

**Report to IT4Communities**  
**On the value of *pro bono* ICT advice, consultancy and support**  
*Paul Ticher: October 2005*

### **Background**

This report is intended to give IT4Communities (IT4C) a sound and realistic basis on which to allocate an approximate cash value to the *pro bono* work it brokers between IT specialists and voluntary organisations.

### **The underlying issues & methodology**

One approach would be to look at the value of the work from the perspective of the donors. In most cases it would be relatively simple to record the amount of time worked and then to calculate the remuneration that person would normally receive for that time. However, it was felt that for this exercise a more useful measure would be the value of the work as perceived by the recipients rather than the donors: if the recipient organisation had to pay for the work, how much would they expect to pay?

This immediately raises a number of questions.

### **Should we take account of the potential difference in quality of the work?**

Typical IT4C volunteers are senior and experienced professionals. A small voluntary organisation setting out to buy in support would be unlikely to have sufficient funds even to think of approaching that type of person. That does not in any way mean that the alternatives are necessarily less qualified, less experienced or less suitable; they may have specific skills that make them particularly appropriate for working with voluntary organisations, for example. However, it does mean that we cannot be sure that we are comparing like with like. In a small exercise such as this, the question is probably insoluble. It has therefore been assumed that all providers of support, whether from IT4C or paid-for alternatives are equally suitable and capable.

### **Are we looking at what voluntary organisations *actually* pay, or what it would be *reasonable* for them to pay?**

There are three basic approaches to charging. These are, broadly:

- 1) Fully commercial. As discussed above, full market rates are unlikely to be affordable by the majority of voluntary organisations, certainly the smaller ones.
- 2) A living wage. This is the approach taken by those who work within the voluntary sector, but on a commercial basis. It typically leads to rates which can be paid by medium-sized and large voluntary organisations, but are still out of the reach of many small ones.<sup>1</sup>
- 3) As little as possible. Services aimed at smaller voluntary organisations, in particular, often subsidise their support or provide it free, on the basis that the target organisations wouldn't prioritise spending money on it, and probably couldn't afford it if they did.

The result of this is that voluntary organisations can end up paying very different amounts for very similar services, depending on which sources of support they have access to, and the charging philosophy of the provider. IT4C itself adopts the third approach, offering a 100% subsidy. It does not appear helpful to put a value on its services by comparison with organisations that charge a nominal amount or charge less than the full cost, because the level of charge is essentially arbitrary. The most useful option to concentrate on, therefore, is the second. This represents the full cost of providing ICT support at a reasonably affordable level but without any overt subsidy (ignoring the element of hidden subsidy when people work for less money than they could earn, because the work satisfies them in other ways).

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<sup>1</sup> In the voluntary sector "small" is generally taken to be organisations with an annual budget of under £100,000, while over half of all charities are "very small", with annual income of less than £10,000.

The approach is also consistent with the growing movement towards the “full cost recovery” model of budgeting and paying for ICT in voluntary organisations. This encourages voluntary organisations to be realistic about the actual cost of providing their ICT facilities and then to expect funders to meet the cost of ICT support for the outcomes they are funding. If the organisation is also able to raise a contribution in kind by attracting support from volunteers or accessing a subsidised service, so be it, but this subsidy should be acknowledged, not ignored.

Using the reasonable full cost of provision also enables IT4C to establish a value of its services to the voluntary sector as a whole, not just to individual organisations. If a service is subsidised, someone, somewhere has to pay for it, and IT4C is covering that potential contribution as well as the actual charge paid by the recipient organisation.

In order to work out what organisations should reasonably be paying for their ICT support, this report sets out to establish *a priori* what might be a reasonable level to charge for ICT support to voluntary organisations, then to validate this by looking at what a range of providers actually charge.

### **What counts as a “living wage”**

A “living wage” means different things to different people, at different times in their careers and in different family situations. In order to get a sense of what might be considered reasonable, a range of job vacancies for ICT-related posts in the voluntary sector have been collated and analysed.

### **Should we treat IT4C volunteers as sole traders or part of an organisation?**

Many ICT consultants in the voluntary sector operate as sole traders or loose coalitions of individuals. They typically have much lower overheads than people employed by organisations which have to fund premises and other costs. As will be seen, this can lead to large variations in fee levels. Using an organisation has advantages, however, including greater reliability and the benefits of the support which the organisation is able to give its staff.

Although IT4C volunteers operate as individuals when they are working with a voluntary organisation, they do generally have some benefit from organisational support. The range of figures is given below, so that IT4C can adopt whichever benchmark it feels most appropriate.

### **Calculating a “living wage”**

A normal working year can be calculated by taking the 260 weekdays and deducting, say, five weeks (25 days) for paid holiday, eight days for public holidays and, say, seven days for absence. (The national figure varies between about six and nine days, depending on the sector and type of job<sup>2</sup>.) That gives a total of 220 working days.

A fully employed sole trader working in ICT consultancy or support needs to spend as much as half of their time on work that does not directly earn a fee — marketing, administration, personal development and the like — say 100 days a year. This leaves a total of 120 fee-earning working days per year. The average fee element of their charges, for a daily rate, should therefore be their target pre-tax income divided by 120. In order to give scope for discounts and for taking on work at lower rates quoted rates will generally be slightly higher than this average. A good rule of thumb, therefore, is to divide the target income by 100 in setting the nominal daily rate.

Each individual will set their target income differently, but one way to assess what a realistic income might look like is to consider what might be earned in employment for similar tasks. The following section reports on recent job vacancies for posts related to ICT in the voluntary sector.

<sup>2</sup> Current *Gee's Personnel Managers' Factbook*, quoting CIPD and other surveys.

### **Circuit rider & other support posts**

There has recently been a large number of new ICT support posts, thanks to funding from ChangeUp for circuit riders and similar initiatives. Many of these are hybrid posts, involving some hands-on technical support and problem-fixing, alongside advice on strategy, help with procurement, signposting to other sources of support, etc. From time to time posts come along which are aimed at providing a web site development service, or help with web site development, but no highly technical posts such as network installation and maintenance were found in this survey.

Posts have been grouped together roughly by type of work, although it is not always possible to be sure of the balance envisaged between immediate technical and more strategic activities.

<b>Post title (short)</b>	<b>Role</b>	<b>Hrs</b>	<b>Salary</b>	<b>Location</b>
<i>Management &amp; coordination</i>				
Director of Strategy & Partnership	Direct work on digital inclusion, including lobbying	n/s	£30,000– £35,000	Wiltshire
Project director	Coordinate training workshop	35	£23,351	Manchester
Coordinator	Oversee ICT programme	15	£21,000 pro rata	Wiltshire
Hub Manager	Develop partnerships and oversee training material development	n/s	£30,000– £35,000	National
General Manager	Social enterprise company	35	£26,157	Notts.
Project Manager	Manage circuit rider project	f/t	£24,763	Camb.
<i>Consultancy &amp; advice roles</i>				
Adviser	Help voluntary organisations identify ICT needs and make plans	37	£22,512– £24,000	Unspecified
ICT Development Worker	Help voluntary organisations identify ICT needs and make plans	f/t	£20,295– £22,512	Derbys.
<i>Development roles with little technical content</i>				
Project Officer	Promote community ICT use	n/s	£19,640	Dorset
ICT Development Worker	Identify voluntary sector ICT support needs & develop services	35	£26,000– £28,000	London
ICT Development Worker	Identify voluntary sector ICT support needs & develop services	n/s	£27,502	London
ICT Support Officer	Develop network of ICT support organisations	n/s	£24,717– £28,061	Sheffield
<i>Support roles with significant technical content</i>				
IT support worker	Roving IT support service	35	£27,039	London
ICT officer	Support community ICT	15	£21,000 pro rata	Wiltshire
ICT Officer	Day to day running of ICT dept.	n/s	c£30,000	National
Support Engineer	Mobile support & call centre	35	£19,656	Notts.
Circuit Rider Devel. Worker	Mobile ICT support	21	£27,039 pro rata	London
IT and Information Support Worker	Deliver info and IT support service to voluntary & comm. groups	25	£22,512 pro rata	Glos.
<i>Training roles</i>				
Hub Training Manager	Develop training materials and deliver training	n/s	£21,000– £24,000	National
<i>Web site development roles</i>				
Web Development Officer	Support groups in adopting e-mail and setting up web sites	n/s	£23,265	Herefords.

This gives averages and ranges as follows:

	<b>Average</b>	<b>Range</b>
Management & coordination	£26,712	£21,000 – £35,000
Consultancy & advice roles	£22,330	£20,295 – £24,000
Development roles with little technical content	£25,133	£19,640 – £28,061
Support roles with significant technical content	£24,541	£19,656 – £30,000

Training roles	£22,500	£21,000 – £24,000
Web site development roles	£23,265	£23,265
Overall	£24,924	£19,640 – £35,000

The overall figures translate into potential nominal daily rates of about £250 on average, ranging from £200 to £350. The detailed breakdown is discussed further in the conclusions. Note that all figures for fees take no account of VAT, and nor is any account taken of London weighting. (Only four of the jobs in the list above are definitely London-based.)

For comparison, the Charity Rewards Survey in 2002 reported that its category of Finance, Computing and Legal is the highest paid part of the voluntary sector.

Typical job descriptions in its Rank 3 are IT Manager or Operations Manager, and the median basic salary is £26,781, while the upper quartile is around £30,500. At the same ranking, computing specialists have a median of £29,684, with an upper quartile around £30,500. (All salaries are quoted inclusive of London weighting)

In Rank 2 (Senior Manager, reporting to a Head of Function or Director) typical job descriptions are Head of IT, Head of Information Systems or Technical Services Manager. The median basic salary here is £34,000, with an upper quartile of about £39,200.

Given that the above figures include London weighting, even though they are several years out of date they give a very similar picture of ICT-related salaries being around £25,000, with only technical specialists and senior managers getting appreciably more.

Comparisons with industry and commerce show salaries generally in the voluntary sector to be consistently lower by £2,000 to £5,000 for equivalent jobs.

### ***What other people pay/charge***

Although a wide variety of voluntary organisations were canvassed, along with providers of ICT support to the sector, responses were only obtained from providers. Additional material was obtained from a report by Simon Davey<sup>3</sup>. Results from individuals and from organisations are tabulated separately.

### **Individuals**

<b>Type of work</b>	<b>Per day</b>	<b>Per hour</b>	<b>Other</b>
Circuit rider	£350	£50	
Circuit rider	£350	£50	
Circuit rider	£280	£44	
Circuit rider	<i>£265</i>	<i>£40</i>	£55 first hour, then £35/hour
Consultant	£400	<i>£60</i>	+ VAT
Consultant	£450	<i>£65</i>	
Consultant	£200	<i>£25</i>	
Consultant	£400	<i>£60</i>	
Consultant			"one third of commercial rate"
Database development	£300	<i>£45</i>	
General ICT support			"about the same as a plumber"
Training	<i>£140</i>	£20	Aimed at individuals, not organisations

*Figures in italics are notional rates calculated from the information given, based on a seven hour day and rounded up from days to hours, down from hours to days.*

<sup>3</sup> Report and Feasibility Study for an IT Support Service in North Yorkshire, 2004

For web sites the information suggests an initial charge of £1,000 to £2,000 to set up a relatively simple site, then maintenance charged by the hour as necessary. Entry-level web site design jobs are advertised at around £18,000 – £22,000 (i.e. £200 a day on our rule of thumb).

## Organisations

Again, figures in italics are notional rates calculated from the information given, based on a seven hour day and rounded up from days to hours, down from hours to days.

Type of work	Per day	Per hour	Other
Consultancy	£500	£75	+ VAT
Troubleshooting	£350	£50	
Specific jobs	up to £600	£90	
Technical services	£500	£75	Based on £250/half day
Technical support	£500	£75	
Technical support	£175	£25	£50/hour outside normal hours
General ICT support	£280	£40	£22.50/hour long-term support
Call centre support			£1.50/minute
Pre-paid ad hoc support	£195	£30	£55 for two hours
Support contract	£190	£30	£648 p.a for up to 20 PCs, assuming two hours/month
Support contract			Annual £525 server, £65.63 per machine (11–20 machines)
Support contract			£300 p.a. for up to five PCs
Support contract			Annual £65 per PC (11–20 machines), server £500
Support contract			£62.45 p.a. 20 PCs (PC World)
Support contract			£300 p.a. up to five PCs

The following are probably atypical and it is suggested that they be excluded from the analysis:

Voluntary sector	£150	£25	(Voluntary organisation charging out staff time)
Statutory sector	£300	£45	
Technical support	£200	£30	(Academic institution)

These figures support the conclusion from analysis of salaries, that daily rates for services which have a technical emphasis tend to cluster at the lower end of the scale, typically between £250 and £350, while support requiring advanced technical skills and consultancy are generally in the range of £400 to £500.

## Recommendations

[Information from all the discussion above will be taken into account in producing recommendations under the following headings, as requested:

- advice
- audit
- consultancy
- database
- network
- technical support
- strategy
- training
- trustee
- website