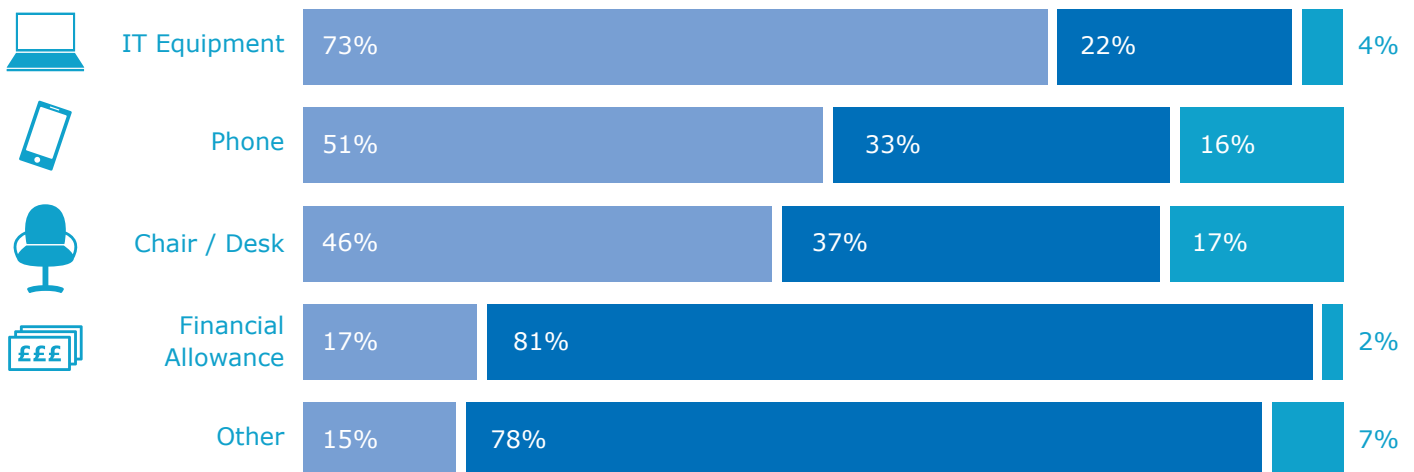
Q. We asked members whether staff contracts had been amended to reflect a shift to hybrid / remote working patterns?

A. 43% of respondents said yes and 57% said no.

Responses to this question shared additional details such as *"We plan to do this"* if contracts are not yet changed and some members are currently *"in the process"* of making changes to contracts. Some organisations that took part have amended contracts for new members of staff going forward who have always worked in a hybrid style within their former organisation. One respondent has amended staff contracts to reflect *"60% of staff work a compressed FTE week of 9 days out of every 10"*.

Q. As part of a 'working from home' package we asked members which equipment, if any, do they offer to staff?

A. Equipment offered was:



Key: Yes No Sometimes

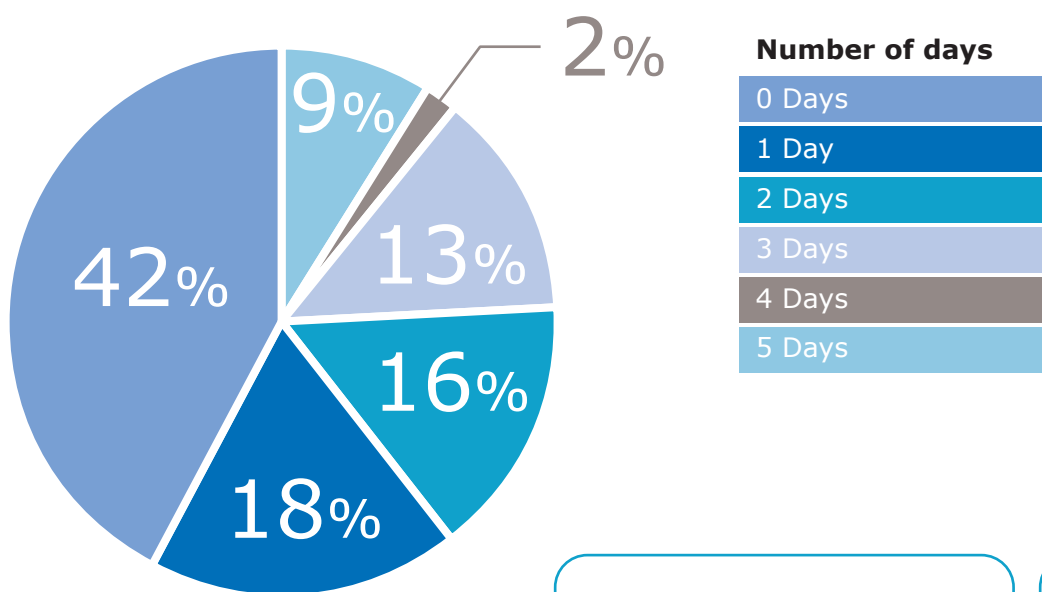
Some of the responses under 'Other' include mobile phones and broadband subscriptions.

Two respondents shared a monthly allowance that is provided to staff members to cover working from home overheads, such as broadband and heating.

Mandatory Office Days

Q. We asked members to share the days in which staff are required to work from the office, if any at all?

A. The survey showed that the average time spent in the office by staff is 1.4 days per week.



"Currently no specified figure other than all staff meetings/away days".

"All staff work minimum of one day per week in office, mandatory and the same day for everyone each week".

Core Working Hours

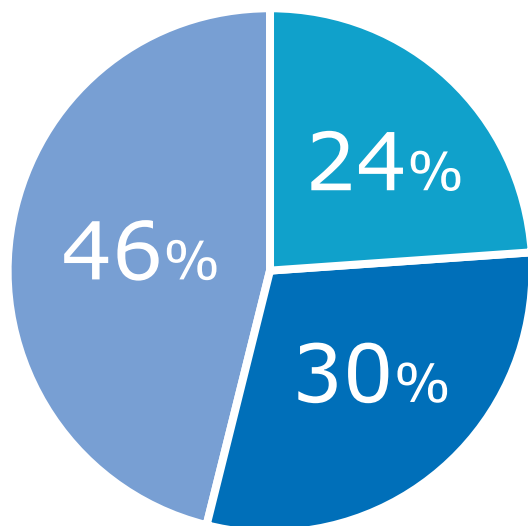
Q. We asked respondents their organisation's core working hours?

A. Just 24% of respondents work within core hours of 9:00 – 17:00 during a working day.

Responses indicate that charities have increasingly shifted away from traditional working hours. As detailed above, this could be due to the greater flexibility in workplace and normalisation of work from home since the COVID-19 pandemic.

Q. We gave members the options of choosing the core hours of 9:00 – 17:00, 10:00 – 18:00 or Other.

A.



Core hours

9:00 – 17:00
10:00 – 18:00
Other

"Operate flexi time within the normal hours of work which are between 7:00 to 19:00 from Monday to Friday".

"Core hours are 9:30 – 11:30 and 14:00 – 15:30. Staff can start as early as 8:00 and work as late as 18:00".

Respondents offered a range of flexible working hours such as 9:00 – 16:30 or 8:00 – 18:00 as their core hours.

Remote Team Communication

We surveyed members to see how their teams communicate effectively when working remotely. Responses highlighted the use of online messaging and call platforms such as MS Teams and Zoom as ways to stay connected and ask questions internally.



"A Monday morning, 'intentions for the week' email to each other (all team). Tuesday physical team meetings".

"One day per week all staff in office, on same day, enables planned face to face meetings and interaction. When working remotely; use of Teams for messaging, calls, meetings and also email".

"Face to face is encouraged. Where not possible, people will dial in on Teams".

A mix of physical and online methods were common among respondents.

Physical Office vs Virtual Office

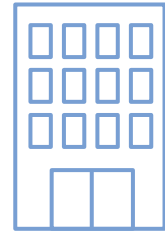
Another area we surveyed members on was the presence of a physical office, with 63% indicating they continue to maintain a head or regional office.

Those without a staff office may be due to renting space from another organisation, hotdesking or working remotely entirely.

Respondents highlighted the benefit of having consistent office presence for team culture and collaboration.

"Increasing office presence, as there are clear disadvantages to team culture and communication with those who have less office presence".

"As we have a new office base, having been fully virtual for 2-3 years, we would like to encourage more in person working/ collaboration and this is already happening organically".



63%

maintain a head or regional office.

Future Thoughts

As we think about future editions of the salary benchmarking and working patterns survey, we have considered changes and improvements that we would consider in future:

Firstly, the inclusion of bonuses and other variable remuneration components to offer further detail and accuracy to our salary benchmarking data.

Secondly, we will review responses on when the most appropriate time of the year would be to issue future reports. If adjustments are made this is to enhance the practicality and relevance of the data, enabling organisations to synchronise their budgeting cycles more effectively.

Lastly, upcoming reports will focus on impactful themes emerging in the workplace, such as hybrid working patterns in the present report. This may be topics such as equity, diversity and inclusion in the hiring and retention of staff.

ACO always welcomes members' feedback and are grateful to those who offered feedback during and after the survey, which will inform and improve our decisions for future reports.

Contact us



4th Floor, 28 Commercial Street, London E1 6LS
020 7255 4480 | info@aco.uk.net | www.aco.uk.net