



Pay and grading issues – mainstream posts

Report by Steve Vale, HR Consultant

1. Earlier this year, Fareham Borough Council commissioned a review of its pay and grading structure. This reports looks at the outcomes of a pay benchmarking exercise for “Mainstream” posts.
2. A separate report on *Restructuring at senior level – pay and grading implications* looks at the relationship of pay levels for senior posts at Fareham Borough Council with those in District Councils elsewhere in the South East region, as well as dealing with changes to the grading of individual posts, following the restructuring. It recommends some changes to pay levels at Director and Head of Service level, to secure alignment to market norms in the local authority sector.
3. There are also some issues for mainstream posts which need to be considered alongside the proposed changes at senior level. These are:
 - A. Ensuring that overall level of mainstream pay also aligns with market norms in the local authority sector – as the economy strengthens, the Council is already experiencing recruitment and retention difficulties throughout the organisation;
 - B. The relationship of pay levels in the lowest grade with legal requirements under the National Minimum Wage (NMW) and with the lowest pay rates in the national (NJC) pay scales for local government employees.
4. These issues are dealt with in turn below.

Issues relating to the overall level of mainstream pay levels

5. One of the reasons for reviewing the Senior Manager salaries was a concern that, as the economy recovers, the Council could encounter recruitment and retention difficulties which would be damaging to service quality. On this basis, it needed to ensure that pay levels were aligned with regional norms (i.e. are in line with the median pay rate for comparable jobs in other local authorities in the South East Region).
6. The same concern could obviously apply at lower levels in the organisation. To counter the risk of recruitment and retention problems at this mainstream level the

Council also needs to undertake a check on how its salaries compare generally with other District councils in the South East Region.

7. With regard to the pitch of salaries in comparison to other Districts in the South East, an overall picture of pay levels elsewhere in the region must be established. Unlike senior salary information (which is legally required to be available on Council websites), very comprehensive “like for like” salary information about mainstream posts is not easily accessible or readily available.
8. However, Databases like Epaycheck, to which the Council already subscribes, provide a reasonable quality and quantity of sample data which can be used with confidence to give a good indication of the market norm for comparable posts.
9. This data does not include the impact of the national (NJC) local government pay award for 2014 and 2015, as at the time it was collected the award had not been agreed, nor was there any indication of what the award was likely to be.
10. There are a number of Councils in the South East who determine their own pay awards locally. Given the date at which the data was collected it does not include any 2014 increase paid by these Councils. It is also reasonable to expect that the local pay awards paid by such Councils will at least match any national pay award.
11. There is also a small amount of private sector data e.g. refuse loaders. Therefore the Council should also take some account of the wider jobs market, the overall position on pay levels and demand for employees will have an impact on the Council’s ability to recruit and retain. Unemployment is falling at the moment, vacancies are increasing and the predicted level of pay settlements in the private sector in the coming months indicates median increase of around 2.5%.
12. The Council will implement the national pay award in January 2015. The long term impact of this on salaries (excluding the non-consolidated elements of the national award) will be to increase all Fareham salaries by at least 2.2%, with higher increases for the lowest paid staff.
13. However, since many other Councils will also make pay awards of at least 2.2% at the same time as Fareham, the relationship between the levels of Fareham salaries and levels elsewhere will not change as a result of the pay award – the 2.2% pay award will apply to both sides of the comparison of Fareham pay rates with those elsewhere.
14. Accordingly, the outcomes of benchmarking based on pre-2014/15 increase data will by and large remain valid.
15. There are some areas where the Council is already experiencing retention and recruitment problems and a list of posts where problems have recently been encountered is set out below:
 - Senior Enforcement Planner
 - Principal Planner

Civil Enforcement Officer
Personnel Assistant
Area Team HCC Manager
Planner and Compliance Officer
PR and Marketing Officer
Principal Environmental Health Officer

16. The sample of posts where an Epaycheck comparison is possible has been determined by the following criteria:
- Comparisons with Councils in the south-east region only;
 - Reasonable certainty of approximate “like for like” comparison;
 - Comparisons where there is data from at least three comparators in addition to Fareham.

The Epaycheck data has been extracted by Council staff, but I have undertaken the analysis and drawn the various conclusions from the data.

17. On this basis, the list of posts where sample comparisons is:

Auditor
Technical Officer (Building Control)
Principal Building Control Surveyor
Customer Service Advisor
Customer Service Team Leader
Democratic Services Assistant
Democratic Services Officer
Personnel Assistant
Civil Enforcement Officer
Planning Officer
Principal Planning Officer
Revenues Officer
HGV Driver
Refuse Loader

18. It will be seen that there is a degree of overlap between the above list and that in paragraph 15.
19. Annex A sets out the result of comparing the Fareham pay levels for the sample posts with the medians derived from Epaycheck data.
20. For the purposes of establishing the comparison between Fareham pay rates and the median pay rates in the comparators, it is suggested that closest attention is paid to the comparison of maximum pay levels. This is because of the fact that, in making decisions about whether to seek employment elsewhere, employees tend to compare their current maximums with the maximum salary for comparable jobs elsewhere.
21. It will be seen that, on average, the maximum pay levels for mainstream posts at Fareham are 4.6% below the median maximum pay levels for equivalent posts

elsewhere in the South East. As has been noted above, the impact of the 2014/15 pay awards will not change this position.

22. Thus, the result of the benchmarking comparison with pay rates elsewhere (making allowances for the fact that, at the margin, some of comparator data may include a few 2014 pay awards) suggests that an increase of 4% in pay rates would be needed to achieve closer general alignment with the local government pay market for the South East.

Pay levels in the lowest grade and their relationship with the National Minimum Wage (NMW) and with the lowest pay rates in the national (NJC) pay scales for local government employees

23. The adult NMW increased to £6.50 per hour from 1st October 2014, this is equivalent to an annual salary of £12,506 for a 37-hour week. Since Fareham's lowest rate of pay at that date was £12,380, it has been increased on a temporary basis to align with the NMW.
24. The agreed national (NJC) pay award in January 2015, will ensure that the lowest rate at Fareham would be nearly £1,000 per annum higher than the NMW.
25. If the Council then applies a further 4% increase to all SCPs from 1st April 2015, the lowest rate of pay at Fareham would be £14,040. This would be well ahead of the lowest national rate of pay, which will still be at £13,500, and more than £1,500 ahead of the NMW.

Steve Vale

November 2014

E-PAY CHECK COMPARISONS

1. ANALYSIS BASED ON SCALE MIMINUMS

JOB TITLE	MEDIAN	FAREHAM	% above or below comparator median MIN	
	MIN	MIN		
AUDITOR	£ 25,252	£ 25,109	0.57%	☹
TECHNICAL OFFICER (BLDG CNTRL)	£ 19,519	£ 18,687	4.45%	☹
PRINCIPAL BUIDING CONTROL SVR	£ 39,417	£ 35,710	10.38%	☹
CUSTOMER SERVICE ADVISOR	£ 17,181	£ 18,687	8.06%	☺
CUSTOMER SERVICE TEAM LDR	£ 22,961	£ 22,146	3.68%	☹
DEMOCRATIC SERVICES ASST	£ 18,645	£ 16,295	14.42%	☹
DEMOCRATIC SERVICES OFFICER	£ 25,076	£ 25,109	0.13%	☺
PERSONNEL ASSISTANT	£ 18,387	£ 16,295	12.84%	☹
CIVIL ENFORCEMENT OFFICER	£ 16,040	£ 18,687	14.16%	☺
PLANNING OFFICER	£ 24,480	£ 25,109	2.51%	☺
PRINCIPAL PLANNING OFFICER	£ 36,094	£ 39,690	9.06%	☺
REVENUES OFFICER	£ 20,069	£ 16,295	23.16%	☹
HGV DRIVER	£ 17,846	£ 18,687	4.50%	☺
REFUSE LOADER	£ 15,530	£ 14,091	10.21%	☹
AVERAGE (below comparator median)			2.95%	☹

2. ANALYSIS BASED ON SCALE MAXIMUMS

JOB TITLE	MEDIAN	FAREHAM	% above or below comparator median MAX	
	MAX	MAX		
AUDITOR	£ 29,532	£ 28,253	4.53%	☹️
TECHNICAL OFFICER (BLDG CNTRL)	£ 23,117	£ 21,449	7.78%	☹️
PRINCIPAL BUILDING CONTROL SVR	£ 42,918	£ 39,690	8.13%	☹️
CUSTOMER SERVICE ADVISOR	£ 19,566	£ 21,449	8.78%	😊
CUSTOMER SERVICE TEAM LDR	£ 25,965	£ 25,109	3.41%	☹️
DEMOCRATIC SERVICES ASST	£ 20,526	£ 18,687	9.84%	☹️
DEMOCRATIC SERVICES OFFICER	£ 29,190	£ 28,253	3.32%	☹️
PERSONNEL ASSISTANT	£ 21,734	£ 21,449	1.33%	☹️
CIVIL ENFORCEMENT OFFICER	£ 19,817	£ 21,449	7.61%	😊
PLANNING OFFICER	£ 31,405	£ 26,539	18.33%	☹️
PRINCIPAL PLANNING OFFICER	£ 41,919	£ 43,282	3.15%	😊
REVENUES OFFICER	£ 23,271	£ 18,687	24.53%	☹️
HGV DRIVER	£ 20,337	£ 21,449	5.19%	😊
REFUSE LOADER	£ 17,498	£ 16,295	7.38%	☹️
AVERAGE (below comparator median)			4.56%	☹️