

## Being a good employer

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This factsheet should be read in conjunction with **Factsheet 15: Recruiting staff**.

#### 1 | Definition of a contract

You are obliged to give a written principal statement to an employee within two months of their start date. However, just because you don't create a full written contract (the principal statement and terms and conditions of employment) doesn't mean that it doesn't exist. A contract exists as soon as you offer the job. Having everything written down simply clarifies the situation for both the employer and the employee. There are many different ways of employing staff to run the services and activities of your organisation. The main two types of contract are:

**Permanent:** As the name suggests means the contract has no fixed end date. You can include a sentence in the contract that clarifies that the job is permanent subject to continued funding.

**Fixed-term:** If you have funding for a specific project, you may wish to offer a fixed-term contract which runs for as long as the funding does. The contract would include an expiry date. It is important to note, however, that employees on fixed-term contracts have just as many rights as those on permanent contracts – including the right to receive redundancy pay after two years of employment.

Within these two types of contracts there are many different ways of working. Some of these are: **full-time, part-time, job-share** (two people sharing a full-time post), **term-time hours only, annualised hours**.

#### 2 | What is contained in a contract?

All the details about the employee's working conditions will be included. Some organisations choose to have

a shorter statement of terms and conditions with more detailed information contained in a staff handbook. We have detailed some of the standard areas included in a contract. Offering an attractive employment package with a good salary, generous holiday and good working conditions will attract good quality candidates and aid retention, as well as contributing to staff feeling valued by the organisation. However, you must always be realistic about what your organisation can afford.

**Hours:** it is up to your organisation how many hours you expect your employees to work. You would usually have a standard working week for all employees. In law, the maximum number of hours an individual may work is 48, averaged over a 17 week period. Workers can choose to work more than the average weekly limit. If they do so the agreement must be in writing.

**Pay:** The minimum wage is set out in legislation. You must operate a PAYE (Pay As You Earn) system, if the employee's earnings are above the thresholds for tax and National Insurance. (See Further Information section at the end of this sheet and also Section 8 of **Factsheet 15: Recruiting staff**).

**Holidays:** All workers are entitled to a minimum of four weeks paid holiday a year (20 days for full time staff). From 1 October 2007 this increases to 4.8 weeks, and from 1 April 2009 5.6 weeks (28 days for full time staff). This entitlement is pro rata for part-time staff.

**Sick leave:** An employee is entitled to **Statutory Sick Pay (SSP)** when s/he has been off sick for four or more days in a row. The rules about SSP are very complex, so you might wish to contact the **Department for Work & Pensions (DWP)** for more information. Some organisations specify what the employee will receive when off sick, over and above the statutory minimum. This can be full pay for a specified period (sometimes up to three or six months), then half pay for a further period.

## Parental leave

a) **Maternity leave:** All women are entitled to 52 weeks' maternity leave from their first day of employment. Those with sufficient length of service and pay levels are also entitled to receive Statutory Maternity Pay.

b). **Paternity leave:** Employees whose partners are giving birth or who are the father of a child are entitled to one or two weeks' paid paternity leave. Other types of leave available to parents include unpaid parental leave, which is available to parents of children under the age of five, or eighteen if disabled. There is also a right to take leave to deal with emergencies involving a dependent. In addition, parents of children under six, or 18 if disabled, may make a request to work flexibly.

**Pensions:** Employers need to provide access to a Stakeholder pension scheme if they do not provide another type of scheme and they employ more than five members of staff. It is not a legal requirement, however, that employers make a contribution to that scheme.

## 3 | Managing Your Staff

In addition to the Contract and Terms and Conditions there are other issues that will affect your employees:

**Insurance:** as an employer, you are required by law to have employer's liability insurance. See **Factsheet 18: Insurance**.

**Paperwork:** You are legally required to keep payroll and National Insurance contributions records and it is good practice to keep records of holiday and sick leave.

**Supervision:** Employees need to be properly supervised so that work is properly planned, carried out and monitored. Supervision is also a mechanism for supporting staff and highlighting and working out any problems. You should make it clear who the supervisor will be, how often supervision will take place and how it will be carried out. It is important to keep records of supervision sessions.

**Organisational policies:** These are the formal written documents that outline the processes by which the work of the organisation is undertaken. All the organisations' policies will have an impact on staff. These are some of them:

**Equal opportunities:** Your staff need a good understanding of equal opportunities and how it affects their work. See **Factsheet 5: Equal opportunities**.

**Health and safety:** This policy will give details of working conditions and what is expected of staff in relation to health and safety. See **Factsheet 17: Health and safety**.

**Disciplinary and grievance procedures:** These are the mechanisms by which the organisation deals with problems between employees and the organisation. The disciplinary procedure sets out the steps the organisation would take in the event of an employee's misconduct or poor performance. If the employee has a problem with the way s/he is treated at work, the grievance policy outlines how such a complaint would be dealt with.

**Training and staff development:** This might include information on promotion, re-grading of posts and procedures for staff training requests, etc.

## Further help

### Ask BVSC Helpline

0121 678 8888 [askbvsc@bvsc.org](mailto:askbvsc@bvsc.org)

### Development Agencies website

Links and information for developing voluntary and community organisations. [www.birmingham-da.org](http://www.birmingham-da.org) (a more detailed version of this factsheet is available on the website)

### Inland Revenue Employers Helpline

08457 143 143

### ACAS (Advisory, Conciliation and Arbitration Service)

Publications, including: [Discipline at work](#) and [Code of Practice on Disciplinary and Grievance Procedures](#). Helpline 08457 47 47 47 [www.acas.org.uk](http://www.acas.org.uk)

### Employing People: a handbook for small firms, ACAS. [www.acas.org.uk](http://www.acas.org.uk)

### The Good Employment Guide for the Voluntary Sector, Joy Dyson, NCVO.

[www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk) or tel: 0845 458 9910

**Just About Managing?**, Sandy Adirondack, London Voluntary Service Council. [www.lvsc.org.uk](http://www.lvsc.org.uk)

**Voluntary But Not Amateur**, Jacki Reason, Ruth Hayes and Duncan Forbes, London Voluntary Service Council. [www.lvsc.org.uk](http://www.lvsc.org.uk)

### DTI

Up-to-date information on employment law. [www.dti.gov.uk/employment](http://www.dti.gov.uk/employment)

### Business Link

Tailored interactive guidance on employment rights, including information on maternity, paternity and adoption leave and pay. [www.businesslink.gov.uk](http://www.businesslink.gov.uk)