



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Employment Committee

27 January 2021

Report of Councillor Dr Peter Moseley,
Cabinet Member for Commercial and
Operations



Street Scene Pay

In 2020/21 a benchmarking exercise conducted on the terms and conditions and working practices of operatives, drivers and supervisors in the Street Scene department recommended to Cabinet in September 2020 for a 5% market supplement and budget adjustment to be paid for the remainder of 2020/21. This report proposes that the 5% market supplement continues as an interim measure until the wider organisation wide pay review as identified in the Corporate Plan takes place.

Report Author

Neil Moverley, Senior HR Officer

Tel: 01476 40 6135

Email: n.moverley@southkesteven.gov.uk

| Corporate Priority: | Decision type: | Wards: |
|---------------------|----------------|-----------|
| Administrative | Administrative | All Wards |

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| Reviewed by: | Ian Yates, Assistant Director Commercial and Operations | 18 January 2021 |
| Approved by: | Gary Smith, Strategic Director Commercial and Operations | 18 January 2021 |
| Signed off by: | Councillor Dr Peter Moseley, Cabinet Member for Commercial and Operations | 19 January 2021 |

Recommendation (s) to the decision maker (s)

1. Recommends that a 5% market supplement that is currently in place for Street Scene roles continues as an interim arrangement until the organisation wide pay review is undertaken, as identified in the Corporate Plan. The organisation wide pay review is due to be undertaken by March 2022.

1 The Background to the Report

- 1.1 At the beginning of the 2020 calendar year and the pandemic, Street Scene Loader Operatives and Drivers were identified as key workers for maintaining the health and wellbeing of the district. An initial salary benchmarking exercise against local districts identified that Loader Operatives (this description includes refuse collection loaders and street cleaners) were the lowest paid in the Lincolnshire area against comparative roles in District Councils which directly employed their own Street Scene teams.
- 1.2 From March 2020 to September 2020 Street Scene operatives, drivers, supervisors and depot administrative staff received a temporary £10 a day attendance allowance as recognition of their dedication and the importance of their role to continue this critical public service during the pandemic. This was backed up by the initial benchmarking results. During this period Covid-19 safe working practices were introduced following industry and government guidelines and best practice to mitigate risk where possible.
- 1.3 A more detailed benchmarking exercise was carried out during this period following the initial benchmarking exercise. This exercise confirmed that Loader Operatives at South Kesteven District Council (SKDC) received the lowest salary in the area. Drivers were also identified as having the lowest hourly rate but due to receiving five hours contractual overtime each week for the checking and cleaning of vehicles, did not necessarily have the lowest annual salary.
- 1.4 With the temporary attendance allowance ending 30 September 2020 the salaries and working practices identified in the benchmarking exercise were reviewed and a recommendation was made to Cabinet that a temporary 5% market supplement be made to front line roles from 1 October 2020 to March 31 2021. This decision was taken by Cabinet on the 9 September 2020 and in-year budget adjustments were agreed at the same time to cover the additional cost.
- 1.5 A 5% uplift of salary to replace the temporary £10 a day attendance allowances was proposed as a pragmatic medium term solution that, within the bounds of HR policy, achieved the aims of placing the base salary of the impacted employees on a par with neighbouring districts.
- 1.6 The impact on the individual salary grades (excluding on-costs) of a 5% uplift are shown in Table One.

Table One.

| Role | Hours per week | 2020/21 Salary (Pro rata) | 5% Salary Increase | 20/21 Salary 5% uplift (Pro rata) | Average Salary comparison |
|-------------------------|-----------------------|----------------------------------|---------------------------|--|----------------------------------|
| Loader Operative | 37 | £17,667 | £883 | £18,550 | £18,404 to £18,701 |
| LGV Driver | 42 | £22,108 | £1,105 | £23,218 | £24,407 |
| Supervisor | 37 | £24,363 | £1,218 | £25,581 | £25,411 |

- 1.7 Over the last four years it has been increasing difficult to recruit Large Goods Vehicle (LGV) drivers, an increase in salary will improve the attractiveness of the role to qualified candidates. In order to provide a career development opportunity and as part of workforce

planning up to four Loader Operatives a year are given the opportunity to carry out an LGV apprenticeship.

- 1.8 The proposal to Employment committee is that the currently agreed 5% market supplement is endorsed to continue in the interim ahead of the wider Council pay review. Following the Cabinet decision in September, the budget preparation for 2021/22 has incorporated the Street Scene 5% market supplement as a planning assumption and, subject to Member support, there is budgeted funds to cover the additional cost.
- 1.9 This pay review is set out in the recently agreed Corporate Plan and is expected to review staff remuneration arrangements and salary levels across the Council to support the retention and attraction of high quality staff. This provides the appropriate context to revisit Street Scene salaries alongside any changes to SKDC pay grades and pay arrangements on a longer-term basis.

2 Available Options Considered

Options as to which Street Scene roles should receive an increase in salary

- 2.1 With relation to who would receive a potential increase three options were considered for the proposal
- i) Only Loader Operatives receive the increase.
 - ii) Only Loader Operatives and Drivers receive the increase.
 - iii) Loader Operatives, Drivers and Supervisors roles receive the increase.

Either of the first two options would degrade the salary differential between operative and driver posts and the supervisor posts. This would not recognise the distinct nature of the roles, the difference in duties or the different level of responsibilities for each role.

Options considered regarding a pay increase to Street Scene front line roles.

Option One – No increase.

- 2.2 Revert Street Scene pay back to their substantive SK pay grades with no uplift in pay. This is not recommended as an option. It has been identified that there is a significant pay gap between Street Scene staff at SKDC compared to direct comparative roles at neighbouring councils.

Option Two – The existing interim 5% market supplement continues until a wider pay review.

- 2.3 The 5% market supplement is carried forward on an interim basis as a market supplement.

The option of a market supplement is the most appropriate option for consideration as a short to medium term solution. A market supplement would be an appropriate interim option until the wider corporate pay review.

Option Three – Creation of New Grades

- 2.4 New pay grades are created for Loader Operatives, Drivers and Supervisors. These would be the equivalent of a 5% increase.

2.5 Street Scene employees make up to 17% of the council's workforce, this is a significant portion of the council's workforce and conducting a separate pay review creates the potential for duplicating work at a later date if the new salaries do not fit within the later corporate pay review recommendations.

2.6 Increasing the salaries of posts outside the existing pay structure and not using recognised pay evaluation methods carries higher risks of equal pay claims.

Option Four – Job Evaluation

2.7 That the roles are job evaluated against current duties and the associated SK pay grade for each role is increased to match to existing SK grades, in line with the job evaluation.

2.8 This is possible for the Driver and Supervisor roles; however, the Loader Operative role may not meet the requirements for a job evaluation as the current role has not significantly changed since the role was last evaluated.

2.9 If a job evaluation was to take place on the current pay grade scheme the pay grades do not match the planned budget allocation or benchmarked pay. For instance, the next two grades for a Driver are 2% and 13% higher than the current grade which would place the pay outside of the average salary range for the area.

3 Preferred Option

3.1 The recommendation to the Employment Committee is Option Two with Loader Operatives, Drivers and Supervisors in Street Scene continuing to receive a 5% market supplement until the roles and pay are reviewed as part of the planned organisation wide pay review.

4 Reasons for the Recommendation (s)

4.1 A market supplement acknowledges that the roles have been fairly benchmarked against directly comparative roles at four neighbouring District Councils. Market supplements should be a temporary or interim measure and are not a permanent solution. Where market supplements are introduced it is recommended that they are reviewed annually to prevent them becoming a permanent fixture.

4.2 Market supplements are not recommended as a permanent solution but would be a sensible approach for maintaining benchmarked pay in the interim until a pay review is completed and is in line with the Council's processes and procedures relating to pay.

5 Financial Implications

5.1 A 5% increase in salary for Street Scene employees equates to approximately £197,000 per annum and is currently built in to the 2021/22 budget.

5.2 Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

6 Legal and Governance Implications

6.1 The equal pay risks identified in the report need to be mitigated and the Committee should ensure that the wider pay review is carried out as planned.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

7 Equality and Safeguarding Implications

- 7.1 A potential risk of claims of equal pay by officers upon the same grade as identified in section 8 of this report.

8 Risk and Mitigation

- 8.1 It should be acknowledged that increasing salaries for a group of employees carries with it a knock-on risk of; employees in other roles requesting pay re-evaluations, equal pay or backdated pay claims.

Benchmarking Pay

- 8.2 By carrying out a benchmarking analysis and subsequently implementing a market supplement, there is a risk that employees in other roles within the council will request benchmarking of their pay against other organisations.
- 8.3 A criteria and response to requests should be agreed to ensure a consistent response is in place.

Equal Pay Claims

- 8.4 The level of risk is identified as low as any claim would have to prove that individuals bringing an equal pay claim are in comparable roles.
- 8.5 Creating a new grade (Option Three) via a 5% increase without using the job evaluation scheme or a wider review of salaries or failing to identify a change to roles and responsibilities whilst creating a grade outside of the normal pay structure would increase the risk to SKDC.
- 8.6 An interim market supplement followed by an organisation wide review of pay mitigates the risk of equal pay claims by demonstrating clear material factors for changes in pay.

Backdated Pay Claims

- 8.7 The risk is considered low where job evaluation schemes or an organisation wide pay review are used to review salaries and a clear process is followed.
- 8.8 Under employment law backdated pay claims are capped at a maximum 2 year limit.

9 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- *Not Applicable.*

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| Report Timeline: | Date of Publication on Forward Plan (if required) | Not Applicable |
| | Previously Considered by: | Not Applicable |
| | Final Decision date | 27 January 2021 |